

رئيس ديوان المحاسبة منذ تأسيسه  
اليوم

CHIEFS OF THE AUDIT DEPARTMENT  
since its establishment until the present day

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Since its establishment in 1951 until today, the Audit department was presided successively by the chiefs :

**The Emir Jamil Chehab :**

He was the first chief of the audit department when it was constituted in 1951. Before that, he occupied many administrative posts among them : General Director of the ministry of finance, Secretary general of the president of the republic, General Director of Customs, Chairman of the council of common interests between Lebanon and Syria, Chief of the state Inspection Board, and inspector general of the Lebanese administration.

In 1955, he was designated Minister of Finance. He also was a conference professor at the American University of Beirut.

**The Chief Ahmad El Ahdab :**

He was appointed chief of the audit department in 1955 and retired in 1975. He was appointed a judge in justice in 1950 and became a public prosecutor at the audit department in that same year.

### The Chief Rafic Al Baraj :

He was appointed chief of the Audit department in 1966 and was pensioned off in 1973. He was appointed a judge in justice in 1950 and became counsellor of the Audit department in 1951.

### The Chief Munir Al-Mahmsani :

He was appointed chief of the Audit department in 1975 and was pensioned off in 1986. He was appointed a judge in justice in 1944 and held many positions in the justice department such as general prosecutor before the Beirut Court of Appeal and chamber president in the Court of Cassation.

### The Chief Sari Al-Husami :

He was appointed chief of the audit department by interim for a year in 1990 and was retired in 1st of July 1990. He respectively held many positions in the audit department such as supervisor (1952), counsellor (1957) and chamber president (1970).

He has many law publications and studies in the Administrative and financial fields.

### Chief Abdallah Nasser :

He was appointed chief of the audit department in 1990 and retired in 1992. He was appointed a judge in justice in 1953 and held many judicial positions such as the presiding judge of Mount-Lebanon Court of

Appeal and the presidency of the accusation Jury of Beirut and the presidency of a chamber at the Beirut Court of Cassation.

He was a professor at the College of juridical studies and published a book entitled " Public Lawsuit Before the accusation Jury ".

**Chief Hussein Hamdan :**

The present chief of the audit department was appointed in 1992.

He was appointed a judge in justice department many positions in the justice department such as the presiding judge of Beirut Court of Appeal, president of the accusation Jury in Beirut, and financial Attorney General at Beirut's Court of Cassation.

A conference professor at the law Faculty of the Arab University of Beirut and at the College of Juridical studies.

He has legal publications such as :

- Real Securities
- Provisions of the Real-Estate Register
- Provisions of the Social Security
- Check crimes.

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## PREFACE

Every executive work must be controlled to ensure its good execution and its degree of accomplishment of the set goals. The importance and role of the public funds in the existence and work of the state necessitates a controlling board watching over it and seeing that it is rightfully expended.

The financial control combines different aspects : starting from an interior control within executing units to external control by administrations accomplished by authorities outside the executive system and from a control previous to spending to a control afterwards. We could distinguish between the legal control aiming to verify the conformity of the execution with the laws and regulations and an economical purpose of the expense compared to the adopted rules and standards.

Nowadays, the budget evolved from an arithmetic budget to a developing budget. The control concept evolved from a legal to a performance control ensuring the economic use of public resources and its degree of accomplishing the purposes intended for it.

The control systems in the different countries vary according to the prevailing rules and customs. In some countries, it is a juridical authority

and in others it's an administrative authority. The first system guarantees the offender's punishment while the second system provides reports concerning the fractions to the public authorities and Council of Discipline.

Lebanon adopted the first system convinced that the useful control prescribes that the control authorities should have the direct power to punish those responsible of financial infractions.

The audit department in Lebanon, convinced of its important role in controlling the public funds, interested in the matter, including the presentation of the office, its evolution and purposes which seeks to achieve through its competences and its control method and the relation between the office and public authorities and other State control systems, its range of activity in the fields of training and mechanization and its cooperation with the international and regional High authorities of financial control.

The office ensures in this matter its intention to develop its administrative and financial prevailing regulations by working on the issue of a new law governing the office and developing its structure and ameliorating the control performance and establishing the regulations of performance control, establishing a developed data and programming system in addition to taking care of the human element and ameliorating its skill through a modern strategy of training.

We hope that the year 1996 constitutes a turning in the audit department history so we could witness the practical translation of our ambitions and their consolidation in the real world.

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## THE EVOLUTION OF THE AUDIT DEPARTMENT

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Historically, the audit department was established by virtue of the article 87 of the Lebanese Constitution promulgated in 23rd of May 1926. But in fact, the office was established in 1951 by virtue of the article 223 of the general accountancy Act promulgated in 16 of January 1951 and which stated : " An Audit department is established and its mission is to attend to the administration of the public funds which means auditing and recording the State and municipal accounts, judging their validity and procedures legality and controlling the activities of budget execution ".

Since its establishment, a succession of legalisations regulated this office until this day recording 5 principal turning points in a process of 45 years which could be exposed as follow :

- in 1952 the office regulations were revised by virtue of the legislative decree no. 9 whereas it was granted in addition to the recent control grant power of the previous control up to the extent of deciding the adjustment.
- By virtue of the legislative decree no. 9 of 23/11/1954, the control of the adjustment was cancelled and the previous office control became a legal one only.



- The office regulations were revised by virtue of the legislative decree no. 118 of 12/6/1959 than the law was promulgated under the decree no. 7365 of 18/8/1961 and deprived the office from the power to agree on employees appointment and granted this power in addition to the other employees personal affairs to the Civil Service Council.
  
- The office regulations were revised by virtue of the legislative decree no. 82 dated 16/9/1983 which established for the first time the job of Auditor. This law was amended by virtue of the legislative decree no. 5 dated 23/3/1985 which made effective some articles of the legislative decree no. 118 dated 12/6/1959 than by virtue of the legislative decree no. 132 dated 14/4/1992 which stipulated the expansion of the office cadre.
  
- A section of financial law was established in the college of juridical studies by virtue of the law no. 133 dated 14/4/1992. The office judges, counsellors and assistant prosecutors were appointed among this college graduates.

## THE PUBLIC PERSECUTION OF THE OFFICE

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The Public Prosecution of the office represents the government and this according to the article 25 of the law organizing the Office. The prosecution is performed by the public prosecutor of the Audit department and its assistants proceed to public prosecution under his supervision.

The most distinct jurisdictions of the General Attorney are :

\_\_\_\_\_ : Taking notice of financial infractions investigating and prosecuting the same before the audit department.

\_\_\_\_\_ : Rendering written announcement concerning financial inspection reports presented to the public Prosecution by the president of the Central Inspection board.

The public prosecution has also the power to proceed to any inspection or investigation required for the public interest.

\_\_\_\_\_ : Rendering announcement concerning counsellors reports of juridical control of the office when the matter is about the review or designation of the power or charging or discharging or imposing a fine.

\_\_\_\_\_ : Request review of administrative decisions concerning the previous control, and juridical decisions, before the chamber which pronounced the judgments.

\_\_\_\_\_ : Request of revocation of juridical decisions before the State High Council.

Sixth : Request from the public prosecution of cassation to prosecute any employee who committed or participated in crimes bringing damage to the public administration or the public funds or funds deposited in the treasury. The penal action is conducted without any authorization of the administration authority.

Speaking of the public prosecution exercising its jurisdictions, it has the right to request from the competent authority documents, clarifications, informations it needs, and to assign its controlers and auditors to proceed to a local investigation, and to hear the employees and witnesses if necessary.

## AUTHORITIES SUBMITTED TO THE OFFICE CONTROL

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The following authorities are submitted to the office control by virtue of the article two of the office regulations :

- The State Administrations
- The municipalities of Beirut, Tripoli, Mina, Burj Hammoud, Saida, Zahle, Al Moallaka, and other municipalities submitted or are submitted to the audit department control under a decree of the Council of Ministers.
- Public institutions of the State and those related to municipalities submitted to the audit department control.
- 4 - Control boards representing the State in the institutions submitted to them, or in those the State guarantees a minimum of profits.
- Institutions, associations, other boards and companies having financial relation with the State or the Municipalities or the public institutions of the State or of the municipalities through contributions, assistance and credit.

The range of control and its rules concerning institutions, associations, boards and companies stipulated in the clauses 4 and 5 of this article, are determined by virtue of a decree of the Council on Ministers upon proposal of the competent Minister and after consultation of the Audit department. The provisions of the decree no. 13615 dated 21/8/1963

ordering the submission of the certain institutions and associations to the audit department control remain effective until promulgation of this decree.

It is worth mentioning in this case, that some public boards such as Beirut's Harbor and the Administration of Tobacco (Régie) are not until now submitted to the control of the audit department through they assume the administration of principal public utilities having great budgets. We hope that they will be submitted to the control of the office in the near future like the other public boards and administrations.

## OFFICE JURISDICTIONS AND METHOD OF EXECUTION

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### First - Office Jurisdictions :

The office exercises two kinds of control :

#### Clause 1 : Administrative control divided in two parts :

1 - Previous control of transactions of imports and expenses which value exceeds a certain limit. This control is intended to verify the validity of the transaction and its conformity with the budget and the provisions of laws and regulations. The office regulations considered this control as an essential proceeding and imposed upon the authorities submitted to the previous control not to enter into an engagement or contract unless after the office consent, considering that each transaction not subject to this control to have no effect. It also forbided any employee to put it into execution under penalty of sanctions stipulated in article 60 of the said regulations.

2 - A recent control stated in the article 45 of the office regulations and which consists on evaluating the financial transactions at the time they are contracted until their execution and registration in the accounts. It is essentially a control of performance which the office couldn't accomplish before for the lack of its staff to technical employees.

Clause 2 : Juridical control including :

1 - Control of important accounts presented by treasurers. This control deals with the validity of collections and their conformity with levy of taxes laws and the validity of payment documents and of the account.

2 - Control of employees administering the public funds. This control aims to inflict sanctions on those who violate the financial laws and regulations.

clause 3 :

Express the advisory opinion in financial matters upon request of the board submitted to its control.

Clause 4 :

Control the employees appointment statements in order to verify the conformity of this appointment with the laws and regulations.

It is worth mentioning have a kind of control adopted by some high control systems abroad and known as the simultaneous control accompanying the execution. The audit department looks forward to such control which is an efficient tool for the concurrence of the control and execution process and for the verification of the compliance of this process with the context of the special conditions booklet and technical specifications.

Second : Method of Jurisdictions Execution by the office

First clause : Concerning the administrative control

1 - The previous Control : The office looks into the transactions presented by the competent authority concerning the revenues and by the controllers of expenses conclusion and by general controllers of expenses at the municipalities then the control results are issued by virtue of administrative decisions.

2 - The Administrative recent control : The office executes this control through conformity statements, annual report and special reports presented to the President of the Republic, the President of the Parliament, the President of the Council of Ministers and all interested parties after including in these statements its control results and instructions.

Second clause : Concerning the juridical control :

1 - Control of accounts : The office examines the accounts which are presented to him and pronounces temporary or definitive decisions in this matter whereas the treasurer is considered liable or discharged or not discharged.



2 - Control of employees : The office detects the financial infractions whether by accident through auditing and reviewing the documents he controls or through submission of the infractions to him by its public prosecution or by the Central Inspection board or the competent authorities in the Ministry of Finance. Then the office pronounces his temporary or definitive decisions ordering when required the discharge or the fining of the prosecuted.

Third clause : Expressing the opinion :

The office shall pronounce an advisory opinion of the result upon request of the authorities submittes to his control.

Fourth clause : Control of the Employees Appointment Statements :

A juridical decision is issued as a result of such control ordering not to spend the expense incurred by the current employment in a manner contradicting the laws and regulations provisions.

The office in all its above mentioned jurisdictions entrust the control mission to judges, controllers and auditors with High qualifications in laws, commerce or accounting.

Recently, the office backed up its technical system with some experts in fields of Civil Engineering, Computer and Communications to increase the control efficiency of the authorities under this control.

RELATION BETWEEN THE OFFICE  
AND THE PUBLIC AUTHORITIES

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First : Relation with the Legalisative Authority :

Though the Audit department isn't administratively linked to the Parliament unlike to some financial control systems abroad, nevertheless strong relations connect the office as a high financial control system with the Legislative Authority under which the office constitutes a Parliamentary assistant.

These relations are as follow :

1 - Budget Execution Control :

The office controls the general budget execution to verify the compliance of the executive authority with the general budget law approved by the Parliament.

Consequently, the office presents an annual report to the President of the Republic, the President of the Parliament, the President of the Council of Ministers. The financial and budget committee and other competent committees listens to the necessary clarifications of the office chief or his representative.

2 - Deduction of the general budget account :

The office examines the deduction of the general budget account which constitutes the effective result of the general budget execution and which the public audit department of the Ministry of Finance hands over to the office by virtue of the article 195 of the general accountancy law in order to state its remarks before approval of the said account deduction by the Parliament upon deliberation of the general budget project of the year following the year after the year to which the account deduction concerns according to the article 87 of the Constitution.

3 - The Office draws up whenever he deems necessary special reports concerning specified subjects and suitable related suggestions presented to the President of the Republic, the President of the Parliament and the President of Council of Ministers.

4 - The office draws up conformity statements reported to the Parliament and distributed to its members.

5 - Concerning the responsibility of the financial infractions, and knowing that the office is not empowered to prosecute the Ministers, the office regulations obligates the office to notify the Parliament about the infractions committed by the Ministers.

Second : Relation with the President of the Council of Ministers and the council

Clause 1 : Relation with the President of the Council of Ministers

1 - Administrative subordination stipulated in the article 1 of the office regulations requiring that the office is administratively subordinated to the president of the Council of Ministers and having its head office in Beirut.

2 - Including the office budget in the chapter destined to the Presidency of the Council of Ministers.

3 - Submit to the Prime minister special reports of the office concerning specified subjects.

Clause 2 : Relation with the Council of Ministers :

1 - Administrative relation through employment of the office employees members of the cadre by virtue of decrees of the Council of Ministers upon suggestion of the president of the council.

2 - Functional relation according to the articles 40 and 41 of the office regulations which empower the council of ministers, in case the office decision concerning the previous administrative control contradicts the exposed project and the matter is submitted to the council by the competent administration, to settle the formalities exposed to him through justified resolutions after heaving the office chief. The council decision acts in this case as the office decision.

RELATION OF THE OFFICE  
WITH THE MINISTRY OF FINANCE

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This relation is based on the following :

I - Office budget :

The Ministry of Finance approves the office budget during the preparation and drawing up of the general budget of the state such as the budget of the other public administrations.

Submission of the formalities related to the Expenses within the previous administrative control :

These formalities are presented by controllers of expenses conclusion to the Ministries the ministry of finance.

III - Auditors countings :

As to the juridical control the Department of General accountancy in the Ministry of Finance attends to the unification of the auditors countings and presents them to the office.

IV - Financial Controllers Reports :

The Ministry of Finance presents its authorized financial controllers reports to the public institutions.

V - Notifying the breaches :

The controllers of expenses conclusion shall notify the public prosecutor of the Office about the financial breaches stated in articles 111 and 112 of the General Accountancy Law and which are related to the expenses incurred in contradiction to the law provisions or which exceed the open credits in the budget.

What is worth mentioning here is the power invested to the Ministry of Finance to agree on the office budget in the stage of drawing up the budget while the Ministry of Finance is subject to the office control in the same manner as the other public administrations.

THE RELATION OF THE AUDIT DEPARTMENT  
WITH THE OTHER STATE CONTROL SYSTEM

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First : Relation with the Civil Service Council :

I - Personal affairs of the employees :

All the employees of the Office, except the judges, are submitted to the jurisdiction of the Civil Service Council in all their personal affairs and the state employee system is applied to them.

II - Employment :

The relation between the Office and the Civil Service Council also reveals itself through employment. Except the judges, the accountancy controllers and auditors of the Office are appointed among the graduates of the Economic affairs section at the National Institute of Administration and Development of Civil Service Council. The other employees are appointed according to the provisions of the employees regulations.

\_\_\_\_\_ : Relation with the Administration of the Central  
Inspection :

I - Relation of the Office with the central inspection :

1 - Instructing the execution of inspection :

The law organizing the Office grants both the Audit department and the public prosecutor the power to instruct the central inspection administration to proceed to the inspection or investigation the public interest requires. The Central Inspection Administration must give these assignments the priority whenever it is required.

## 2 - Presenting Inspection reports to the Office :

The Chief of Central Inspection Administration shall send to the public prosecutor of the office inspection reports relating to financial matters.

The public prosecutor audits these reports and returns them with his suggestions and proposition to the Central Inspection Administration to take the necessary administrative and judicial proceedings against the responsible employees.

## II - Relation of the office with the Tenders Administration :

The texts in effect do not induce any direct relation between the Audit department and the Tenders Administration. Nevertheless, the previous administrative control of the control over expenses operations created an indirect relation with the tender committees which grant tenders and this relation is translated through the Office verifying during this control of the tender formalities and addressing memorandums to these committees in order to rectify their work.



## THE RELATION OF THE AUDIT DEPARTMENT WITH THE AUTHORITIES UNDER ITS CONTROL

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The Audit department aims initially through its control to watch over the public funds and not to surveil the mistakes and breaches. To this effect, the Office endeavours to clarify its relation with the authorities under its control and to convince these authorities that the relation must be characterized by the complete cooperation in the public benefit and to rectify the financial administration of the government. This is manifested in the following :

- giving advisory opinions concerning financial matters upon request of the authorities subject to its control.
- including in the previous administrative control decisions issued by the Office indicating to the public administrations and instructing them to avoid certain gaps in the administrative and financial affairs.
- instructions and circulars issued by the Audit chief to the public administrations directing them to adopt the best means in the execution of the financial formalities.

## INDEPENDENCE OF THE AUDIT DEPARTMENT

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The Audit department constitutes in Lebanon an administrative judicial board. Therefore, the Office Judges benefit from immunities and guarantees which the laws in force grant the judicial authority.

Nevertheless, the foregoing review of the Office with the State public authorities and other Control Systems reveals certain situations which must be pointed out considering that they limit the independence which must be provided to the higher system of financial control over the administrative and financial fields.

### I - The administrative field :

The Office is connected with the President of the council of Ministers and by this it has a different situation than some of the similar systems in other countries whereas these latter do not depend of any other State authority in spite of the cooperation relations created between them.

As to the administrative field, the employment of the Office employees in Lebanon including those of lower categories also requires promulgation of a decree by the Council of Ministers. This employment must also be made, and with the exception of the judges, by an through the Civil Service Council. Therefore, not granting the office the power of direct employment limits its ability to complete its human system in the proper manner to develop the range of its functions and makes this matter subject to the State policy concerning employment. Knowing that certain

similar systems in other countries hire independently their employees as a guaranty of these systems independence and to reinforce their control.

## II - The financial field :

The necessity of ministry of finance approval over the office budget in the stage of budget drawing just like the other public administrations influences the office independence in this field unlike the situation in other countries whereas the system's budget is not amended by the Ministry of Finance but rather acknowledged by the legislative authority as an inclusive term.

The international and regional organizations of the control systems seeks in many of their resolutions and recommendations to ensure the required independence of these systems according to the abovementioned principles.

## AUDIT DEPARTMENT ACTIVITIES IN THE FIELDS OF TRAINING AND MECHANIZATION

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### Clause 1 : Training :

The Audit department in Lebanon lacks of the existence of a special training unit within its administrative structure. Nevertheless the office, believing in the importance of the human element and of the necessity to increase and develop his competence, seeks to ameliorate the professional competence level of its employees. On the occasion of employing a number of controllers and auditors in its cadre during 1994 and 1995, the office organized two training sessions in its head office whereas those latters attended conferences and examined the financial and administrative issues studies made by great specialists inside and outside the office. The trainees were also submitted to commercial accountancy sessions in specialized office in Beirut.

### Clause 2 : Mechanization :

As to the mechanization and adoption of computer and in conformity with the reasons of scientific and technical progress, the Office purchased in the past two years 3 computer systems and contracted with an engineer and an informatics graduate to supervise the use of these computers. A committee assembling some of the Office judges was

established to authenticate the advisory opinions and office resolutions concerning the anterior administrative control and the judicial control.

In 1994, and according to the cooperation agreement between the American Agency for Development and the Lebanese Government, the Office obtained technical assistance characterized by the department of legislative studies at the University of New York in Albany installing Computers connected to a Central System and assisting the Office in the execution of some of the applications adopted in the Office operations mechanization.

## COOPERATION BETWEEN THE OFFICE AND HIGH FINANCIAL CONTROL ARAB AND INTERNATIONAL ORGANIZATIONS

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In the range of the policy adopted by the Office in order to improve its capacities and reveal its turn on all levels, and believing in the importance of the international cooperation concerning the financial control, the Office is a member in many of arab and international specialized organizations among them :

### Clause 1 : The Arab Group of the High financial and accountancy control systems " AROBSY "

Lebanon is a member of this group and participated in many of its meetings. In 1995 Lebanon hosted upon an initiative of the head of the Audit department and Council of Ministry approval the fifth ordinary session of the public ordinary assembly of the group in Beirut. This session was held at the chiefs of systems level and during which the chief of the Lebanese Audit department was elected as president of the group and its executive board. The recommendations and resolutions of the attendants contributed in establishing the firm cooperation basis between the arab systems.

### Clause 2 : Board of Connection of the Audit departments in the french speaking countries (Francophony) :

Lebanon is a member of the said board and the Lebanese audit department is considered as a founding member.

Clause 3 : International Organization of High Financial control systems (INTUSI):

Lebanon renewed its relations with the organization after the end of the last events and participated in the last two years in scientific and formation meeting held by this organization.

## CONCLUSIONS

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The Audit department hopes that this brief guide contains the necessary to reveal its turn in the financial control and public funds manitenance and detection of gaps and obstacles. It also hopes to continue its mission in a maximum of competence and efficiency due to the importance of the public funds, and especially in a country destroyed by war. It aspires to rebuild itself through a large work shop which requires spending more money and mobilizing the various resources and energies.



## THE AUDIT DEPARTMENT ORGANIZATION ACT

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Issued by the decree law no. 82, dated september 16, 1983, and amended by the decree-law number 5 dated 23/3/1985 and by the law number 132 dated April 14, 1992.

### General provisions

Article 1 : The audit department is an administrative court involved in the financial jurisdiction, and charged with the control of the public funds, and those deposited in the treasury, through :

- The control of these funds application and the extent of this application accord with the laws and regulations in force.
- The verification of the correctness and the legality of its formalities and countings.
- The prosecution of those held responsible of violating the related laws and rules.
- Administratively, the audit department is subordinated to the prime minister, and its head office is in Beirut.

Article 2 : Are subject to the control of the audit department :

- 1 - The state administrations
- 2 - The municipalities of Beirut, Tripoli, Al-Mina, Borj Hammoud, Saida, Zahle, Al-Moallakah, and all other municipalities which were, or are submitted to the control of the audit department,

through a decree enacted in the council of ministers, according to the prime minister's proposal.

3 - The public institutions of the state, and those related to the municipalities, submitted to the audit department control.

4 - The Control boards representing the state in the institutions submitted to them, or in the institutions for which the state warrants a minimum of profits.

5 - The institutions, the associations, and all other boards and companies with which the state or the municipalities or the public institutions of the state or of the municipalities have a financial connection through the contributions the assistance and investment.

The extend of the control and its rules, as regards the institutions the associations the boards and the companies provided for in the two clauses 4 and 5 of this article is to be specified in a decree which should be enacted in the council of ministers according to the proposal of the competent minister.

Until the issuance of such decree, the provisions of the decree number 13615 of 21/8/1963 shall remain in force.

First part  
**The audit department board**

Chapter one : The employees regulations

Article 3 : This department is composed of judges, controllers and accountings auditors, with administrative employees annexed to it, and has an independent public prosecutor's office (or parquet).

Article 4 : (amended by the law number 132 of 14/4/1992)

The head of the audit department, and its public prosecutor are appointed through a decree enacted in the council of ministers, according to the proposal of the prime minister, among the audit department judges of the two first degrees in the second category at least, or among the state legislative Council judges and the judicial judges of an equal degree to the first two degrees of the second category in the audit department cadre.

Before their accession to their functions, the accountancy department head and public prosecutor take the following oath of office before the president of the Republic, and in the presence of the prime minister,

" I swear by god the great to carry out my functions in the audit department sincerely and honestly, and to be fair and equitable as regards the people, and trustable as regards their rights , and the administration's rights, and to keep the secrecy of the deliberations, and to behave, as regards my duty sincerely and honestly."

Article 5 : (amended by the law number 132 of 14/4/1992)

The chambers' chiefs are appointed through a decree enacted in the council of ministers, according to the proposal of the prime minister, among the audit department judges of the two first gards in the third category, at least.

Article 6 : (amended by the law number 132 of 14/4/1992)

The councillors and the aids of the public prosecutor are appointed :

1 - Either among the general law section or the financial judiciary graduates in the college of the judiciary studiies, according to the provisions of article 76 of the juridical prosecution law, on condition that the duties provided for in said article, be assumed by :

- The prime minister, instead of the minister of justice.
- The council of the audit department, instead of the state legislative council bureau.

- Two audit department judges, appointed by the audit department head, to replace two judges of the state legislative council.

The provisions decreed for the juridical graduate judges should be applied to the financial graduate judges.

2 - And their as a result of a competition carried out according to the provision of this article, in which participate the controllers near the audit department, with a bachelor's degree in law, on condition that they should have been controllers for ten years at least.

3 - Exceptionally, and for one time, in case of the impossibility of the appointment, according to the manner showed in the above mentioned two clauses, it would be possible to appoint the councillors and the aids of the public prosecutor as a result of a competition carried out by the audit department, in which the participation is stipulated by the fulfillment of the employment general conditions provided for in " the employees general regulations ", and by the candidate's possession of a Bachelor's degree in law, or the Lebanese Bachelor's degree in law, as regards those subject to it, and the exercise of the lawyer profession, or any other job whose occupation is stipulated by the possession of a Bachelor's degree in law for ten years at least.

The audit department council drafts the competition organization, provided for in the previous clause, and specifies its matters, and the success marks average;

It appoints also the examining commission, and admits the candidates, and in this regard its decision shall be decisive and irrevocable in any manner, including the claim to annul exceeding the powers limits and to indemnity through the comprehensive prosecution.

The councillors and the aids of the public prosecutor are appointed through a decree enacted in the council of ministers, according to the proposal of the prime minister, after the approbation of the

audit department council, in the lowest degree of the scale of wages decreed for them.

And if the candidate were an employee, he should be appointed in the grade whose wage is equal to the wage he used to cash; this, if it were exceeding the lowest degree wage.

Article 7 : (Amended by the law number 132 of 14/4/1992)

The councillors and the aids of the public prosecutor take the oath of office provided for in article 4 of this law before the accountancy department council prior to their accession to their functions.

Article 8 : (Amended by the law number 132 of 14/4/1992)

1 - The controllers are appointed in the audit department among the economic and financial affairs graduated, of the highest degree in "The Development and Administration National College".

Exceptionally, and for one time, if it were impossible to carry out the appointment, according to the manner shown in the previous clause, it will be possible to appoint the councillors as a result of a competition carried out by the audit department, according to

3 of article 6 of this law, on condition that an employee of the third category at least participates in the examining commission, mandated by the head of the Civil Service Council.

For the participation in this competition, it is stipulated that the candidate should bear a Bachelor's degree in law, or in business administration.

2 - The accountings auditors are appointed among the graduates of the economic and financial affairs section, of the highest degree in the Development and Administration National College, bearing a bachelor's degree in business administration or in accountancy, or any other University degree in a financial or an auditing specialization, which the audit department council considers fit occupation of the post of auditor in the accountancy department.

Exceptionally, and for one time, if it were impossible to carry out the appointment, according to the manner shown in the previous clause, it will be possible to appoint auditors as a result of a special competition carried out by the audit department, according to

3 of article 6 of this law, on condition that an employee of the third category at least participates in the examining commission, mandated by the head of the Civil Service Council.

For the participation in this competition, it is stipulated that the candidate should bear the Bachelor degree or the university degree shown in the previous clause.

3 - The prime controllers and prime auditors are appointed, by selection, among the controllers and the auditors of the second degree at least, who have exercised the function of a controller or of an auditor in the audit department for five years at least, and succeeded in the high training course, in the Development and Administration National College, provided for in chapter 2 of part 2 of the said college statute.

4 - The controllers and the prime controllers, the auditors and the prime auditors are appointed through a decree enacted in the council of ministers, according to the proposal of the prime minister, after the approbation of the audit department council, in the lowest degree of the wages scale decreed for them. If the candidate were an employee, he should be appointed in the degree whose wage is equal to the wage he used to cash, this, if it were exceeding the lowest degree wage.

The wages and grades' scale of the audit department should be applied to the auditors in this department.

5 - The controllers and the auditors should take the following oath of office, before the audit department council, prior to their accession to their functions :

" I swear by god the great to carry out my duties sincerely and trustfully, and to behave honestly and honorably, and to keep the secrecy of the job " .



6 - Immediately after their appointment, the controllers, the prime controllers, the auditors and the prime auditors, should cease to carry out any remunerative work and any function or post near the public administrations and institutions, and near the municipalities and the other boards submitted to the audit department control; as an against, they will be paid a wage provided for in article 24 of the law number 4/80, which includes the 1980 budget law.

7 - The other employees are appointed according to the provisions of the " Employees Regulations ", after the approbation of the audit department head; The wages and grades scale adopted in the " General Administrative Cadre " should be applied to them.

Article 9: (Amended by the law number 132 of 14/4/1992)

1 - The general commission near the audit department is composed of the audit department judges, and of the judges of the public prosecution office near it (The parquet).

The head of this commission is the audit department head, and the member whose degree is the lowest, assumes the job of its secretary.

2 - The general commission in the audit department in addition to the specialization assigned to it according to the decree-law number 82 of September 16, 1983, and its amendments, draws the opinion and the judgments as regards the matters related to the work process in the audit department, these matters which the department head or the public prosecutor near it, or at least five members of the commission

consider that they should be submitted to the said commission, provided that the opinion or the judgment of that commission as regards these matters should have a guiding aspect only, and not a binding one.

3 - The general commission near the audit department holds its meeting on a convocation from its head including the meeting's date and the agenda and served to the board members ten days at least before the date fixed in the convocation. The commission's meetings are legally held only when at least the half of the members of whom this commission is composed, are present. It takes its resolutions by the majority of the present votes; and in equality cases, the head's vote should be proponderant.

4 - The judges of the general prosecution do not take part in the vote.

5 - For every meeting a minute should be formulated regarding its process and the resolutions taken in it, and should be signed by the commission head and secretary.

As for the jurisprudence unification resolutions, they should be signed by all the present members.

Article 10 : (of the decree law number 118 Of 12/6/1959 put again in force according to article 3 of the decree law number 5 of 23/3/1985)

The head, the public prosecutor are transferred to another administration only after the approbation of the department council, and are deposed only through a decision of the disciplinary council.

Article 11: (of the decree law number 118 Of 12/6/1959 put again in force according to article 3 of the decree law number 5 of 23/3/1985).

The disciplinary council is composed as follows :

- 1 - For the head and the public prosecutor :
  - The prime head of the cassation court, head
  - The head of the State Legislative Council, member
  - The Judiciary general inspector, member

The function of the public prosecutor shall be assumed by the public prosecutor near the cassation court.

2 - The chambers' chiefs :

- The department head : head
- A judge from the State Legislative Council, and a judge from the cadre of the ministry of justice, of a grade equal to that of the Chamber's head referred to the disciplinary council : 2 members.

The function of the public prosecutor's office shall be assumed by the public prosecutor near the department.

3 - As for the councillors and the aids of the public prosecutor

- The department head : head

- A councillor from the department appointed by the department council among others than his members, provided that his grade should be equal at least to that of the judge referred to the disciplinary council : member

- judge from the cadre of the justice ministry, of a grade equal to that of the councillor or that of the aid of the public prosecutor referred to the disciplinary council. The function of the public prosecutor in office shall be assumed by the public prosecutor near the department : member

4 - As for the controllers and the administrative employees :

- The head of the department or whom he mandated among the chambers chiefs : head

- A councillor : member

- A controller or an administrative member of a grade equal to that of the employee referred to the disciplinary council, chosen by the department head : member

In case of need, it is possible to chose the administrative employee, the member, among the state's employees, through a resolution of the competent minister. And he assumes the function of the public prosecutor near the department.

Article 12 : (of the decree law number 118 Of 12/6/1959 re-enacted according to article 3 of the decree law number 5 of 23/3/1985)

As regards this department, the prerogatives of the " Justice highest Council ", should be assumed by a council formed of the department head, the department public prosecutor, and the three above garded judges in the department.

The judge is referred to the disciplinary council by a decision of said council, according to the department proposal;

The department head, and the public prosecutor near this department are referred too, by a decision of the same council, to which are added the government commissioner near the State Legislative Council, and the deputy of this council's head, according to the proposal of the competant minister.

Article 13 : (of the decree law number 118 Of 12/6/1959 re-enacted according to article 3 of the decree law number 5 of 23/3/1985)

Except the provisions provided for in this decree-law, the judges statute and the other provisions concerning the judges should be applied to the department judges. And the state's employees

regulations should be applied to the controllers and to the administrative employees.

Article 14 - 15 - 16 and 17 :

These articles were superseded according to article one of the decree-law number 5 of 23/3/1985.

Chapter 2 : The department organization

Fragment A : The department

Article 18 : The department head organizes the internal administration, and the manner of exercising of all functions that the department is charged with, and corresponds directly with all the public administration.

The chambers are formed, and the department functions are assigned through the department head resolution, after the approbation of the department council. In case of need, it is possible to alter this repartition in the same manner.

The department head is continuously authorized to exercise, as regards the audit department, the financial and administrative prerogatives that the minister is charged with through the laws and the regulations, except the constitutional prerogatives; and he assumes also contracts or concludes the expenses of the department and the control of their conclusion and their settlement.

Article 19 : The department head drafts the project of the department expenses and transfers it to the finance minister; and in case of its amendement, the council of ministers decides on it, after he gets notified of the department head opinion.

Article 20 : In the absence of the department head, or in case of vacancy of the head's post, and the impossibility of the exercise of his functions, the above-graded chamber head should replace him, and in case of equality, then the oldest one, and in case of equality too, then according to the lenght of service in the judiciary, and in case of equality also, then according to the lenght of service in the public service.

Article 21 : The judge studies the formalities referred to him, and assumes the anterior and posterior control, and gives his opinion together with the commission to which he is related.

Article 22 : The controller assists the judge to carry out his functions. In principle, one auditor only audits the accountings of one auditor in one financial year; It is necessary also not to charge one controller to audit the accountings of one auditor for more than two consecutive years.

But, in case of need, it is possible to dissent from the provision of the previous clause provided that this matter should be decreed by the department head, after the approbation of the department council.

Article 23 : The administrative employees carry out the functions assigned to them, according to the internal regulations formulated by the department head, after the approbation of the department council.

Article 24 : The functions of the controllers, the clerks of seizure and the proclamators are considered to be correct, within the limits of their jobs, until the confirmation of their forgery.

**Fragment B : The public prosecutor's office**

Article 25 : The public prosecutor represents the government near this department; and on the judiciary control field, he is entitled to take part in the sessions, and to give speeches in them, and to request the papers in order to draft his opinion in writing, and also to correspond directly with the public administrations as regards anything related to the fulfillment of his function. The public prosecutor's aids carry out the functions of the public prosecutor, under his control.

In the absence of the public prosecutor and his aids, the above-graded councillor shall assume the functions of the public prosecutor's office.

Article 26 : The competent authorities should inform the public prosecutor near this department of the breaches provided for in this decree-law; and the Administration of the Central Inspection should provide the public



prosecutor near this department with copies of the financial inspection reports.

The public prosecutor should audit these reports, and transfer them, together with his remarks and suggestions, to the Administration of the Central Inspection, so as to take the necessary administrative or juridical measures against the held-responsible employees.

Article 27 : The public prosecutor is entitled to request to the public prosecutor's office, near the cassation court, to prosecute, criminally, any employee, considered by this public prosecutor, that he had committed or participated in a crime that might harm the public administration, or the public funds, or the funds deposited in the treasury.

He should also requested this prosecution, if the department resolves to do so.

The criminal prosecution should be carried out without an authorization from the administrative authority; the competent administration, and the Central Inspection administration should be notified of this matter.

### Fragment C : Common provisions

Article 28 : The department and the public prosecutor near it are entitled to charge the Central Inspection Administration with the carrying out any inspection or investigation required by the public interest.

The Central Inspection Administration should assign the priority to these tasks, if requested to do so.

Article 29 : The measures taken by the organs of the Central Inspection against the breaching employees, do not prevent their prosecution before the department.

## Part 2

### **The department powers or prerogatives**

Article 30 : The audit department has two functions : An administrative, and a juridical one.

It exercises the administrative one through its anterior control over the budget execution, and through the reports it formulates on the results of its anterior and posterior control, and also through the opinions it gives about the financial matters. And it exercises also the juridical function through its control over the accountings, and over whoever involved in the application or administration of the public funds and the funds deposited in the treasury.

### Chapter 1 : The administrative control

Article 31 : There are two kinds of administrative control : anterior and posterior.

Fragment A : The anterior administrative control :

Article 32 : The purpose of the anterior administrative control is the verification of the formality and its accord with the budget and with the laws and regulations provisions.

Article 33 : The anterior control of this department is one of the substantial formalities. Each formality unsubmitted to this control is considered invalid, and the competent employee is restricted from transferring it to the execution, under pain of the penalty provided for in article 60 of this decree-law.

First : The formalities submitted to it :

Article 34 : (Amended according to article 27 of the law number 14, of 20/8/1990, which includes the general budget of 1990)

As regards the income, the following formalities are submitted to the administrative control :

- 1 - The formalities of undertaking the income taxes farming, when they amount at more than five million lebanese pounds.
- 2 - The formalities of real estates sales, when the value exceeds 5 million lebanese pounds.

Article 35 : (Amended according to article 27 of the law number 14, of 20/8/1990, which includes the general budget of 1990)

As regards the expenses, the following formalities are submitted to the anterior administrative control :

- The transactions of equipments, works, and services whose value exceeds 75 million lebanese pounds.
- The consensual contracts, including the lease contracts, whose value exceeds 50 million lebanese pounds.
- The formalities of grants, aids, and contributions, when their value exceeds 15 million lebanese pounds.

Article 36 : (Amended according to article 27 of the law number 14, of 20/8/1990, which includes the general budget of 1990)

The aimable reconciliation as regards suits or conflicts are submitted to the anterior administrative control if the sum, subject of the dispute, were exceeding 15 million lebanese pounds.

Second : The rules of the anterior control :

Article 37 : The formality, together with the related documents, are deposited in the audit department, and a copy of the deposition letter, is deposited also with the public prosecutor, on the part of :

- 1 - The authority competent to decide on this formality, as regards the income.
- 2 - The controller of the expenses contracts in the public administrations, and the employee charged with the control of the expenses contracts in the public institutions.

The head assumes the function of referring the formality to the competent judge, according to the functions repartition decision; and he is also entitled to assume it by himself in case of need, or in the cases mentioned in the functions repartition decision.

Article 38 : The competent judge assumes the anterior control; he studies the formality by himself, or refers it to one of the controllers working with him to study it and formulate a report on it; and if this competent judge approves the said formality, it should be returned with his paraph; and if he doesn't approve it, it should be submitted to a commission formed of a head and two councillors, provided that the competent judge should be one of them.

As for the formalities whose income or expenses exceed /500.000/ lebanese pounds, the anterior control regarding it should be assumed by a commission formed of a head and two councillors, provided that the competent judge should be one of them.

And the decision stating the incompetence of the department to assume the anterior control should be issued by the said commission.

Article 39 : The department decides on the formality during a delay of ten days, after its deposition date. And if the need requires to request documents or clarifications, or if necessary to get the opinion of the competent employee through a hearing, the department should be given a delay of five more days, after the obtainment of the required documents or clarifications.

The official holidays are not considered part of the mentioned delays.

If the department doesn't take its decision during these delays, the administration would be entitled to reconstitute the formality, and to disregard the department opinion.

Article 40 : If the department decision :

- As regards the income : were contrary or different from that of the authority competent to decide on the formality, this authority should be bound to observe the department decision, except if the competent minister decides to submit this formality to the council of ministers.

- As regards the expenses : were contrary or different from that of the controller of the expenses contracts, this controller should be bound to observe the department decision, except if the finance minister agrees to submit this formality to the council of ministers.

And if the department opinion were different from the submitted project, the competent authority would be entitled to submit the difference to the council of ministers.

Article 41 : The council of ministers decides on the formalities submitted to it, through justified resolutions, after hearing the department head opinion. And when its resolutions are different from those of the finance minister or of the department decision, then its resolutions substitute the department paraph, or that of the controller of the expenses contracts. In both cases, the resolution of the council of ministers should be mentioned in the formality.

Article 42 : The resolution of the council of ministers should be communicated to the department, which will have to set forth this matter in its annual report, or in a special report that should be notified to the parliament.

Article 43 : It is possible to revise the department decisions, within the framework of its anterior administrative control, according to the request of the competent administration, or the audit department head, or the public prosecutor's office, near this department. The commission that has issued this decision deliberates on this revision.

Article 44 : The previous approbation of the department should be considered void, if it were not put in force during the year in which it was given.

**Fragment B : The posterior administrative control :**

Article 45 : The purpose of the posterior administrative control is to estimate the financial formalities and their general results, since their contracting till the end of their execution and their recordation in the accountings.

Article 46 : An annual report, and special reports, should be formulated on the results of the posterior administrative control.

**First : The annual report :**

Article 47 : At the end of each year, the department formulates a report or the results of its control, and on the reforms it suggests to introduce in the different laws and regulations, that their application leads to financial results.

The department approves this report, at the level of its general commission, after hearing the public prosecutor's opinion.

Article 48 : The annual report should be communicated to the concerned administration and boards, which should be held to submit their answers in a delay of one month. The department is entitled to comment on these answers.



Article 49 : The department head presents the annual report to the president of the republic together with the answers of the concerned administrations and boards, and the comment of this department on them.

He presents also copies of this report, together with the answers and the comment to the parliament, to be distributed to its members; and likewise, he presents other copies to the Civil Service Council, and to the Administration of the Central Inspection.

Article 50 : The annual report, together with answers of the concerned administrations and boards, and the comment also, should be promulgated in the official journal, and printed in a separate book, in order to distribute it to the administration and boards subject to the department control.

Article 51 : The parliament finance and budget committee, and the other competent committees, hearken to the department head or his delegate, and if necessary, to the representations and the competent boards upon the deliberations on the report, to get the necessary clarifications.

Second :

Article 52 : The department is entitled, whenever it considers necessary, to submit to the president of the republic, or to the parliament speaker, or to the prime minister, or to the public administrations and concerned boards, special reports or specified subjects, with due suggestions regarding them.

### Third : The accord statements

Article 53 : Each year, the department issues a statement on the accord of the accounting presented to it, supported by the conformatory papers, provided for in the laws and regulations.

Article 54 : The accord statements should be notified :

- To the parliament speaker, in order to be distributed to the parliament members; and to the accountings of the general budget or the annexed budgets, and all other budgets subject to the approval of the Legislative Authority. The provisions of article 51 of this decree-law should be applied to them.
  
- To the finance minister, the trusteeship minister, the concerned boards, and the authority near them, competent of the approval of the discount of accountings related to their budgets, if they were related to the accountings of budgets subject to the approval of an authority, other than the legislative authority.

### Chapter 2 : The juridical control

Article 55 : The juridical control is of two kinds : control over the accountings, and control over the employees.

## Fragment A : Control over the accountings

Article 56 : The purpose of the control over the accountings is to decide on the correctness of the auditor accountings, and those of any person involved in the collection of the public funds, and those deposited in the treasury, or in their payment without being legally entitled to.

Together with the observance of the final resolutions issued by the audit department, as regards the accountings of the previous years, the audit department exercises its control over the accountings, starting from those of 1991.

Article 57 : The control over the accountings deals with the following formalities :

A - As regards the income :

- 1 - The correctness of the documents through which the collection was achieved.
- 2 - The correctness of the collections and their accord with the collection laws.
- 3 - The transfer of the collected sums to the public funds.

B - As regards the expenses :

- 1 - The correctness of the documents through which the payment was carried out, and the accord of the formality with the laws and regulations in force, and with the budget and the opened credits.
- 2 - The availability of the expense confirmatory papers, as provided by the law.

C - As regards the budget's collected money, and its payments :

The correctness of the collection and payment formalities and their accord with the orders issued by the competent authority.

D - As regards the materials :

The correctness of the materials reception, safekeeping and delivery, and the correctness of the inventory statements.

E - As regards the accountings :

- 1 - The correctness of the accountings, and their accord with the laws and regulations.
- 2 - The accord of the records with the submitted confirmatory papers.

Article 58 : The department settles the accountings of the auditors, executes them, and decides on them, through provisional resolutions, or final resolutions. The provisional resolution shows the failures attributed to the accounting, and what the auditor is held to prove, as an answer to them.

The final resolution shows that the auditor is acquitted, or loaned or not acquitted. In the two first cases, the department orders, if the auditor had resigned from his post, to write off the restrictions imposed on his funds, if such funds are available, and to return back the warranty given by him; and in the third case, the department adjudicates the auditor to pay the remaining money he owes, during a delay that it fixes

to him. And if he were not acquitted as a result of "force majeure", the department would be entitled to exempt the auditor from it.

And if the auditor dies, his estate would'nt be transferred to his heirs, before the issuance of a final resolution regarding his accounting, by the department.

The competent administration should deposit the accounting, with its documents, in the department in a maximum delay of 3 months, after the date of the accounting deposition in this department.

However, in case of expiration of 6 months, after the deposition of the dead auditor's accounting in the department, and the department does'nt issue during them its resolution to discard this decision, then it would be possible to transfer the estate to the auditor's successors, if any legal hinderance does'nt forhid this.

**Fragment B : The control over the employees**

Article 59 : The control over the employees includes the functions of any one involved in the administration and the application of the public funds, and those deposited in the treasury, and also the functions of any one involved in the collection and payment operation in the interest or the accountings of the budget, or in its books-keeping, other than the employees and also the functions of any one, involved in the

administration of said funds, and in the performance of said operations, without being legally entitled, and involved too in the said functions or operations, either by carrying out the preparatory functions, and either by controlling or approving them.

Would be considered as an employees, in fact any person other than the employees, charged with the functions provided for in the first clause of this article, either by appointment or selection or through a contract, including the members of the decision-maker commissions, on the occasion of assuming their mentioned functions, and any one, other than the employees, having assumed these functions or got involved in them, or contributed to them, without being legally entitled.

Article 60 : A fine ranging between /150000/ lebanese pounds and /1.500.000/ lebanese pounds would be implicated on any employee who commits, or contributes in the committal of any of the violations mentioned in this article, in addition to the behaviourist and criminal compulsions and penalties, which the competent authorities could inflict too.

1 - for contracting an expense, contrary to the provisions of the law or of the regulations.

2 - for contracting an expense without the obtainment of the paraph of the expenses contracts controller.

3 - for failing to submit some formalities to the anterior control of the department, or to refer some formalities to execution without

observing the conditions, set forth in this regard, in the department resolution.

4 - for failing to observe the refusal of the audit department, or the refusal of the expenses contracts controller, to paraphrase this formality.

5 - for unduly recording some expenses, in order to disguise and veil an excess in the credits.

6 - for carrying out an order contrary to the law, deriving to him from others than his hierarchical chief.

7 - for enabling or having enabled, the persons who enter in contracts with the administration to make illegal profits.

8 - for committing a mistake or a failure or a negligence that might harm, materially, the public funds, or those deposited in the treasury.

9 - for delaying the deposition of the accountings and the audit department or in the public prosecutor's office near it, and failing to perform this task within the delay specified in the laws and regulations.

10 - for violating the provisions concerning the administration and the application of the public funds, or those deposited in the treasury.

Article 61 : And if it were shown that the breach provided for in article 60 of this decree-law, has caused damages or losses to the public funds, or to those deposited in the treasury, the department would be entitled to punish the breaching employee, in addition to the fine provided for in article 60, by another penalty, which would be calculated proportionally to the importance of the unnet wage of the breaching employee, if he has a wage, or to the amount of his remuneration or the like, in other cases.

This additional penalty cannot be less than the monthly wage of the employee or than his monthly remuneration, or whatever equals it on the date of the breach committal, and cannot exceed the total of his wage or remuneration or what is equal to them, per year; and if he performs his job without an against, the penalty should range between /1000/ and /10.000/ lebanese pounds.

The employee who is prosecuted before the audit department, is entitled to resort to a lawyer, of his choice.

Article 62 :

1 - The department deliberated the causes of the breach, and the extent of the liability related to it, and inflicts on the held- responsible employee a fine ranging within the limits shown in the two, articles 60 and 61 of this decree-law.

2 - The employee should be exempt from the penalty, if he desisted from the action leading to the breach before referring it to execution; or



if the investigation showed that the employee has committed the breach, through the compliance with a written order from his immediate chief, on condition that he should have drawn in writing, the attention of this chief to the breach that would result from the compliance with this order. In this case, the chief substitutes the employee as regards the liability, and would be punished within the limits shown in the two articles 60 and 61 of this decree-law.

The employee subordinated directly to the minister should'nt be exempt from punishment except of the communicated directly to the department or to the public prosecutor near it, within a week at the utmost, the written study which he has submitted to the minister before the execution of the order, and in which he drew his attention to the breach that would result from this matter.

3 - The department is entitled to exempt from the penalty, if it discovers that it was impossible for the employee to be aware of the breach upon its committal, or that the employee has committed the breach for the sake of well promoting the public interests, or in order to avoid a sure damage threatening them.

4 - And if the department adjudicated to inflict a fine, it would be entitled also to decide on a stay of execution if it were held sure of the good intentions of the convict, on condition that this latter

doesn't benefit from the execution stay more than once during the single financial year in which the breach was committed.

Article 63 : It is not allowed to carry out an addition between the fines imposed by the department, except within the maximum extent, provided for in the two articles 60 and 61 of this decree-law.

The fines provided for in the two said articles, are not administratively amendable.

Article 64 : The department should notify the parliament of the breaches committed by the ministers.

Article 65 :

1 - The termination of the employee's service doesn't prevent his prosecution before the audit department.

2 - The prosecution resulting from a breach should be nonsuited, and should end, in the case of the held responsible employee death, or by prescription.

3 - The breach is subject to prescription after the expiration of five years, as of its committal date, if it were committed openly, or as of the date of its discluse, if it were committed secretly.

The prescription term should be calculated from day to day, without interruption except for one of the following reasons :

- A - A request made to the audit department to deliberate on this breach, according to the provisions of this decree-law.
- B - The start of the investigation procedures regarding this breach, according to the provisions of this decree-law.
- C - The preparatory decisions made by the accountancy department as regards this breach.
- D - A request to revoke the resolution of the accountancy department, regarding this breach.

**Fragment C : The prosecution rules**

Article 66 : The department exercises its powers in its capacity of a court, formed of a presiding judge, and two judges.

The provisions of the civil prosecutions procedures should be applied to the request of dismissal and relinquishment.

Article 67 : If it were impossible to form the commission, it should be completed by judges from the state legislative council, mandated through a resolution of the prime minister according to the request of the department head, after the approbation of the head of the State legislative Council.

Article 68 :

1 - The department deliberates on the breach hazardly or according to the request of the public prosecutor near it.

For this purpose, the public prosecutor is entitled to carry out the investigation in this matter, or to amplify the on-going investigation regarding it. He is entitled to hearken to the employees and wetnesses, and to request to the administration or the competent board to provide him with the documents, the clarifications and the informations he needs, and to charge the controller that assists him, with the performance of any local scruting regarding this matter, provided that this mandate should be notified to the employee's immediate chief, before starting this task.

The provisions of article 80 of this decree-law should be applied to the employees and witnesses; and the provisions of clause /2/ of this article should be applied to the request of documents clarifications and informations.

In case of haphazard provocation, the above mentioned rules should be applied, on condition that the competent judge should assume the function of the public prosecutor, shown in it.

2 - The chamber's head refers the formality to the competent councillor, who studies it by himself, or refers it to acontroller, that assists him in this study.

The councillor is entitled to request to the competent administration, the written clarifications and informations he needs, and to

interrogate the employee to whom the breach is attributed, and also to hear the witnesses and to propose to the commission the appointment of experts; he is entitled also to charge the controller, in writing, with the carrying out of any local investigation or scrutiny related to the formality referred to him, provided that he should notify the written mandate to the administration head, before the start of this task.

The competent administration should answer this request, within the fixed delay in it, on condition that this delay would not be less than ten days; and if necessary, it will be possible to extend this delay haphazardly, or on the request of the competent administration.

The department is entitled also to get acquainted with any file or document, even the secret ones, if they were related to the formality under study.

Article 69 : As a result of the investigation, the councillor should formulate a report, comprising the summary of the matter, and his opinion about it.

Article 70 : The reports of the councillors, in which it is requested to carry out a revision, or to specify the powers, or to acquit or not, or to impose a fine, should be referred to the public prosecutor, together with the confirmatory papers.

As for the other reports, they should be referred to him if he requested that , or if the head or the competent commission decided this.

The public prosecutor returns these reports together with his written study, within a delay of ten days at the utmost.

Article 71 : The provisional resolution should be notified to the auditor, or the employee, through the proclamators, according to the provisions of the Civil procedures Code rules, or through the registered mail, with an acknowledgement of receipt, or in an administrative way, and a copy of it should be notified to his immediate chief.

The concerned person is entitled to get acquainted with the file, and to resort to a lawyer.

Article 72 : The scrutiny should be carried out in the deliberations' room, according to the produced papers; In this room, the resolutions should be issued by the majority of the votes.

Article 73 : The final resolution should be notified to the concerned person, according to the rules shown in article 71 of this decree-law. And a copy of it, should be notified to the public prosecutor, and a true-copy of it should be communicated to the finance ministry for execution according to the direct taxes collection law.

Article 74 : The compulsory guaranty should be affixed on the real-estates of the convict. And the legal interest rate should be applied to him as obligations or debits as of the date fixed in the resolution.

Article 75 : However, the department is entitled to advise the competent minister to prosecute the employee administratively or criminally, on condition that a copy of this advise should be notified to the administration of the Central Inspection.

Fragment D :

Article 76 : It is possible to attack the final juridical decisions of the department, either through revision, and either through revocation.

Article 77 :

- 1 - It is possible to revise the decision before the department :
  - A - If the scrutiny of another formality showed that there were mistakes or failures, or forgery or repeated recordation.
  - B - If some newly produced documents or matters were apt to change the decision.
- 2 - The revision should be carried out on the request of the public prosecutor, or the finance minister, to the interest of the treasury, or the auditor, or the competent employee, or the administration or the concerned board.

3 - The revision application should be submitted by the auditor or the employee within a delay of two months as of the date of the rise of its justificatory reason; its admittance would be subject to the payment of a guaranty of 10 thousand lebanese pounds, against a receipt, to the lebanese treasury.

This guaranty should be confiscated as an income for the treasury; if this application were dismissed in form or on the merits, and in any case, it should be returned back to the auditor or the employee.

4 - The revision application doesn't prevent the execution of the attacked decision; but the department is entitled to decide the stay of execution of the attacked decision according to the request of the competent auditor or employee, if it were shown that the execution would be badly harmful, and that the revision application relies upon good reasons.

5 - The commission who had issued the attacked decision shall deliberate on the revision application.

Article 78 : It is possible to demand the revocation of this decision before the State legislative council, for incompetency, or violation of the prosecution rules or procedures, or violation of the laws and regulations, within a delay of two months from the date of the service with the attacked decision the revocation application should be submitted by the public prosecutor near the audit department and the finance minister, in



favor of the treasury, the competent employee, or the concerned administration or board.

Article 79 : If this decision were revoked the department would be held to observe the resolution of the State Legislative Council.

### Chapter 3 : Common provisions

Article 80 :

1 - The employees, the witnesses and the experts are summoned to appear before the department, as regards anterior and posterior control, by the chamber head.

Any person summoned to appear before the department should comply with the summons, or else a fine of 20000 lebanese pounds would be inflicted on him; This fine should be doubled each time he doesn't comply with the summons, without confirming that there were good reasons for his failure.

The department deliberates on this matter according to the provisions of article 68 of this decree-law.

2 - The experts are appointed near the audit department out of the lists adopted in the courts.

The competent commission near the department fixes the expert wage, after the approbation of the department head, within the limits

of the balanced credits for this end in advance by the concerned person for this end too.

As regards the wage specification, the provisions of the decree-law number 65 of 9/9/1983 should be applied.

The rules of the guaranty payment in advance, as shown in this clause, and the payment of the expert wage out of it, should be prepared and organized according to the resolution of the according head, after the approbation of its council.

### Part 3

#### The documents to be submitted to the department

##### Fragment A : General provisions

Article 81 : The competent employees send their accountings to the audit department according to a special statute, formulated in mutual agreement between the finance ministry and the audit department, and confirmed by the joint decision of the finance minister and the audit department head.

##### Fragment B : The municipalities and the public institutions

Article 82 : The competent employees in the municipalities and the public institutions subject to the general accountancy laws, send the accountings, the documents and the informations, according to the statute provided for in the previous article.

As for the municipalities, the public institutions and the other boards, unsubmitted to the general accountancy laws, they send their accountings to the department according to a special statute, formulated by these institutions or municipalities or boards, in mutual agreement with the audit department, and confirmed by the administrative trusteeship minister.

**Fragment C : Common provisions**

Article 83 : The audit department is entitled to request all the accountings, the clarifications and the documents necessary to the fulfillment of the control, from the competent administrations.

Article 84 : If the employee fails to present the accountings, informations and clarifications, within the fixed delays, the department would be entitled to charge an expert with the task of collecting them and presenting them to it, at the expense of the said employee, provided that the department would fix the wage of this expert. As regards the notification of the expert appointment decision and the specification of his wage, the rules provided for in the two articles 71 and 80 of this decree-law should be applied.

Article 85 : After the end of the scrutiny in the accountings and the documents sent to it, and the issuance of a final decision in this regard, the audit department would be entitled to keep them or to return them to the competent authority, after sealing them with a special seal.

It would be entitled also to decide on the scrutiny in the documents locally near the administrations, the municipalities, the public institutions and the other boards subject to its control; and in this case, it has to request to the competent administration, municipality, instruction or board not to send the documents to it (i.e. to the department).

Article 86 : Immediately after their issue, all the provisions comprising the appointment of employees or the like in the administrations, institutions and boards subject to the department control, should be notified to the audit department and to the public prosecutor near it.

And if the competent chamber discovered that the appointment had been carried contrary to the provisions of the laws and the regulations in force, it should be held to take a juridical decision restricting the payment of the expenses resulting from this appointment.

The competent chamber deliberates on this matter haphazardly, or on the request of the department head or the public prosecutor near it, and as regards the investigation and the prosecution, it follows the rules provided for in this decree-law, as to the administrative control.

The chamber's decision should be notified to the competent authorities in order to execute it, and also to the concerned person.

This decision is subject to the revision manners provided for in this decree-law.

#### Part 4 Different provisions

Article 87 : The public administrations and institutions, the municipalities and the other boards, subject to the audit department control, are entitled to request the department's opinion, as regards the financial matters.

This opinion should be issued by the competent commission, according to the decision of the functions assignation, and would have an advisory aspect.

Article 88 : In the case of jurisprudence inconsistency in the department, at the level of the exercise of its different kinds of control, the department head should submit this matter to the general commission of the department, so as to take a decision regarding the unification of jurisprudence.

The decisions of jurisprudence unification shall have a binding aspect.

Article 89 : Except otherwise stipulated in the law or in the regulations, the employees subject to an oath before the audit department shall take the

following oath of office : " I swear by God the great to fulfill the function obligation trustfully and sincerely, and to keep its secrecy for ever".

## Part 5

### Conclusive provisions

Article 90 : Was superseded to article 2 of the decree-law number 5 of 23/3/1985.

Article 91 : (Amended according to the law number 132, of 14/4/1992)

The documents of the audit department should be kept for 15 years at least, and should'nt be destroyed or disposed of after this period, except with the approbation of the department council.

Article 92 : (Amended according to the law number 132, of 14/4/1992)

The amount of the fine provided for in article 60 of the decree-law number 82, of September 16, 1983, should be increased from 500 lebanese pounds to 150000 lebanese pounds, and from 150000 lebanese pounds to 1.500.000 lebanese pounds (one million five hundred thousand).

The amount of the fine provided for in clause 2 of article 80 of the said decree-law should be increased from 200 lebanese pounds to 20000 lebanese pounds.

The amount of the guaranty, provided for in article 77 of the above mentioned decree-law should be increased from 100 lebanese pounds to 10000 lebanese pounds.

Article 93 : (Amended according to the law number 132, of 14/4/1992)

The audit department cadre should be specified according to the shedule number /1/ attached hereto.

Article 3 : All provisions and stipulations contradicting with the provisions of this law, or are inconsistent with its content, should be superseded.

Article 3 : This law should be put in force immediately after its promulgation.

Beirut on April 14, 1992

Signed : Elias Al-Hrawi

Issued by the president of the Republic

The prime minister

Signed : Omar Karamah

The prime minister

Signed : Omar Karamah

**Shedule number -1-  
The audit department**

The Cadre	The number
A : The judges	
- The audit department head	1
- The public prosecutor near the audit department	1
- The chambers' chiefs in the audit department	6
- Councillor in the audit department	25
- The aids of the public prosecutor near the audit department	3
	36
B : Auditors	
	30
C : Controller and prime Controller	
	50
D : The administrative employees	
- Service head	1
- Auditor	1



The Cadre	The number
1 - Section of the General secretariat	
- Section head	1
- Draftsman or clerk	10
- Typewriter	12
- Phone operator	2
- Janitor	3
- Servant	3
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	33
2 - The public prosecutor's office section	
- Section head	1
- Draftsman	3
- Proclamator	1
- Janitor	1
- Servant	1
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	8

The Cadre	The number
3 - Section of the seizure draft :	
- Section head	1
- Draftsman	7
- Proclamator	6
- Janitor	4
- Servant	1
	<hr/>
	19
4 - Section of Archives and documentation :	
- Section head	1
- Compartment head	2
- Draftsman	4
- Janitor	2
- Servant	4
	<hr/>
	13
	<hr/>
TOTAL :	73

Law number 132

Ruling the establishment of the Financial law compartment  
in The Juridical Studies College

Article 1 : The following should be added to article 76 of the decree-law  
number 150, of 16/9/1983 :

A compartment for the financial law should be established in The  
Juridical Studies College.

After consulting the audit department bureau, the prime minister  
specifies the number of the graduate financial judges, intended to be  
appointed in said compartment, in order that they become, after their  
graduation, financial judges of the lowest grade, in the audit  
department.

For whatever regards the graduate financial judges, the accountancy  
department bureau substitutes the Highest Juridical Council; and in  
the College administration council, the head of the accountancy  
department substitutes the head of the Highest Juridical Council;  
and two audit department judges substitute two justice judges,  
and should be appointed through the resolution of the audit  
department head, after the approbation of the audit department

council. The provisions applied to the justice graduate judges should be applied to the financial graduate judges.

Article 2 : This law should be put in force immediately after its promulgation in the official journal.

Beirut on April 14, 1992

Signed : Elias Al-Hrawi

Issued by the president of the Republic

The prime minister

Signed : Omar Karamah

The prime minister

Signed : Omar Karamah

