ACT NO. 166/1993 COLL.
ON THE SUPREME AUDIT OFFICE
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, the jurisdiction, the organizational structure and other details regarding the Supreme Audit Office shall be defined by law.
Act No. 166/1993 Coll. on the Supreme Audit Office
SUPREME AUDIT OFFICE ACT No. 166/1993
of 20 May 1993


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

PART ONE

INTRODUCTORY PROVISIONS

Section 1

(1) This Act governs the status, the jurisdiction, the organisational structure, and the 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 final 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 legal regulations, shall review whether they are substantively and formally correct, and shall examine whether they are effective, economical, and efficient.

(2) The facts being ascertained shall be subject to audit by the Office irrespective of the type and degree of their confidentiality.

(3) The result of an audit of the Office is an audit conclusion. The audit conclusion is a written report 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;

1 A very special term distinguishing this kind of report from all others.
(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\(^2\) and to the data from the information systems of the State Treasury\(^3\).

(5) It is possible to use only those data that are indispensable for completion of the given task.

**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 final 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

---

\(^2\) Act No 365/2000 Coll., on information systems of public administration and on alternation of certain acts, as amended.

\(^3\) 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 since such a report has been submitted by the government to the Chamber of Deputies.

(3) The Office shall submit to the Chamber of Deputies its opinion on the draft of the state final account within four months since such a draft has been submitted by the government to the Chamber of Deputies.

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 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 surveillance over the management of political parties and political movements under the Act on association into political parties and political movements.

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

(a) the draft audit plan and its changes;
(b) the draft budget including its changes, budgetary measures, and the final account of the budget chapter of the Office;
(c) all audit conclusions from which the opinion on the draft of the state final account proceeds;
(d) the draft of the annual report on the work of the Office in the past financial year (hereinafter ‘the annual report’);
(e) the draft organisational and working rules of the Office, including their amendments;
(f) the draft rules of procedure of the Board of the Office and of the Senates of the Office, including their amendments;
(g) the draft disciplinary rules;
(h) suggestions from the Chamber of Deputies, the Senate, their bodies and the Government.

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

(5) 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 conclusions, proposals, and opinions that are related to the Office’s activity. If he or she requires to be given the floor, he or she shall be given it.

(6) When the Chamber of Deputies, the Senate, or their bodies ask for the presence of the President of the Office at their deliberations, he or she shall attend such deliberations.
(7) The President of the Office is entitled to attend meetings of the Government when audit conclusions and opinions on them are discussed. If he or she requires to be given the floor, he or she shall be given it.

(8) When the President or the Vice-President of the Office do not temporarily perform their official duties, the office of the President of the Office shall be always performed by the doyen of Members of the Office.

Section 9

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

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

(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 specify so.

Section 10

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

(a) is legally competent;

(b) is unimpeachable, meets the conditions set by special legislation\(^4\) and his or her experience and moral qualities provide the guarantee that he or she will properly perform his or her official duties;

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

(d) reached the age of thirty-five.

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

(3) The President and the Vice-President of the Office shall personally submit their oath of office to the President of the Czech Republic.

---

\(^4\) 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.
(4) The oath of office of the President and of the Vice-President of the Office reads: ‘I swear my allegiance to the Czech Republic. I swear to observe its Constitution and its laws. I swear on my honour to perform my office independently and impartially and not to abuse my position.’

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

(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 local self-government 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 impair the dignity of the Office 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.

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

(a) the expiration of their term of office;

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

(c) the 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 remove the President or the Vice-President of the Office only:

(a) when 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 removal.

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 a 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 when he or she:

(a) is legally competent;

(b) is unimpeachable, meets the conditions set by special legislation\(^5\) and his or her experience and moral qualities provide the guarantee that he or she will properly fulfil his or her official duties;

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

(d) reached the age of thirty.

(4) Every Member of the Office shall submit an official oath to 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 observe its Constitution and its laws. I swear on my honour to perform my office independently and impartially and not to abuse my position.’

(6) Members of the Office shall assume their office upon submission of 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 local self-administration 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 impair the dignity of the Office 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.

\(^5\) 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.
(9) The office of a Member of the Office shall be terminated upon:

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

(b) the attainment of the age of 65 years;

(c) the removal by the Chamber of Deputies on the basis of a final decision of the Disciplinary Chamber of the Office, proposing the removal;

(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 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 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. Deliberations of the Board of the Office shall be governed by the rules of procedure, which shall provide, in particular, for the form of decision-making, the voting procedure, and the manner of publishing the opposite view.

(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, its changes, budgetary measures, the final account of the state budget chapter of the Office, and the financial statements of the Office drawn up on the balance date;

(c) all audit conclusions on which the opinion on the draft state final account is based;
(d) the annual report;

(e) the audit conclusions it set for itself when approving the audit plan or 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) organisational rules and their amendments;

(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 him or her its approval.

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 vote of all their members, a decision shall be adopted when it is approved by majority of the members of the respective Senate. Deliberations of the Senates of the Office shall be governed by their rules of procedure, which shall include, in particular, the form of decision-making, the voting procedure, and the manner of publishing the opposite view.

(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 conclusions for which they were established.
(4) Senates of the Office shall rule on appeals filed against rulings on objections regarding audit protocols, which serve as the basis for the audit conclusions 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 the 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 audits to be realised in the next financial year in terms of their subject and schedule.

(2) The Office is entitled to procure data/documents to work out the audit plan and its changes. 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 gained materials can 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 shall ensue from activities of the Office, from the Chamber of Deputies, the Senate and their bodies, and from the Government.

(4) The audit plan of each specific audit shall include 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 schedule of the audit;

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

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

(5) The approved audit plan shall be submitted for information to the Chamber of Deputies, to the Senate, and to the Government by the President of the Office, and he or she shall publish the audit plan in the Bulletin of the Supreme Audit Office (hereinafter ‘the Bulletin of the SAO’).

(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 Bulletin of the SAO pursuant to paragraph 5.

Section 18

Annual report

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

(2) The annual report shall contain in particular:

(a) an evaluation of the audit plan;

(b) a financial assessment of benefits of audits;

(c) an evaluation of other activities.
(3) The annual report shall be submitted for information 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 and he or she shall publish it in the *Bulletin of the SAO*.

**Rules of Audit Procedure**

**Section 19**

(1) The Rules of Audit Procedure shall govern the procedure to be followed in performing an audit 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 by a Member of the Office authorised by him or her to do so.

(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) The audit may not be performed by auditors who are liable to bias due to their relationship to the auditees or to the subject of the audit.

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

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

(4) An objection to bias of an auditor shall be ruled on without undue delay.

(5) Until the ruling on the objection to bias is made, the affected auditor in charge 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, the land and other premises of auditees provided that these are related to the object of the audit, the inviolability of domicile is guaranteed;

(b) demand from auditees to submit, ahead of specified deadline, original documents and other papers, data from information systems (whose administrators or operators they are) on electronic storage devices; or their excerpts and source program codes, samples of products or other goods (hereinafter ‘documents’), as well as make video and audio recordings;

(c) become acquainted with confidential information provided that they submit a certificate for the relevant level of confidentiality of such information issued pursuant to the special legislation;

(d) demand from auditees true and full, oral and written information on the facts being ascertained and on facts relating thereto;

(e) in legitimate cases, retain documents; they shall sign and acknowledge receiving of such documents and provide the auditees with copies of such documents;

(f) demand that auditees present, within a set term, a written report on the elimination of the ascertained deficiencies;

(g) use the telecommunication equipment of auditees and use data connection to public electronic communications network to carry out an audit;

(h) require from auditees or from other audit body accounting records from the central system of state accounting information, or require

---

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

7 Act No 412/2005 Coll., on the protection of classified information.
accounting records from the administrator of the central system of state accounting information, in accordance with the Act on Accounting,

(i) demand that, in the given time, auditees make available those data which are related to the audit object and which are stored or processed in the auditee’s information system as well as in others files and applications and which are not a part of information systems of the public administration.

Section 22

(1) The auditors shall ascertain the true state of affairs at the audit and this shall be supported by hard evidence.

(2) The auditors shall in addition:

(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 retained documents to the auditees when the grounds of their retention have passed;

(d) duly safeguard retained documents against their loss, destruction, damage, or misuse;

(e) draw up an audit protocol\(^8\) on the results of the audit;

(f) keep all facts of which they have learned in the course of the audit confidential and not exploit knowledge of such facts.

Section 23

Auditors may be relieved of their obligation of professional secrecy by the person in whose interest they have such duty or, on the ground of an important public interest, by the President of the Office. If the Czech National Bank is the auditee, the obligation of professional secrecy stipulated in the Protocol on the Statute of the European System of Central Banks and of the

---

\(^8\) Strictly prescribed form of a record elaborated on auditing results at the single auditee.
European Central Bank\(^9\) is not touched by this provision. This provision shall not prejudice the duty to report certain facts to the authorities competent under special regulations\(^{10}\).

**Section 24**

(1) Auditees shall cooperate with the auditors with respect to the rights of auditors specified in Section 21 of this Act. Natural persons shall not be bound by the duty ensuing from Section 21, subpar. (d), if the act of obedience would expose them or their close persons to the danger of criminal prosecution\(^{11}\).

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

**Section 25**

(1) An audit protocol shall be drawn up on the conducted audit which shall in particular include a description of the ascertained facts and list the shortcomings found, and shall specify the legal regulations which 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 the date of the audit, the object of the audit, the actual situation, and identification of the documents and other material on which the protocol is based. 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.

---

\(^9\) Art. 37 of the Protocol (No 4) on the Statute of the European System of Central Banks and of the European Central Bank.

\(^{10}\) For instance Section 8 Act No 141/1961 Coll., on judicial proceedings (Criminal Law) as amended.

\(^{11}\) Section 116 Civil Code.
Section 26

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

(2) The auditees shall confirm by signing the protocol that they have been informed of the content of the audit protocol and that they have received its copy.

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

Section 27

(1) The auditees may file objections against the audit protocol to the head of the team of auditors within the term of five work days from the day they were informed of its content, unless the auditor in charge sets a longer term. The objections shall be filed in written form and shall be substantiated.

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

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

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

(4) Where circumstances permit, 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) When the need arises in the appellate proceedings contesting a ruling on objections to supplement the investigation of the case, the respective body of the Office shall dismiss fully or partially the original ruling and shall proceed with further investigation of the case. Facts ascertained during such
investigation shall be mentioned in an appendix to the audit protocol. This appendix shall be processed in compliance with paragraphs 1-4 and Sections 25 and 26.

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

Section 28

(1) A natural person who has wilfully caused violation of the obligation under Section 17 (2) or who has wilfully caused that an auditee did not meet 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 met even within a term newly set by the auditors.

(3) A fine may be levied within one month from the day when the duty is not fulfilled.

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

(5) The fines shall be exacted by the Office.

Section 29

(1) The 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 assertion of the right specified in Section 21 of this Act under (g). These 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, the liability is irreversible.

(3) Any claim to reimbursement of costs incurred pursuant to the provisions of paragraph 2 shall be asserted with the Office not later than within six months from the day such costs were incurred, or else the claim shall expire.
Section 30

(1) All approved audit conclusions shall be published by the President of the Office in the Bulletin of the SAO and he or she shall send them 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 background material for the approved audit conclusions. The persons who have acquainted themselves with such documents shall be subject to the provisions of Section 22, par. 2, subpar. (f), and Section 23 of this Act.

(3) The procedure for the treatment of audit conclusions pursuant to the provisions of paragraphs 1 and 2 shall not apply to those audit conclusions, which contain facts covered by a special Act. In cases where audit protocols used for drawing up audit conclusions have been passed to authorities active in criminal proceedings, such records may be published only with the consent of the competent authority.

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

Section 31

Save for the provisions of Section 28 of this Act, proceedings under these Audit Rules shall not be subject to the Code of Administrative Procedures.\(^\text{12}\)

---

\(^{12}\) 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, which shall be a component 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 for approval to the Board of the Office.

(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, at the same time, to the Ministry of Finance.

Section 33

Management of the budget chapter of the Office

(1) Save where this Act provides differently, 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 the body established or authorised by it for this purpose shall audit management by the Office of state property, including the finances of the state budget within the chapter of the Office.

(3) The final 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 report on the verification of the annual financial statements by an auditor.

(4) The final 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 final account of the state budget, together with the opinion of the Chamber of Deputies or its body if such opinion was adopted.

**PART SIX**

**COMMON PROVISIONS**

**Disciplinary responsibility**

**Section 34**

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

**Section 35**

(1) A disciplinary misconduct is a culpable violation of the duties of the President, the Vice-President, and Members of the Office, ensuing from this Act, or their conduct whereby they violate the dignity or undermine confidence in the independence and impartiality of their own person or of the Office.

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

**Section 36**

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

**Disciplinary Chamber of the Office**

**Section 37**

Disciplinary responsibility shall be established and disciplinary measures shall be 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) When 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, the 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) Protocol shall be drawn up on the proceedings in the Disciplinary Chamber of the Office.

Section 41

The chairman of the Disciplinary Chamber of the Office shall notify the person who is being subject to disciplinary proceedings that disciplinary proceedings has been launched and shall advise such person of their rights.
Section 42

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

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

   (b) the responsibility for the respective disciplinary misconduct has ceased;

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

(2) The Disciplinary Chamber of the Office shall suspend disciplinary proceedings when it feels that the acts of which the President of the Office, the Vice-President of the Office, or a Member of the Office are being charged have the attributes of a crime, and shall refer the case to the competent criminal justice authorities.

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

(4) When the Disciplinary Chamber of the Office reaches the conclusion that the President of the Office, the Vice-President of the Office, or a Member of the Office did not commit a disciplinary misconduct, or that there is no evidence proving that they did so, it shall acquit them.

Section 43

(1) Ruling 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 ruling of the Disciplinary Chamber of the Office within fifteen days of its delivery. The appeal shall have a suspensive effect.
Section 44

Disciplinary measures

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

(a) reprimand;

(b) reduction of pay of as much as 15 per cent for a period of not more than three months.

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

(a) reduction of pay of 15 per cent for a period of not more than six months;

(b) proposal for removal of the respective Member of the Office;

(c) proposal for removal of the President of the Office or the Vice-President of the Office.

Section 45

The Bulletin of the SAO

(1) The Office shall issue the Bulletin of the SAO that is also published on its Internet pages.

(2) The Bulletin of the SAO 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 to which applies special legislation\textsuperscript{13}.

**Section 46**

(1) The salary and other indemnities associated with the execution of the office of the President of the Office, of the Vice-President of the Office, and of Members of the Office shall be governed by special legislation\textsuperscript{14}.

(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 Salary Code of the Office. The Salary Code of the Office is issued by the President of the Office after it is passed by the Committee on the Budget of the Chamber of Deputies.

**Section 47**

(1) to (10) Repeals

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

**Section 48**

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

\textsuperscript{13} Act No 412/2005 Coll., on the protection of classified information.

\textsuperscript{14} Sections 20\textendash 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.
PART SEVEN
INTERIM AND FINAL 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 Control Office of the Czech Republic are hereby abolished.

(2) The rights and obligations ensuing from labour-law 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 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:


3. Section 2, subpar. (a), and Sections 5, 6 and 7 of the Act of the Czech National Council No 552/1991, on state control,

4. Section 1, point 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,


Section 52

This Act shall enter into effect on 1 July 1993.
Selected amendments

Act No. 239/2012 Coll., article XII

Interim Provision

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

Act No. 78/2015 Coll., article II

Interim Provision

Audits that had started before the day this Act came into effect shall be finished under the Act 166/1993 Coll. effective in the wording before this amendment came into effect.

Article II of Act No. 46/2020 Coll.

Transitional provision

The procedure according to Section 46 paragraph 2 of Act No. 166/1993 Coll., in the version in force from the day this act entered into force, will be applied for the first time for the 2021 budget year. Until the Salary Code of the Office is issued according to this act, the provision of a salary and remuneration based on contracts for work performed outside the employment relationship of the employees of the Office will be governed by existing legal regulations.
ACT NO. 166/1993 COLL.
ON THE SUPREME AUDIT OFFICE