

COLLECTION  OF LAWS  
OF THE SLOVAK REPUBLIC

Year 2015

Promulgated on: 9 December 2015

Current version of the law effective from: 1 January 2019

The content of this document is legally binding.

**357**

**ACT**

of 10 November 2015

**On financial control and auditing and on amendments to certain laws**

The National Council of the Slovak Republic has adopted the following Act:

**Section I**

**Initial Provisions**

**Article 1**

(1) This Act shall govern the principal rules, objectives and methods of financial control and auditing.

(2) The provisions of this Act shall not apply to control and auditing performed under special laws.<sup>1)</sup>

**Article 2**

For the purposes of this Act:

- (a) 'Financial management' shall mean the set of procedures of a public authority applied in public finance risk management, responsible planning, budgeting, use, provision, accounting for, reporting, financial control and auditing aimed at ensuring the economic, effective, efficient and purposeful use of public finances;
- (b) 'Financial control' shall mean the set of activities carried out to verify the economy, effectiveness, efficiency and purposefulness of financial transactions or their parts prior to and when carried out, until their full settlement and clearance and the achievement and maintenance of the results and objectives of the financial transactions or their parts;
- (c) 'Audit' shall mean the set of independent and objective verification, assessment, assurance and consultation activities aimed at enhancing management and control processes in alignment with internationally accepted auditing standards;
- (d) 'Financial transaction or its part' shall mean the receipt, provision or use of public finances, or a legal act or another act involving assets;
- (e) 'Public finances' shall mean the funds defined in the relevant law,<sup>2)</sup> funds provided from abroad under the international treaties by which the Slovak Republic is bound, funds from the budgets of the Member States of the European Union and funds from the budgets of countries

other than the Member States of the European Union which are earmarked for financing or co-financing the European Union's programmes; public finances shall be understood as also including a person's own funds earmarked for financing programmes implemented under the international treaties by which the Slovak Republic is bound, or for co-financing the European Union's programmes;

- (f) 'Public authority' shall mean a public authority defined in the relevant law<sup>3)</sup> and a legal entity through which public finances are provided;
- (g) 'Authorised person' shall mean a public authority performing an administrative financial check or on-the-spot financial check, a state budget chapter administrator defined in the relevant law<sup>4)</sup> when performing an internal audit, or the Ministry of Finance of the Slovak Republic (hereinafter "Ministry of Finance"), the Government Audit Office referred to in Article 4 or a different legal person referred to in Article 19(5) when performing a government audit, or the Ministry of Finance or the Government Audit Office when performing the quality evaluation of financial control and auditing;
- (h) 'Obligated person' shall mean a public authority or its internal organisational unit or person subject to an administrative financial check, on-the-spot financial check, internal audit or government audit, or the quality evaluation of financial control and auditing;
- (i) 'Joined person' shall mean an employee of another public authority or of a legal person, or a foreigner<sup>5)</sup> or another natural person invited by a public authority to take part in the administrative check, on-the-spot financial check or auditing;
- (j) 'Employee' shall mean a natural person having an employment relationship or other similar labour relationship with the person concerned<sup>6)</sup>;
- (k) 'Audit authority' shall mean the Ministry of Finance and the Government Audit Office;
- (l) 'Economy' shall mean a reference to public spending on an activity or on the procurement of goods, works and services that is made at the right time and in an adequate quantity and with a suitable quality at the best possible cost;
- (m) 'Effectiveness' shall mean a reference to the most favourable ratio between public spending and achieved results;
- (n) "Efficiency" shall mean a reference to the performance against set targets and planned results in relation to the public finances spent;
- (o) 'Purposefulness' shall refer to the relation between the intended purpose and the actual purpose of public spending;
- (p) 'Risk management' shall mean the repetitive process of mutually interlinked activities aiming to manage the potential occurrence of risk, i.e. to limit the likelihood of occurrence and mitigate the impact of a risk in order to prevent unfavourable results or adverse impacts of a public authority's action and avoid irregularities and fraud;
- (q) 'Risk' shall mean the likelihood of occurrence of an event able to adversely affect the accomplishment of objectives and tasks set;
- (r) 'Person' or 'party' shall mean both a legal entity and a natural person, except where the provision of this Act refers specifically to a natural person or a legal entity;
- (s) 'Quality evaluation of financial control and auditing' shall mean verifying compliance with this Act and the relevant laws applicable to the conduct of financial control and auditing.

### **Article 3**

#### **Jurisdiction of the Ministry of Finance**

For the purposes of financial control and auditing, the Ministry of Finance as a central government body shall:

- (a) Prepare legislative bills and drafts of other regulations of general application concerning financial control and auditing;
- (b) Issue guidelines for the conduct of financial control and auditing which the relevant public authorities are obliged to respect;
- (c) Coordinate the planning and conduct of government audits;
- (d) Cooperate with the other government authorities, European Union authorities and other countries' authorities and international organisations in the field of financial control and auditing;
- (e) Perform duties as an audit authority under the relevant laws;<sup>7)</sup>
- (f) Perform duties as the Central Harmonisation Unit for the public internal control system;
- (g) Provide information on the application of this Act to the European Union authorities and other countries' authorities pursuant to the international treaties by which the Slovak Republic is bound and under which funds are provided to the Slovak Republic from abroad within the time limits and with the scope determined by the European Union authorities or the international treaties by which the Slovak Republic is bound and under which funds are provided to the Slovak Republic from abroad; to that end, the Ministry of Finance shall be authorised to request information from the public authorities and other persons in receipt of funds for financing the programmes of the Slovak Republic and the European Union, or of funds provided from abroad under the international treaties by which the Slovak Republic is bound, and such public authorities and other persons shall be obliged to provide the information so requested;
- (h) Provide specialised education to the employees performing financial control and auditing;
- (i) Perform government audits under this Act or under the relevant laws;<sup>8)</sup>
- (j) Perform quality evaluations of financial control and auditing;
- (k) Make decisions in proceedings concerned with violations of financial discipline and impose and enforce penalties under Article 4(4)(b) and (c), where appropriate;
- (l) Perform other duties arising from this Act.

#### **Article 4**

##### **Government Audit Office**

(1) The Government Audit Office shall be established, which shall be based in Zvolen and have jurisdiction over the whole territory of the Slovak Republic. Subject to written approval from the Ministry of Finance, the Government Audit Office shall be authorised to establish its branch offices.

(2) The Government Audit Office shall be a state-funded organisation whose revenues and expenditures shall be linked to the budget of the Ministry of Finance:

(3) The Government Audit Office shall be managed by, and the responsibility for its operation shall attach to, a director who shall be appointed and removed by the Minister of Finance of the Slovak Republic.

(4) The Government Audit Office shall:

- (a) Perform government audits under this Act or under other relevant laws;<sup>8)</sup>
- (b) Make decisions in proceedings concerned with violations of financial discipline in the management of the funds provided from abroad under the international treaties by which the Slovak Republic is bound or of the state budget funds the provision of which is a precondition for the provision of funds from abroad; and in proceedings concerned with violations of

financial discipline by state-funded or state-subsidised organisations or by other persons in the management of the state budget funds or the European Union's funds. This subparagraph shall not apply to violations of financial discipline by the recipients when managing the European Union's funds subject to the relevant law<sup>8a)</sup> and the state budget funds provided by the Agricultural Paying Agency for financing the joint programmes of the European Union and the Slovak Republic, which are subject to the relevant law<sup>8b)</sup>;

- (c) Impose and enforce penalties for violations of financial discipline in the management of the funds provided from abroad under the international treaties by which the Slovak Republic is bound or the state budget funds the provision of which is a precondition for the provision of funds from abroad; and for violations of financial discipline by state-funded or state-subsidised organisations or by other persons in the management of the state budget funds or the European Union's funds. This subparagraph shall not apply to violations of financial discipline by the recipients when managing the European Union's funds subject to the relevant law<sup>8a)</sup> and the state budget funds provided by the Agricultural Paying Agency for financing the joint programmes of the European Union and the Slovak Republic, which are subject to the relevant law<sup>8b)</sup>;
- (d) Make decisions in proceedings concerned with violations of financial discipline in the management of the funds provided as a proportion of a paid tax under the relevant law<sup>9)</sup>;
- (e) Impose and enforce penalties for violations of financial discipline in the management of the funds provided as a proportion of a paid tax under the relevant law<sup>9)</sup>;
- (f) Provide cooperation to the Ministry of Finance in the exercise of its jurisdiction, as defined in Article 3;
- (g) Perform quality evaluations of financial control and internal audits;
- (h) Perform such other duties not listed under subparagraphs (a) to (g) as other relevant laws may require.<sup>10)</sup>

## **Article 5**

### **Financial management**

(1) A public authority shall be required to implement, maintain and develop financial management to ensure:

- (a) Appropriate risk management and financial control in order to avoid in the pursuit of the public authority's objectives and goals any non-compliance with this Act, its implementing laws of general application and other relevant laws and international treaties by which the Slovak Republic is bound<sup>11)</sup> and under which funds are provided to the Slovak Republic from abroad;
- (b) Carrying out financial transactions and their parts in an economic, effective, efficient and purposeful manner;
- (c) Verification of compliance with the conditions to which the provision and use of public finances is subject;
- (d) Carrying out or continuation of only such financial transaction, or part of a financial transaction, which complies with Article 6(4);
- (e) Reliability of reporting, including making and retaining verifiable records of financial transactions or their parts;
- (f) Accuracy and completeness of information on the financial transaction or its part being carried out;
- (g) Protection of the assets managed or owned by the public authority;
- (h) Prevention and detection of fraud and irregularities and taking of remedial action;

- (i) Implementation and observance of rules and procedures to prevent and avoid corruption;
- (j) Monitoring and evaluation of the operation of a public authority in order to obtain information on and assess the standard of its operation and report and remedy the identified deficiencies in the public authority's operation;
- (k) Avoidance of interventions seeking to influence the employees performing financial control;
- (l) Adoption of measures to remedy, and eliminate the causes of, the deficiencies identified by the authorised person, the Supreme Audit Office of the Slovak Republic, the European Commission, the European Court of Auditors or any other body authorised to perform controls or audits, including taking action against the employees responsible for the identified deficiencies<sup>12</sup>, and implementation of the measures adopted to remedy the identified deficiencies and eliminate their causes (hereinafter referred to as "implementation of adopted measures").

(2) The public authority shall determine such conditions for the provision and use of public finances which ensure the economic, effective, efficient and purposeful management of public finances.

### **Financial control**

#### **Article 6**

(1) Financial control shall be performed in the form of

- (a) basic financial control;
- (b) an administrative financial check;
- (c) an on-the-spot financial check.

(2) The responsibility for financial control shall be borne by the statutory body of the public authority.

(3) The aim of financial control shall be, in particular, to ensure:

- (a) Compliance with the requirements for the economy, effectiveness, efficiency and purposefulness of the management of public finances and the financial transaction or its part being carried out;
- (b) Compliance with the general government budget;
- (c) Compliance with this Act and its implementing laws of general application, relevant specific laws or the international treaties by which the Slovak Republic is bound<sup>11</sup>) and under which funds are provided to the Slovak Republic from abroad, and decisions issued under the relevant laws<sup>14</sup>) or internal regulations;
- (d) Compliance with the contracts and agreements<sup>15</sup>) signed by the public authority;
- (e) Compliance with the conditions to which the provision and use of public finances are subject;
- (f) Accuracy and traceability of the financial transaction or its part and credibility of reporting;
- (g) Protection of the assets managed or owned by the public authority;
- (h) Prevention of fraud, irregularities and corruption;
- (i) Timely and reliable information of the statutory body of the public authority on the standard of management of public finances and the financial transaction or its part being carried out;
- (j) Verification of the implementation of the measures adopted in response to deficiencies identified through an administrative financial check or on-the-spot financial check;

(k) Verification of other facts relevant to the financial transaction or its part and financial management.

(4) By exercising financial control the public authority shall verify for each financial transaction or its part, in a manner appropriate to the objectives provided in paragraph (3) and the nature of the financial transaction or its part, compliance with

- (a) the public authority's budget for the current budgetary year;
- (b) the public authority's budget for the two budgetary years following the budgetary year referred to in subparagraph (a) if the financing of the financial transaction or its part does not end in the current budgetary year and the financial transaction or its part is related to public procurement; the foregoing shall apply if the public authority is a state-funded organisation;
- (c) the relevant laws or international treaties by which the Slovak Republic is bound<sup>11)</sup> and under which funds are provided to the Slovak Republic from abroad;
- (d) the contracts and agreements<sup>15)</sup> signed by the public authority;
- (e) the decisions issued under the relevant laws<sup>14)</sup>;
- (f) the internal rules or
- (g) any other conditions to which the provision and use of public finances is subject and which are not listed under subparagraphs (a) to (f).

#### **Article 7**

##### **Basic financial control**

(1) A public authority shall be obliged to carry out the basic financial control to check each financial transaction or its part for the compliance required under Article 6(4) at the relevant levels of management.

(2) The basic financial control shall be performed by the public authority's statutory body or the officer of the public authority commissioned by its statutory body and the employees responsible for the budget, public procurement, asset management and other specialised activities in a manner appropriate to the nature of the financial transaction or its part and in accordance with the decision of the public authority's statutory body. Where the public authority is a municipality which is not able to perform the basic financial control using its own employees, the basic financial control shall be performed by the mayor and at least one other natural person, who must be approved by the municipal council's resolution.

(3) The person performing basic financial control, as referred to in paragraph (2), shall confirm the compliance of the financial transaction required under Article 6(4) in a document relating to the financial transaction by stating their name and surname and the date of the basic financial control and attaching their signature and a statement as to whether

- (a) the financial transaction or its part may or must not be carried out;
- (b) the financial transaction or its part may or must not be continued; or
- (c) the benefit previously provided is or is not to be recovered if the financial transaction or its part has already been carried out.

(4) The paragraphs (1) to (3) shall not be applied by the public authority in respect of the performance of duties of the Integrated Rescue System and by the Police Force, Fire and Rescue Service, Mountain Rescue Service, Customs Financial Administration, Armed Forces of the Slovak Republic, Prison and Judicial Guard Force of the Slovak Republic, National Security Authority of the Slovak Republic and intelligence services in respect of the performance of duties that brook no delay within the meaning of the relevant laws.<sup>17)</sup> Also, the provisions of paragraphs (1) to (3) shall not be applied in respect of action to remedy operational accidents and other emergencies

immediately after their occurrence, to the extent such remedial action is taken in the interest of protecting lives and health and preventing damage to property and, as such, brooks no delay.

## **Article 8**

### **Administrative financial check**

(1) A public authority shall perform an administrative financial check of each financial transaction or its part to verify the compliance required under Article 6(4) whenever the public authority provides, or has provided, public finances to another person, or whenever public finances are provided under the relevant law.<sup>18)</sup> The administrative financial check shall be carried out by the persons referred to in Article 7(2).

(2) The provision of paragraph (1) shall not apply to the use of public finances from the public authority's budget for the public authority's own operation, except subsidies and transfers to the public authority from another public authority which is linked to its budget or falls within its subject-matter jurisdiction.

(3) Where the financial transaction or its part is carried out on the basis of administrative proceedings, court proceedings, certification verification or other similar proceedings referred to in the relevant laws,<sup>19)</sup> the administrative financial check shall not be performed, except where the financial transaction or its part is carried out on the basis of a decision issued under the relevant law.<sup>20)</sup>

(4) The conduct of the administrative financial check shall be subject to the provisions on the basic rules of financial control and auditing in Articles 20 to 27.

## **Article 9**

### **On-the-spot financial check**

(1) A public authority shall also be authorised to verify a financial transaction or its part by performing an on-the-spot financial check to gather evidence and check and establish the facts the public authority deems indispensable for the verification of the compliance required under Article 6(4).

(2) The public authority shall be authorised to perform an on-the-spot financial check at:

- (a) Its organisational units;
- (b) The legal entities falling within its funding or founding jurisdiction and the legal entities in which the public authority exercises the shareholder's rights or the rights arising from the holding of property interests, or which the public authority manages;
- (c) The legal entities through which public finances allocated from the public authority's budget or public finances falling under the public authority's responsibility are provided, or through which public finances are provided under the relevant law;<sup>18)</sup>
- (d) Other persons in receipt of public finances allocated from the public authority's budget or public finances falling under the public authority's responsibility or public finances provided under the relevant law<sup>18a)</sup> or public finances provided by a legal entity referred to in subparagraph (b) or (c).

(3) The on-the-spot financial check shall be performed by at least two employees of the public authority under a written instrument of commission issued by the public authority's statutory body or by an officer of the public authority authorised in writing by its statutory body. Where the public authority is a municipality which is not able to perform the on-the-spot financial check using its own employees, the on-the-spot financial check shall be performed by the mayor and at least one other natural person, who must be approved by the municipal council's resolution.

(4) The conduct of the on-the-spot financial check shall be subject to the provisions on the basic rules of financial control and auditing in Articles 20 to 27.

## **Auditing**

### **Article 10**

(1) Audits shall take the form of internal audits or government audits.

(2) The purpose of an audit shall be, in particular, to:

- (a) Facilitate the fulfilment of the public authority's goals, duties and objectives;
- (b) Impart a systematic methodological approach to the improvement of financial management;
- (c) Verify and evaluate the risk management system and the identification and assessment of the potential risks associated with financial management and other activities;
- (d) Verify and assess the compliance of financial management and other activities<sup>11)</sup> with the relevant laws, international treaties by which the Slovak Republic is bound<sup>18)</sup> and under which funds are provided to the Slovak Republic from abroad, existing agreements and contracts<sup>15)</sup> and decisions issued under the relevant laws;<sup>14)</sup>
- (e) Verify and assess the economy, effectiveness, efficiency and purposefulness of the management of public funds;
- (f) Verify and assess compliance with the conditions to which the provision and use of public finances are subject;
- (g) Verify the accuracy and traceability of the financial transaction or its part;
- (h) Verify and assess the credibility of reporting and availability, accuracy and completeness of information on the financial transaction or its part;
- (i) Verify and assess the level of protection of property and information and the level of prevention of fraud, irregularities and corruption;
- (j) Verify and assess the security and functioning of information systems and the appropriateness and completeness of information contained in an information system;
- (k) Verify the implementation of the measures adopted in response to the deficiencies identified through an internal audit or a government audit;
- (l) Recommend risk management and financial management improvements to mitigate risks;
- (m) Verify and assess other matters relevant to the financial transaction or its part and financial management.

(3) An employee conducting internal audit or government audit shall not be tasked with activities which are unrelated to, or in conflict with the independence of, auditing and any interventions aiming to influence the employees conducting internal audit or government audit need to be excluded.

(4) The conduct of audits shall be subject to the provisions on the basic rules of financial control and auditing in Articles 20 to 27.

### **Article 10a**

#### **Quality evaluation of financial control and auditing**

(1) The Ministry of Finance shall perform quality evaluations of financial control and auditing. The Government Audit Office shall perform quality evaluations of the conduct of financial control



and internal audits, except the financial control and internal audits performed by the Ministry of Finance.

(2) The quality evaluation of financial control and auditing shall be led by a government auditor under a written instrument of commission for financial control and auditing quality evaluation issued by the audit authority's statutory body or by an officer of the audit authority authorised in writing by the audit authority's statutory body.

(3) The quality evaluation of government audits shall be performed at an audit authority or at a different legal entity referred to in Article 19(5). The quality evaluation of internal audits shall be performed at the state budget chapter administrators. The quality evaluation of financial control shall be performed at public authorities.

(4) The quality evaluation of financial control and auditing shall be subject, *mutatis mutandis*, to the provisions on the basic rules of financial control and auditing in Articles 20 to 27.

(5) The quality evaluation of financial control and internal audits at the public authorities including the Slovak Intelligence Service and the Military Intelligence Service, which falls within the jurisdiction of the Ministry of Defence of the Slovak Republic, shall be performed by the Ministry of Finance in accordance with the conditions provided in the international treaties by which the Slovak Republic is bound<sup>11)</sup> and under which funds are provided to the Slovak Republic from abroad.

## **Article 11**

### **Internal Audit and Government Audit Committee**

(1) The Internal Audit and Government Audit Committee (hereinafter referred to as "Committee") shall be established as an independent body conferred with the duties provided in paragraph (2). The members of the Committee shall include three representatives of the Ministry of Finance, one representative of the Government Audit Office, one representative of the Ministry of Justice of the Slovak Republic, one representative of the Office for Public Procurement and one representative of the Antimonopoly Office of the Slovak Republic. The members of the Committee shall be appointed and removed by the statutory body of the respective public authority. The Chair of the Committee shall be a representative of the Ministry of Finance.

(2) The Committee shall perform, in particular, the following duties:

- (a) Provide advisory and consulting services to the state budget chapter administrators and the audit authorities in their auditing work;
- (b) Consider proposals for the removal of an internal auditor or a government auditor under Article 15(3) and (4) within 30 working days of the delivery of the proposal for the removal of an internal auditor or a government auditor;
- (c) Consider annual reports on the internal audits performed during the previous year, approved by the statutory bodies of the state budget chapter administrators; the Committee may propose recommendations based on its consideration of the annual report on internal audits to the respective state budget chapter administrator;
- (d) Cooperate in the provision of training to internal auditors and government auditors and verify compliance with the requirements for specialised education provided in Article 14.

(3) Additional duties of the Committee and its rules of procedure and further details of its operation shall be stipulated in the Committee's statutes, which shall be subject to approval by a simple majority of the Committee members.

## **Article 12**

### **Conditions for the appointment of an internal auditor and a government auditor**

(1) An employee of a state budget chapter administrator or of an audit authority or a different legal entity referred to in Article 19(5) may be appointed as an internal auditor or a government auditor if they meet the following conditions:

- (a) Have the full legal capacity;
- (b) Be of a good repute;
- (c) Hold a second-level university degree;
- (d) Have the required professional competence;
- (e) Have at least two-year professional experience in the field of administrative financial checks, on-the-spot financial checks, internal audits, government audits, or control and audits performed under the relevant laws.<sup>1)</sup>

(2) For the purposes of this Act, a natural person shall be considered to be of a good repute if they have not committed a criminal offence against property or any other intentional criminal offence. Good repute is to be demonstrated by an excerpt from the person's criminal records. To demonstrate good repute as referred to in subparagraph (1)(b), the natural person shall provide their data required for obtaining the excerpt from their criminal records.<sup>20a)</sup> The Ministry of Finance or the statutory body of the respective state budget chapter administrator shall without undue delay forward the data referred to in the third sentence in an electronic form by electronic means to the Prosecutor-General's Office of the Slovak Republic to issue the excerpt from the person's criminal records.

(3) For the purposes of this Act, professional competency shall be understood as the complex of knowledge and experience required for the auditing work. Professional competency shall be demonstrated by a certificate of passing the qualification examination.

(4) Professional experience shall be demonstrated by documents showing the required length and scope of the professional experience in the fields referred to in subparagraph (1)(e).

(5) The Ministry of Finance shall keep a register of internal auditors and a register of government auditors, which registers shall be publicly available and published on the Ministry of Finance's website. The entries in the register of internal auditors and the register of government auditors shall include the name and surname and date of appointment of an internal auditor or a government auditor, as applicable, and the legal entity on behalf of which they have been appointed; the foregoing shall not apply if the protection of classified matters so requires. If the appointment of the internal auditor or government auditor has been terminated, the Ministry of Finance shall erase the person concerned from the register of internal auditors or the register of government auditors, as applicable.

### **Article 13**

#### **Qualification examination**

(1) The qualification examination shall be focused, in particular, on testing the knowledge of the following:

- (a) This Act, its implementing laws of general application and auditing-relevant specific laws;
- (b) Internationally accepted auditing standards;
- (c) Publicly accessible procedures and other documents related to auditing.

(2) The qualification examination shall be organised by the Ministry of Finance.

(3) The topics covered by the qualification examination and its date and place shall be published on the Ministry of Finance's website at least 30 days working days before the date of the examination.

(4) The qualification examination shall be conducted on the basis of the applicant's qualification examination application, which must be received by the Ministry of Finance at least 15 days working days before the date of the examination. The Ministry of Finance shall publish a list of the qualification examination applicants on its website; the foregoing shall not apply if the protection of classified matters so requires.

(5) The qualification examination shall be taken in the state language before an examination board to be appointed by the Minister of Finance. The qualification examination shall include a written part and an oral part. The details of the examination board and the qualification examination shall be stipulated in a Rule of Examination procedure to be published by the Ministry of Finance on its website.

(6) The Ministry of Finance shall notify the result of the qualification examination to the applicant within 20 working days of the date of the examination. Where the applicant has passed the qualification examination successfully, the notice of the result of the qualification examination shall be accompanied by a certificate of passing the qualification examination. An applicant who has failed to pass the qualification examination shall be able to repeat the qualification examination on the basis of a new qualification examination application, which may be filed no earlier than three months after the date of the failed qualification examination. The applicant shall be allowed to make no more than three qualification examination attempts.

#### **Article 14** **Specialised education**

(1) Specialised education shall be understood as the continuous acquiring, renewing, maintaining and deepening theoretical knowledge and professional competences by an internal auditor and a government auditor.

(2) The internal auditor and the government auditor shall be obliged to undertake specialised education organised by the Ministry of Finance. The Committee may also recognise other forms of education as part of specialised education on the condition that such other forms be comparable, in terms of specialisation, contents and quality, to the specialised education organised by the Ministry of Finance, and provided that a particular education activity may be counted as specialised education only once a calendar year.

(3) The Committee may also recognise as part of specialised education the internal auditor's or government auditor's own lecturing activity if it is comparable, in terms of specialisation, contents and quality, to the specialised education organised by the Ministry of Finance.

(4) The Committee may recognise other forms of education or lecturing activity as specialised education on the basis of an application for the recognition of another form of education or own lecturing activity. The internal auditor or government auditor shall submit the application referred to in the preceding sentence to the Committee along with the documents demonstrating the completion of the other form of education or lecturing activity and indicating the dates and topics of the same and the instructor's name and surname, where applicable, no later than 20 days after the date when the education or lecturing activity took place. The Committee shall send its statement regarding the application for the recognition of another form of education or lecturing activity to the internal auditor or government auditor no later than 30 working days after the receipt of the application.

(5) The internal auditor or government auditor shall be obliged to complete at least 20 hours of specialised education every calendar year. If appointed in the course of the first half of a calendar year, the internal auditor or government auditor shall be obliged to complete at least 10 hours of specialised education in that calendar year. If appointed in the course of the second half of a calendar year, the internal auditor or government auditor shall be obliged to complete at least 20

hours of specialised education in the next calendar year.

(6) An internal auditor or government auditor shall be exempt from the obligation provided in paragraph (2) when on maternity leave or parental leave, or on sick leave longer than 60 working days, or if the reasons referred to in the relevant law exist.<sup>21)</sup> When the reasons for exemption referred to in the first sentence cease to exist, paragraph (5) shall apply to the internal auditor or government auditor.

(7) Compliance with the specialised education requirements shall be verified by the Committee.

### **Article 15**

#### **Removal from and termination of the office of an internal auditor or a government auditor**

(1) Based on the verification of compliance with the specialised education requirements, the Committee may send a proposal for the removal of the internal auditor of the Ministry of Finance to the Minister of Finance, or of the internal auditor appointed by another state budget chapter administrator to that administrator if the internal auditor concerned has failed to meet the requirements for specialised education provided in Article 14. Based on the proposal referred to in the first sentence, the Minister of Finance or the statutory body of the other state budget chapter administrator, as applicable, shall remove the internal auditor of the Ministry of Finance or the internal auditor appointed by the other state budget chapter administrator, respectively, from the office. The other state budget chapter administrator shall notify the removal of the internal auditor to the Ministry of Finance no later than ten working days after the removal. The Ministry of Finance or the other state budget chapter administrator, as applicable, shall notify the removal of the internal auditor to the Committee no later than ten working days after the removal.

(2) Based on the verification of compliance with the specialised education requirements, the Committee may send a proposal for the removal of the government auditor to the Minister of Finance if the government auditor has failed to meet the requirements for specialised education provided in Article 14. Based on the proposal referred to in the first sentence, the Ministry of Finance shall remove the government auditor from the office. The Ministry of Finance shall notify the removal of the government auditor to the Committee no later than ten working days after the removal.

(3) The Ministry of Finance may propose the removal of an internal auditor of the Ministry of Finance, an internal auditor of another state budget chapter administrator, a government auditor of the Ministry of Finance or a government auditor of the Government Audit Office if the quality evaluation of their auditing work under Article 10a has revealed that the internal auditor of the Ministry of Finance, the internal auditor of another state budget chapter administrator, the government auditor of the Ministry of Finance or the government auditor of the Government Audit Office, respectively, has violated laws of general application, the mandatory legal acts of the European Union or the international treaties by which the Slovak Republic is bound in their auditing work. If the Ministry of Finance makes a proposal for the removal of an internal auditor or a government auditor, such proposal shall be submitted to the Committee for consideration within ten working days of the completion of the quality evaluation of auditing under Article 10a.

(4) The Ministry of Finance or the other state budget chapter administrator, as applicable, shall indicate in its proposal for the removal of the internal auditor or government auditor the reasons for which the internal auditor or government auditor of the Ministry of Finance or the government auditor of the Government Audit Office, or the internal auditor of the state budget chapter administrator, respectively, is to be removed, which the Committee shall consider before the effectuation of the change or termination or cessation of the auditor's service as a civil servant or public servant or of their employment, as applicable, under the relevant laws.<sup>22)</sup> Where the government auditor's service as a civil servant or public servant or their employment pursuant to the relevant laws<sup>22)</sup> is to be changed by way of transferring the government auditor from the

Ministry of Finance to the Government Audit Office, or from the Government Audit Office to the Ministry of Finance, the Ministry of Finance shall not submit a proposal for the removal of the government auditor to the Committee and the government auditor shall not be removed.

(5) After the consideration of the proposal for removal by the Committee under paragraph (3) or paragraph (4), the Minister of Finance or the statutory body of the other state budget chapter administrator, as applicable, may remove the internal auditor appointed by it. The other state budget chapter administrator shall notify the removal of the internal auditor of the Ministry of Finance to the Ministry of Finance no later than ten working days after the removal.

(6) After the consideration of the proposal for removal by the Committee under paragraph (3) or paragraph (4), the Ministry of Finance may remove the government auditor appointed by it. The Ministry of Finance may remove a government auditor of a different legal entity referred to in Article 19(5) on the basis of the quality evaluation of their auditing work or of notification by that legal entity of the change, termination or cessation of the employment of that legal entity's government auditor, in which case the reasons for removal shall not be subject to consideration by the Committee. The Government Audit Office or the different legal entity referred to in Article 19(5) shall notify the change, termination or cessation of the civil service or employment of its government auditor to the Ministry of Finance within ten working days.

(7) The internal auditor or government auditor removed on the basis of a proposal under paragraphs (1) to (3) may be re-appointed as internal auditor or government auditor only after newly passing the qualification examination, provided that the internal auditor or government auditor may repeat the qualification examination only twice after the removal.

(8) The office of an internal auditor or a government auditor shall terminate:

- a) Upon removal;
- b) Upon limitation of legal capacity by a final court order;
- c) On the finality date of a judgement by which the internal auditor or government auditor is convicted of a criminal offence against property or any other intentional criminal offence;
- d) Upon death or on the finality date of a judgement by which the internal auditor or government auditor is declared dead.

### **Internal audit**

#### **Article 16**

(1) A state budget chapter administrator must assign at least two employees to perform internal audits. The internal audit unit shall directly report to the statutory body of the state budget chapter administrator and be functionally and organisationally separated and independent of the other organisational units of the state budget chapter administrator and the execution of financial control and government audits. The statutory body of the state budget chapter administrator shall be responsible for the effective and efficient use of the internal audit results to improve the quality of financial management to ensure the economic, effective, efficient and purposeful performance of the state budget chapter administrator's duties.

(2) Persons eligible for performing internal audits shall be internal auditors and the state budget chapter administrator's employees. The internal audit shall be conducted under the leadership of the internal auditor and on the basis of a written authorisation for internal audit issued by the statutory body of the state budget chapter administrator.

(3) The statutory body of the state budget chapter administrator shall be authorised to appoint an internal auditor when the conditions provided in Article 12(1) have been met. The statutory body of the state budget chapter administrator shall notify the appointment of the internal auditor to the Ministry of Finance no later than ten working days after the appointment.

(4) The state budget chapter administrator shall perform internal audits at:

- (a) Its organisational units;
- (b) The legal entities falling within the state budget chapter administrator's funding or founding jurisdiction and the legal entities in which the state budget chapter administrator exercises the shareholder's rights or the rights arising from the holding of property interests, or which the public authority manages;
- (c) The legal entities through which public finances allocated from the state budget chapter administrator's budget or public finances falling under the state budget chapter administrator's responsibility are provided, or through which public finances are provided under relevant law;<sup>18)</sup>
- (d) The other persons to which public finances allocated from the state budget chapter administrator's budget or public finances falling under the state budget chapter administrator's responsibility have been provided, or to which public finances have been provided under the relevant law<sup>18)</sup> or by a legal entity referred to in subparagraph (b) or (c).

(5) Besides the purpose referred to in Article 10(2), the aim of an internal audit is to verify compliance with the provisions of this Act concerning the conduct of financial control and the laws of general application implementing financial control.

(6) The internal audit unit shall prepare and submit to the statutory body of the state budget chapter administrator for approval internal audit statutes defining the status, objectives and scope of activities of the internal audit unit.

#### **Article 17**

(1) Internal audits shall be conducted on the basis of a medium-term internal audit plan (hereinafter referred to as "medium-term plan"), an annual plan of individual internal audits (hereinafter referred to as "annual plan") and an internal audit programme.

(2) The medium-term plan shall outline, in particular, the internal auditing priorities, the duration and frequency of internal audits, the needs of the state budget chapter administrator arising from its previous performance and the objectives foreseen for a multi-year, usually a three-year, term.

(3) Based on the medium-term plan, the annual plan shall particularise the scope and goals of internal auditing and the time schedule of and personal resources to be allocated to internal audits and the activities required to facilitate the conduct of internal audits.

(4) The medium-term plan and annual plan shall be drafted by the internal audit unit on the basis of an objective assessment of the risks arising from the designated duties and objectives of the state budget chapter administrator and with regard to the results of other checks and audits. The internal audit unit shall discuss the preparation of the plans with the statutory body of the state budget chapter administrator competent to approve the plans and ensure that the suggestions and recommendations of the state budget chapter administrator's statutory body be duly considered. Amendments to an approved medium-term plan and an approved annual plan resulting from a current risk assessment shall be subject to approval by the statutory body of the state budget chapter administrator.

(5) In justified cases, in particular if the occurrence of unforeseen risks is suspected, the internal audit unit may perform an internal audit not included in the annual plan on the basis of a decision of the statutory body of the state budget chapter administrator, or with its approval.

(6) An internal audit programme must be approved by the statutory body of the state budget chapter administrator for every internal audit before its commencement.

(7) The internal audit programme shall indicate, in particular, the following:

- (a) Name and address of the authorised person;
- (b) Name and address of the obliged person;
- (c) Area of the obliged person's operations to be audited;
- (d) Objective of the internal audit;
- (e) Period to be audited;
- (f) Start and foreseen duration of the internal audit;
- (g) Additional information to provide a more detailed specification of the internal auditing conditions.

(8) The internal auditor appointed to lead the internal audit shall present a full or partial internal audit report to the statutory body of the state budget chapter administrator.

### **Article 18**

(1) The internal audit unit shall be required to:

- (a) Send the approved internal audit plans to the Minister of Finance and the Supreme Audit Office of the Slovak Republic no later than 31 January of the given year and any amendments to the plans within ten working days of their approval;
- (b) Prepare and send an annual report on the internal audits performed during the previous year, approved by the statutory body of the state budget chapter administrator, to the Committee no later than the end of February of the given year;
- (c) Ensure the collection, keeping and retention of appropriate auditing documentation for every internal audit and records documenting the preparation and drafting of internal audit plans and amendments to the same.

(2) The scope and elements of the annual report on internal audits shall be specified in a regulation of general application to be issued by the Ministry of Finance.

## **Government audit**

### **Article 19**

(1) Government audits shall be conducted by an audit authority and by a legal entity referred to in paragraph (5) either individually or jointly. The organisational unit performing the government audit shall be functionally and organisationally separated and independent of the other organisational units and the financial control and internal audit units.

(2) Persons eligible to perform government audits shall be government auditors and employees of an audit authority or of a different legal entity referred to in paragraph (5). The Ministry of Finance shall be authorised to appoint a government auditor when the conditions provided in Article 12(1) have been met. A government audit shall be conducted under the leadership of a government auditor and on the basis of a written instrument of commission for government audit issued by the statutory body of the audit authority or of the other legal entity referred to in paragraph (5), or by a manager of the audit authority or of the other legal entity referred to in paragraph (5) authorised in writing by such statutory body. Where the government audit is to be performed by more than one authorised person, the instrument of commission to perform the government audit shall be issued by the statutory body of the audit authority or of the other legal entity referred to in paragraph (5), or by a manager of the audit authority or of the

other legal entity referred to in paragraph (5) whose government auditor is appointed to lead the government audit, authorised in writing by such statutory body.

(3) Government audits shall be performed at:

- (a) Public authorities in general and in the public authorities including the Supreme Audit Office of the Slovak Republic, Slovak Intelligence Service, Military Intelligence Service, which falls within the jurisdiction of the Ministry of Defence of the Slovak Republic, in accordance with the conditions provided in the relevant laws or international treaties by which the Slovak Republic is bound<sup>11)</sup> and under which funds are provided to the Slovak Republic from abroad;
- (b) The municipalities and higher territorial units and legal entities funded or founded by either of them in respect of the public finances constituting revenue of the municipality's or higher territorial unit's budget under the relevant law<sup>23)</sup> and of their use;
- (c) The legal entities which fall within the public authority's funding or founding jurisdiction or in which the public authority exercises the shareholder's rights or the rights arising from the holding of property interests; for legal entities falling within the funding or founding jurisdiction of the Slovak Intelligence Service the government audit shall be performed by the Ministry of Finance in accordance with the conditions provided in the relevant laws or international treaties by which the Slovak Republic is bound<sup>11)</sup> and under which funds are provided to the Slovak Republic from abroad;
- (d) The persons to or through which public finances have been provided and the persons in receipt of public finances falling under the public authority's responsibility or public finances provided under the relevant law<sup>18)</sup>; for the persons to or through which public finances have been provided by the Slovak Intelligence Service, the government audit shall be performed by the Ministry of Finance in accordance with the conditions provided in the relevant laws or international treaties by which the Slovak Republic is bound<sup>11)</sup> and under which funds are provided to the Slovak Republic from abroad;
- (e) Persons other than referred to under subparagraphs (a) to (d) if the relevant law so requires.<sup>8)</sup>

(4) Besides the purpose of an audit referred to in Article 10(2), the aim of a government audit shall be to verify compliance with the provisions of this Act and its implementing laws of general application, evaluate the quality of financial control and audit and propose recommendations for quality improvement.

(5) The Ministry of Finance may delegate the conduct of a government audit to a different legal entity having the necessary professional competency, personnel and material resources required for the conduct of the government audit.

(6) The Government Audit Office and the legal entity referred to in paragraph (5) shall perform government audits at the persons referred to in paragraph (3), except the Supreme Audit Office of the Slovak Republic, Slovak Intelligence Service and Military Intelligence Service.

### **Basic rules of financial control and auditing**

#### **Article 20**

(1) An administrative financial check shall be commenced by the initial action of the obliged person towards the authorised person. Where the authorised person re-initiates an administrative financial check, such repeated administrative financial check shall be commenced by the initial action of the authorised person towards the obliged person. The repeated administrative financial check shall be carried out to examine the matters by which the initiation of the repeated administrative financial check is substantiated. An on-the-spot financial check and an audit shall be commenced by the initial action towards the obliged person.



(2) When performing the administrative financial check, on-the-spot financial check or audit, the authorised person shall be authorised to:

- (a) Request the provision within the designated time limit and take from the obliged person, or any person being the supplier of goods, works or services in respect of the financial transaction or its part concerned, or any other person possessing information, documents or other supporting materials required for the financial control or audit to be performed, unless the provision of the same is restricted by the relevant law<sup>24)</sup> (hereinafter referred to as “third party”), the originals or officially authenticated copies of the documents, deeds, data records on computer data storage media, excerpts from the same, outputs, statements and other information relevant to the administrative financial check, on-the-spot financial check or audit, and to make copies of and use the same;
- (b) Request from the obliged person or the third party cooperation to the extent of the authorisation granted under this Act;
- (c) Request the obliged person to present a written list of the measures adopted to remedy deficiencies and eliminate their causes (hereinafter referred to as “written list of adopted measures”) within the time limit designated by the authorised person; where the authorised person reasonably supposes, in the light of the gravity of deficiencies, that the adopted measures are not efficient, the authorised person may request that the written list of adopted measures be revised and the new written list of adopted measures presented within the time limit designated by the authorised person;
- (d) Request the obliged person to implement the adopted measures within the time limit designated by the authorised person;
- (e) Request from the obliged person, after the expiry of the time limit designated by the authorised person for the implementation of the adopted measures, documentation demonstrating that the measures have been implemented;
- (f) Verify the fulfilment of the adopted measures.

(3) When performing the administrative financial check, on-the-spot financial check or audit, the authorised person shall be authorised, in addition to the authorisations provided in paragraph (2), to enter the premises, facility, operating unit, means of transport or land of the obliged person or third party, or the dwelling of either of them if used for the pursuit of business or other economic activity, to the necessary extent and subject to the conditions provided in the relevant laws.<sup>25)</sup>

(4) When performing the administrative financial check, on-the-spot financial check or audit, the authorised person shall be obliged to:

- (a) Acknowledge to the obliged person or third party the collecting of the originals or officially authenticated copies of the documents, deeds, data records on computer data storage media, excerpts from the same, outputs, statements and other information relevant to the administrative financial check, on-the-spot financial check or audit, and to ensure their protection from loss, destruction, corruption or misuse; the state budget chapter administrator shall return the items so received without undue delay to the person from which they were requested, unless they are required for proceedings under the Code of Criminal Procedure or other proceedings under the relevant laws;<sup>26)</sup>
- (b) Inform the obliged person of the draft partial report or draft report by serving the same to the obliged person if deficiencies were identified, and of the option available to the obliged person to raise, within the designated time limit, objections against the identified deficiencies, proposed recommendations, time limit for the presentation of a written list of adopted measures or time limit for the implementation of the adopted measures indicated in the draft partial report or draft report;
- (c) Examine the substantiation of any objections raised against the identified deficiencies,

proposed recommendations, time limit for the presentation of a written list of adopted measures or time limit for the implementation of the adopted measures indicated in the draft partial report or draft report, and reflect the substantiated objections in the partial report or the report and inform the obliged person of any objections considered unsubstantiated and provide reasoning for such consideration through the partial report or the report;

- (d) Send the partial report or the report to the obliged person;
- (e) Report any suspected criminal offence or administrative offence or other administrative misconduct to competent authorities, as designated in the Code of Criminal Procedure or other relevant laws;<sup>26)</sup> in specific circumstances, such suspicions shall not be indicated in the draft partial report, draft report, partial report or report, as applicable.

(5) During the on-the-spot financial check or audit, the authorised person shall be obliged, in addition to the obligations provided in paragraph (4), to:

- (a) Notify the obliged person or third party in advance of the beginning date and aim of the on-the-spot financial check or audit; where the notice of the planned on-the-spot financial check or audit could cause frustration of the purpose of the on-the-spot financial check or audit, or if there is a threat that documents or other supporting materials might be destroyed, damaged or altered, the state budget chapter administrator shall give the notification at least at the time when entering the location concerned, as referred to in paragraph (3);
- (b) Produce the instrument of commission for the on-the-spot financial check or audit and at the obliged person's request allow the obliged person to inspect the identity card(s) or service identification card(s) of the authorised person's employees.

(6) If the obliged person refuses to accept the draft partial report or draft report referred to in subparagraph (4)(b), the same shall be deemed effectively served on the date of such refusal. If the draft partial report or draft report cannot be served to the obliged person's last known address, the drafts shall be deemed effectively served on the date when returned to the state budget chapter administrator, irrespective of whether or not the obliged person was aware of the attempted service.

(7) The deficiencies identified during the audit shall be discussed with the obliged person prior to serving the draft partial report or draft report to the obliged person for information pursuant to subparagraph (4)(b). If the obliged person fails to attend the discussion of audit findings on the date determined by the authorised person, the findings shall be deemed duly discussed.

(8) The discussion of audit findings may also be attended by an employee of the state budget chapter administrator or of the audit authority other than the employee commissioned to perform the internal audit or the government audit, as applicable, under Article 16(2) or Article 19(2), respectively.

## **Article 21**

(1) During the administrative financial check, on-the-spot financial check or audit, the obliged person shall be authorised to:

- (a) Request from the authorised person or joined person a certificate acknowledging the collecting of the originals or officially authenticated copies of the documents, deeds, data records on computer data storage media, excerpts from the same, outputs, statements and other information relevant to the administrative financial check, on-the-spot financial check or audit;
- (b) Raise, within the time limit designated by the authorised person, written objection against the identified deficiencies, proposed recommendations, time limit for the presentation of a written list of adopted measures or the time limit for the implementation of the adopted measures indicated in the draft partial report or draft report; if the obliged person does not raise any objections against the identified deficiencies, proposed recommendations, time limit for the presentation of a written list of adopted measures or time limit for the implementation of the

adopted measures indicated in the draft partial report or draft report within the prescribed time limit, the deficiencies, recommendations and time limits shall be deemed accepted by the obliged person;

(c) Request the authorised person to serve the partial report or the report to the obliged person.

(2) During the on-the-spot financial check or audit, the obliged person shall be authorised, in addition to the authorisations provided in paragraph (1), to request the authorised person or the joined person to produce the instrument of commission for the on-the-spot financial check or audit and to allow the obliged person to inspect the identity card(s) or service identification card(s) of the authorised person's employees.

(3) During the administrative financial check, on-the-spot financial check or audit, the obliged person shall be obliged to:

- a) Present to the authorised person or the joined person at their request the results of checks or audits carried out by other authorities and the obliged person that are relevant to the administrative financial check, on-the-spot financial check or audit;
- b) Present, within the time limit designated by the authorised person or the joined person, the originals or officially authenticated copies of the documents, deeds, data records on computer data storage media, excerpts from the same, outputs, statements and other information relevant to the administrative financial check, on-the-spot financial check or audit and issue at the request of either of them a written declaration of the completeness of the same and allow the authorised person or joined person to make copies of those supporting materials;
- c) Provide due cooperation to the authorised person or joined person;
- d) Adopt, within the time limit designated by the authorised person, measures to remedy the deficiencies identified in the partial report or the report and eliminate the causes of their occurrence;
- e) Present to the authorised person, within the time limit designated by it, the written list of adopted measures;
- f) Rework the written list of adopted measures and present it to the authorised person within the time limit designated by it if the authorised person has requested such reworking and presenting;
- g) Implement the adopted measures within the time limit designated by the authorised person;
- h) Present to the authorised person at its request documentation demonstrating that the adopted measures were implemented.

(4) During the on-the-spot financial check or audit, the obliged person shall be obliged, in addition to the obligations provided in paragraph (3), to:

- a) Provide enabling conditions for the conduct of the on-the-spot financial check or audit and refrain from any action able to hamper the commencement and course of the same;
- b) Upon commencement of the on-the-spot financial check or audit, inform the authorised person or joined person of any security and safety rules applicable to the location where the on-the-spot financial check or audit is to be performed;
- c) Allow the authorised person or joined person to enter the premises, facility, operating unit, means of transport or land of the obliged person or third party, or the dwelling of either of them if used for the pursuit of business or other economic activity.

(5) At the authorised person's request during the audit, the obliged person shall be obliged to attend the discussion of audit findings. If the obliged person fails to appear for the discussion of audit findings on the date determined by the authorised person, the findings shall be deemed duly discussed.

(6) For audit findings referred to in Article 20(8), the obliged person must allow the discussion of the audit findings to be also attended by an employee of the state budget chapter administrator or of the audit authority other than the employee commissioned to perform the internal audit or the government audit, as applicable, under Article 16(2) or Article 19(2), respectively.

## Article 22

(1) The authorised person shall prepare a draft partial report and draft report and the partial report and report on the deficiencies identified during the administrative financial check, on-the-spot financial check or audit. Where both an administrative financial check and an on-the-spot financial check are carried out in respect of the same financial transaction or its part, a single draft partial report or single draft report and a single partial report or single report covering both the administrative financial check and the on-the-spot financial check may be prepared. If no deficiencies have been identified, the authorised person shall prepare only a partial report or report.

(2) A partial report may be prepared if

- (a) it is necessary to complete the administrative financial check, on-the-spot financial check or audit in respect of a part of the financial transaction or a part of the administrative financial check, on-the-spot financial check or audit;
- (b) it is necessary to adopt measures to remedy, and eliminate the causes of, the deficiencies identified; or
- (c) the administrative financial check, on-the-spot financial check or audit being performed involves more than one obliged person.

(3) The draft report and draft partial report shall include, in particular,

- (a) the identification of the authorised person;
- (b) the names, surnames and signatures of the employees of the authorised person and the joined person who performed the administrative financial check, on-the-spot financial check or audit; where it is impossible, for reasons deserving consideration, to obtain the signatures of the employees of the authorised person and the joined person who performed the audit, their signatures shall not be required if the draft report and draft partial report are signed by the authorised person's employee appointed to lead the audit.
- (c) the identification of the obliged person;
- (d) the purpose of the administrative financial check, on-the-spot financial check or audit;
- (e) a description of the deficiencies identified, and in case of violation of the relevant laws or the international treaties by which the Slovak Republic is bound<sup>11)</sup> and under which funds are provided to the Slovak Republic from abroad, references to the specific provisions that were violated, and the recommendations proposed to remedy the deficiencies identified and eliminate their causes;
- (f) a list of the documents evidencing the deficiencies;
- (g) the date of the draft partial report or draft report;
- (h) the time limit for raising objections against the identified deficiencies, proposed recommendations, time limit for the presentation of a written list of adopted measures or time limit for the implementation of the adopted measures;
- (i) the time limit for presenting a written list of adopted measures;
- (j) the time limit for the implementation of the adopted measures.

(4) The subparagraphs (3)(a) to (d) shall equally apply to the mandatory particulars of a partial report and a report. In addition to those particulars, the partial report and the report must indicate the date when it was executed. Where deficiencies have been identified, in addition to the particulars referred to in the first and second sentences, the partial report and the report shall also include:

- (a) The date of service of the draft partial report or draft report to the obliged person for information;
- (b) An indication of whether or not the obliged person has raised objections against the identified deficiencies, proposed recommendations, time limit for the presentation of a written list of adopted measures or time limit for the implementation of the adopted measures, and if so, how the objections have been handled;
- (c) A description of the deficiencies identified, and in case of violation of the relevant laws or the international treaties by which the Slovak Republic is bound<sup>11)</sup> and under which funds are provided to the Slovak Republic from abroad, references to the specific provisions that were violated, and the recommendations proposed to remedy the deficiencies identified and eliminate their causes, taking account of the substantiation of the raised objections;
- (d) A list of the documents evidencing the deficiencies;
- (e) The time limit for the presentation of the written list of adopted measures and the time limit for the implementation of the adopted measures.

(5) For an audit, the draft partial report, draft report, partial report and report shall also include information concerning the discussion of the audit findings.

(6) The administrative financial check, on-the-spot financial check or audit shall be closed on the date when the report has been sent to the obliged person. If a partial report has been sent, the closure shall apply to the part of the administrative financial check, on-the-spot financial check or audit covered by the partial report. Where the administrative financial check, on-the-spot financial check or audit has been stayed for reasons deserving consideration, the administrative financial check, on-the-spot financial check or audit shall be deemed closed upon drafting a record indicating the reasons for the staying. The authorised person shall send the record to the obliged person without undue delay, unless the obliged person has ceased to exist.

(7) Where errors in writing or counting or other obvious mistakes are detected after the closing of the administrative financial check, on-the-spot financial check or audit, the partial report or the report shall be corrected and the part of the same affected by the correction shall be sent to the obliged person and to all recipients of the initial partial report or the initial report.

### **Article 23**

#### **Third party**

The authorisations provided in Article 21(1)(a) and (2) and the obligations provided in Article 21(3)(a) to (c) and (4) shall equally apply to a third party.

### **Article 24**

#### **Joined person**

(1) The public authority may invite a person to participate in the administrative financial check, on-the-spot financial check or audit as a joined person, subject to that party's consent, if it is necessitated by a specific nature of the administrative financial check, on-the-spot financial check or audit.

(2) The participation of the joined person in the administrative financial check, on-the-spot

financial check or audit shall constitute action in general interest.

(3) The costs incurred by the joined person in connection with their participation in the administrative financial check, on-the-spot financial check or audit shall be refunded to the joined person by the inviting authority, unless the joined person and the public authority agree otherwise.

(4) Costs referred to in paragraph (3) shall include wage compensation or salary compensation in the amount of the average earning<sup>13)</sup>, or an allowance payable under the special law.<sup>27)</sup>

(5) Costs incurred by the obliged person or the third party in connection with the administrative financial check, on-the-spot financial check or audit shall be paid by the obliged person or third party.

(6) The authorisations provided in Article 20(2)(a) and (b) and Article 20(3) and the obligations provided in Article 20(4)(a), (c) and (e) and Article 20(5) shall equally apply to the joined person.

### **Article 25**

The authorised person's employees and the joined person performing the administrative financial check, on-the-spot financial check or audit shall have the status of public officials within the meaning of Article 128 of the Criminal Code when carrying out duties under this Act.

### **Article 26**

#### **Bias**

(1) The authorised person's employees, the natural person commissioned by the municipal council's resolution and the joined person shall be obliged to refrain from any conduct leading or able to lead to any bias in their action.

(2) Where the authorised person's employee, the natural person commissioned by the municipal council's resolution or the joined person is aware of any matter casting doubts as to their bias in the administrative financial check, on-the-spot financial check or audit being performed or in relation to the obliged person or the third party, such person shall be obliged to notify those matters in writing to the obliged person's statutory body.

(3) The obliged person may raise objections against the participation of the authorised person's employee, a natural person commissioned by the municipal council's resolution and a joined person and submit them in writing, together with the reasoning, if the obliged person has doubts as to the impartiality of the authorised person's employee, the natural person commissioned by the municipal council's resolution and the joined person. The objections shall not have a suspensive effect.

(4) The authorised person's employee, the natural person commissioned by the municipal council's resolution and the joined person against whom objections have been raised in writing or whose bias has been reported in writing shall be obliged to limit their participation in the administrative financial check, on-the-spot financial check or audit to such actions only that do not brook any delay.

(5) The statutory body of the authorised person shall be authorised to decide on the objections raised against the authorised person's employee, the natural person commissioned by the municipal council's resolution and the joined person, which decision must be made no later than three working days after the receipt of the written objections or the written report referred to in paragraph (2). The general law on administrative procedure<sup>28)</sup> shall not apply to the decision on bias.

## **Article 27**

### **Confidentiality**

(1) The authorised person's employee and the joined person shall be obliged to maintain the confidentiality of any matters that come into their knowledge when executing financial control and audit. This obligation shall last after the termination of the employment or similar labour relationship.<sup>6)</sup>

(2) The provision in paragraph (1) shall not affect the provisions of the relevant law.<sup>29)</sup>

(3) The authorised person's employee and the joined person may be relieved from the obligation of confidentiality by the statutory body of the authorised person.

## **Article 28**

### **Fines**

(1) In case of non-compliance with the obligations provided in Article 21(3), (4) and (6) or Article 23, the public authority performing the administrative financial check or on-the-spot financial check and the state budget chapter administrator performing the internal audit and the audit authority shall be authorised to impose a fine

- a) of up to EUR 100,000 on the obliged person or the third party; or
- b) an administrative fine of up to EUR 3,000 on an employee of the obliged person or the third party.

(2) In case a natural person referred to in Article 7(2) has failed to perform the basic financial control, or performed the basic financial control in a manner violating Article 7(2) and (3), or provided a statement under Article 7(3) which is inaccurate, the audit authority or the state budget chapter administrator shall be authorised to impose a fine of up to EUR 3,000 on such person after performing an internal audit.

(3) In case of failure to perform the administrative financial check or performing the administrative financial check in a manner violating Article 8 or performing the on-the-spot financial check in a manner violating Article 9, or if the partial report or report does not include deficiencies that existed at the time of the administrative financial check or on-the-spot financial check and the obliged person did not identify them while they should have been identified with regard to the available documents and facts, the audit authority or the state budget chapter administrator shall be authorised to impose a fine on the obliged person, after performing an internal audit, in an amount of up to the sum of the public finances provided or used unlawfully.

(4) The audit authority or the state budget chapter administrator having performed the internal audit shall be authorised to impose a fine of up to EUR 100,000 on the public authority

- (a) for non-compliance with the obligations provided in Article 5; the foregoing shall not apply to a fine imposed under paragraph (5) for non-compliance with the obligations provided in Article 5 (1)(h);
- (b) for non-compliance with the obligations provided in Article 7; or
- (c) for non-compliance with the obligations provided in Article 8, or for performing the on-the-spot financial check in a manner violating Article 9 if the condition for imposing a fine under paragraph(3) is not met.

(5) The audit authority shall be authorised to impose a fine on the obliged person for non-compliance with the obligations provided in Article 5(1)(h) in an amount equal to the

financial correction per irregularity, except where a fine for the same non-compliance is being imposed under paragraph (3).

(6) The Ministry of Finance shall be authorised to impose a fine of up to EUR 3,000 on an state budget chapter administrator for non-compliance with the obligations provided in Article 17(1)(a) and (b).

(7) The public authority shall be authorised to impose a fine of up to EUR 3,000 on its employee or a joined person for non-compliance with the obligation provided in Article 27(1).

(8) In case of a government audit performed by a different legal entity referred to in Article 19(5), the Ministry of Finance shall be authorised to impose a fine under paragraphs (1) to (3) and (5).

(9) The fines provided in paragraphs (1) to (8) shall be imposed taking regard of the nature, gravity, duration and consequences of the non-compliance with obligations.

(10) The imposition of a fine under paragraphs (1) to (6) shall not have an effect of relief from the obligations to which the fine relates. The fines provided in paragraphs (1), (2), (4) and (6) may be imposed repeatedly.

(11) The fines provided in paragraphs (1) to (8) may be imposed within three years of the date when the public authority performing the administrative financial check or on-the-spot financial check, or the state budget chapter administrator performing the internal audit, or the audit authority learned of the non-compliance with obligations, but no later than five years after the date when the non-compliance with obligations occurred.

(12) A fine shall be due 30 calendar days of the date when the order imposing the fine became final.

(13) Proceedings regarding the imposition of a fine under paragraphs (1) to (8) shall not be subject to the general law on administrative procedure<sup>28)</sup>.

(14) A fine imposed under this Act shall constitute budget revenue of the public authority performing the administrative financial check, on-the-spot financial check or audit by which it was imposed, except as otherwise provided in paragraph (15).

(15) A fine imposed under paragraph (3) or (5) shall constitute state budget revenue.

### **Common, Transitional and Final Provisions**

#### **Article 29**

##### **Common provision**

Where a reference to “financial control administration” is used in the existing legislation in any grammatical form, it shall be understood as a reference to the “Government Audit Office” in the corresponding grammatical form.

#### **Article 30**

##### **Transitional provisions**

(1) Financial control, internal audit and government audit commenced prior to the effective date of this Act shall be governed by the former legislation. Preliminary financial control of aid and support provided under the Act No 528/2008 on aid and support provided from the funds of the European Community, as amended, shall continue to be governed by the former legislation after 1 January 2016.



(2) Fine imposition proceedings not finally ended by the effective date of this Act shall be completed in accordance with the former legislation and fine imposition proceedings initiated by the Financial Control Administration shall be completed by the Government Audit Office and the legal effects of any action arising before 1 January 2016 shall remain unchanged. This Act shall be applied in the imposition of a fine if it is more favourable to the given person.

(3) Fine imposition proceedings conducted by the Financial Control Administration and not completed by 31 December 2015 shall be completed by the Government Audit Office and the legal effects of any action taken in the proceedings that arose before 1 January 2016 shall remain effective.

(4) Until 1 January 2018, an internal audit may also be carried out by an employee of the state budget chapter administrator assigned to the internal audit unit who does not meet the conditions provided in Article 12(1)(d) and (e).

(5) The satisfaction of qualification examination, specialised education and specific qualification requirements by government auditors appointed before the effective date of this Act shall be recognised as satisfaction of the requirements under this Act.

(6) An employee may be appointed as an internal auditor or a government auditor if they have passed the qualification examination under the former legislation and meet the conditions provided in Article 12(1). Two years of professional experience in the field of follow-up financial control under the former legislation shall be recognised as meeting the condition provided in Article 12(1)(e).

(7) Where the internal auditor appointed under the former legislation has not passed the qualification examination under the former legislation and does not meet the conditions provided in Article 12(1) by 31 December 2017, the Ministry of Finance or the other state budget chapter administrator shall remove such internal auditor.

(8) No later than three months after the effective date of this Act, the internal audit unit of a state budget chapter administrator shall submit the internal audit statutes referred to in Article 16(6) to the state budget chapter administrator's statutory body for approval.

(9) In 2016, the internal audit unit of a state budget chapter administrator shall send the annual report on the internal audits performed during 2015 to the Ministry of Finance and the Committee no later than 31 March 2016.

(10) The financial control administration offices shall be abolished and their duties and powers under the former legislation shall be transferred to the Government Audit Office with effect from 1 January 2016.

(11) The rights and obligations arising from the employees' employment arrangements and the rights and obligations arising from the civil service arrangements of civil servants performing civil service and work in public interest at financial control administration offices and the rights and obligations arising from contractual relationships shall be transferred to the Government Audit Office with effect from the effective date of this Act.

(12) The state's assets, receivables and liabilities administered by financial control administration offices as at 31 December 2015 shall be transferred to the Government Audit Office with effect from 1 January 2016.

### **Article 30a**

#### **Transitional provisions concerning the legislation effective as of 1 January 2019**

(1) The office of a government auditor of a Ministry other than the Ministry of Finance not removed by 31 December 2018 shall be terminated with effect from 1 January 2019. The termination of the government auditor office referred to in the first sentence shall not invalidate the effects of passing the qualification examination if the government auditor has met the conditions provided in Article 14(5).

(2) Upon coming into force of this Act, the office in the Committee of the representative of the Supreme Audit Office of the Slovak Republic, the representative of the Ministry of Interior of the Slovak Republic and the representative of the Prosecutor General's Office of the Slovak Republic shall be terminated. The office in the Committee of the representative of the Government Office of the Slovak Republic and the representative of the Ministry of Justice of the Slovak Republic shall be continued. The representatives of the Ministry of Finance, the representative of the Government Audit Office, the representative of the Office for Public Procurement and the representative of the Antimonopoly Office of the Slovak Republic shall be appointed as members of the Committee by the statutory bodies of the respective public authorities no later than 15 February 2019.

(3) No later than 31 March 2019, the Committee shall bring the Committee's statutes in alignment with the provisions of this Act effective from 1 January 2019.

(4) Internal audit units shall prepare and send the annual reports on the internal audits performed during 2018 in accordance with the former legislation.

(5) Fine imposition proceedings not finally ended by 31 December 2018 shall be completed in accordance with the former legislation.

(6) Financial controls and audits commenced by 31 December 2018 shall be completed in accordance with the former legislation.

### **Article 31**

#### **Final provision**

The following shall be repealed:

1. The Act No 440/2000 on financial control administration offices, as amended by the Act No 150/2001, Act No 502/2001, Act No 618/2004, Act No 165/2008, Act No 264/2008, Act No 563/2008 and Act No 347/2013;
2. Act No 502/2001 on financial control and internal audits and on amendments to certain laws, as amended by the Act No 618/2004, Act No 165/2008, Act No 264/2008, Act No 57/2010, Act No 69/2012, Act No 135/2013 and Act No 292/2014;
3. The Ordinance of the Ministry of Justice of the Slovak Republic No 21/2009 implementing the Act No 502/2004 on court experts, appraisers, interpreters and translators and on amendments to certain laws, as amended.

### **Section II**

The Act of the National Council of the Slovak Republic No 202/1995 laying down the Foreign Exchange Act and amending the Act of the National Council of the Slovak Republic No 372/1990 on administrative offences, as amended by the Act No 45/1998, Act No 200/1998, Act No 388/1999, Act No 367/2000, Act No 442/2000, Act No 456/2002, Act No 602/2003, Act No 554/2004, Act No 747/2004, Act No 214/2006, Act No 209/2007, Act No 659/2007, Act No 567/2008, Act No 492/2009, Act No 140/2014 and Act No 374/2014, shall be amended as follows:

In Article 24a, paragraph (9) shall read as follows:

“(9) Fines finally imposed by a foreign exchange administration authority shall be managed by the Government Audit Office;<sup>23c)</sup> accordingly, the foreign exchange administration authority concerned shall send the final decision on the imposition of the fine to the Government Audit Office.”.

Footnote 23c shall read as follows:

“23c) Act No 357/2015 on financial control and auditing and on amendments to certain laws. Article 3(1) and (2) of the Act No 374/2014 on the state’s receivables and on amendments to certain laws.”.

### Section III

The Act No 523/2004 on the budgetary rules of public administration and on amendments to certain laws, as amended by the Act No 747/2004, Act No 171/2005, Act No 266/2005, Act No 534/2005, Act No 584/2005, Act No 659/2005, Act No 275/2006, Act No 527/2006, Act No 678/2006, Act No 198/2007, Act No 199/2007, Act No 323/2007, Act No 653/2007, Act No 165/2008, Act No 383/2008, Act No 465/2008, Act No 192/2009, Act No 390/2009, Act No 492/2009, Act No 57/2010, Act No 403/2010, Act No 468/2010, Act No 223/2011, Act No 512/2011, Act No 69/2012, Act No 223/2012, Act No 287/2012, Act No 345/2012, Act No 352/2013, Act No 436/2013, Act No 102/2014, Act No 292/2014, Act No 324/2014, Act No 374/2014 and Act No 171/2015, shall be amendeded as follows:

1. The current text in Article 1 shall be denoted as paragraph (1) and a new paragraph (2) shall be added, which shall read as follows:

“(2) This Act shall apply to the funds earmarked for financing the joint programmes of the European Union and the Slovak Republic and funds earmarked for financing the purposes foreseen in the international grant agreements signed between the Slovak Republic and other countries, and to the procedures, legal matters and persons’ rights and obligations related to those funds, unless the relevant law provides otherwise.<sup>1a)</sup>”.

Footnote 1a shall read as follows:

“1a) For example, the Act No 543/2007 on the powers and duties of general government bodies in providing support in the field of agriculture and rural development, as amended; Act No 528/2008 on aid and support provided from the funds of the European Community, as amended; Act No 292/2014 on contributions provided from the European Structural and Investment Funds and on amendments to certain laws.”.

2. In Article 2, subparagraph (e) shall read as follows:

“(e) Funds of the European Union shall mean funds provided to the Slovak Republic from the European Union’s budget through the certification authority<sup>2)</sup> or the Ministry of Agriculture and Rural Development of the Slovak Republic.”.

Footnote 2 shall read as follows:

“2) Article 9 of the Act No 528/2008, as amended;  
Article 9 of the Act No 292/2014.”.

3. In Article 8(4), the words “official development assistance” shall be replaced with the words “development cooperation”.
4. In Article 20(1), the part of the sentence following the semicolon shall read as follows: “the funds of the European Union may also be held, to the extent agreed with the Ministry of Finance, in special accounts of other Ministries.”.
5. In Article 31(4), the third sentence shall read as follows: “Where the legal entity or natural person alone has identified violation of financial discipline, as referred to in subparagraph (1)(c) and (d), or violation of financial discipline referred to in subparagraph (1)(c) and (d) has

been identified during a check or an internal audit, and the legal entity or natural person remedies the unlawful situation or returns funds in the amount of the violation of financial discipline by the closing date of the control or internal audit and no later than the commencement of a government audit, no administrative proceedings shall be initiated.”.

6. In Article 31(9), the first sentence shall read as follows: “The charge, default interest or fine for violation of financial discipline in the management of public finances shall be imposed and enforced by the control authority, audit authority or state supervision authority<sup>44)</sup> within the confines of its jurisdiction defined in the relevant laws.<sup>45)</sup>”

Footnotes 44 and 45 shall read as follows:

“44) For example, Article 246 of the Act No 461/2003, as amended; Article 2 of the Act No 357/2015 on financial control and auditing and on amendments to certain laws.

45) For example, the Act of the National Council of the Slovak Republic No 369/1990, as amended; Act No 416/2001 on the transfer of certain duties and powers of general government bodies to municipalities and higher territorial units, as amended; Act No 357/2015, as amended.”.

7. In the second sentence in Article 31(9), the words “the competent financial control administration office<sup>46)</sup> which” shall be replaced with the words “the Government Audit Office,<sup>46)</sup> which”.

Footnote 46 shall read as follows:

“46) Article 4 of the Act No 357/2015.”.

8. In Article 31, paragraph (10) shall read as follows:

“(10) If the violation of financial discipline which is liable to a charge and default interest under this Act, and is or may be liable to a fine under this Act, is identified through a check or audit performed under the relevant law<sup>47)</sup> by an authority not authorised to impose a fine under this Article and Article 32 and the unlawful situation is not remedied as required by this Act or the relevant law, such authority shall report the violation of financial discipline to the authority executing the control or the audit authority or state supervision authority<sup>44)</sup> referred to in paragraph (9).”

9. In Article 31 (15), the following sentence shall be inserted at the end of the Article: “Violations of financial discipline referred to in subparagraph (1)(j) occurring in the management of the funds of the European Union or state budget funds earmarked for financing the joint programmes of the Slovak Republic and the European Union shall be liable to a charge in the amount of the violation of financial discipline; the provision of Article 32 shall not apply.”.
10. In Article 32, the words “the competent financial control administration office” shall be replaced with the words “the Government Audit Office”.
11. A new Article 35 shall be inserted after Article 35a, which shall read as follows:

#### **“Article 35a**

For the purposes of this Act, funds provided by a public authority to a legal entity or a natural person shall be deemed public finances until their use for the intended purposes, including in cases when provided through a different legal person.”.

12. A new Article 37i shall be inserted after Article 37h, including a heading, which shall read as follows:

#### **"Section 37i**

##### **Transitional provision concerning the legislation effective as of 1 January 2016**

Violations of financial discipline referred to in Article 31(1)(j) in the management of the

funds of the European Union or state budget funds earmarked for financing the joint programmes of the Slovak Republic and the European Union which occurred before 1 January 2016 shall be sanctioned in accordance with Article 32; where it is more favourable to the legal entity or natural person, the sanction provided in Article 31(15), as effective from 1 January 2016, shall be imposed.”.

#### **Section IV**

The Act No 583/2004 on the budgetary rules of local authorities and on amendments to certain laws, as amended by the Act No 611/2005, Act No 324/2008, Act No 54/2008, Act No 426/2013, Act No 361/2014 and Act No 171/2015, shall be amended as follows:

1. In the second sentence in Article 17(8), the words “liabilities under a loan provided from the Environmental Fund,<sup>22a)</sup> liabilities under a loan provided from the Arts Support Fund<sup>23b)</sup> and” shall be inserted after the words “shall not include”.

Footnotes 22a and 23b shall read as follows:

“22a) Article 7(a) of the Act No 587/2004 on the Environmental Fund and on amendments to certain laws.

22b) Article 18(3)(c) of the Act No 284/2014 on the Arts Support Fund and on amendments to the Act No 434/2010 on the subsidisation of entities within the jurisdiction of the Ministry of Culture of the Slovak Republic, as amended by the Act No 79/2013.”.

2. A new Article 21e shall be inserted after Article 21d, which shall read as follows:

#### **“Article 21e**

“The provision of Article 17(8), as effective from 1 January 2016, shall be applied for the first time in 2016 to establish the total debt of a municipality or a higher territorial unit as of 31 December 2015.”.

#### **Section V**

The Act No 587/2004 on the Environmental Fund and on amendments to certain laws, as amended by the Act No 277/2005, Act No 276/2007, Act No 661/2007, Act No 514/2008, Act No 160/2009, Act No 286/2009, Act No 408/2011, Act No 409/2011, Act No 223/2012, Act No 414/2012, Act No 207/2013 and Act No 399/2014, shall be amended as follows:

In Article 11, paragraphs (1) and (2) shall read as follows:

“(1) The Ministry shall perform the financial control and audits of the management of the Fund’s resources and compliance with the provision of this Act governing the conditions and procedures for the provision and use of the Fund’s resources under the relevant laws.<sup>22)</sup>

(2) The Fund shall perform the financial control of the management of the Fund’s resources and compliance with the terms of agreements on the provision of a subsidy for a project or compensation or other funding under the relevant laws.<sup>22)</sup>”.

Footnote 22 shall read as follows:

“22) Act No 357/2015 on financial control and auditing and on amendments to certain laws. Act No 523/2004, as amended.”.

Footnote 22a shall be deleted.

#### **Section VI**

The Act No 528/2008 on aid and support provided from the funds of the European Community, as amended by the Act No 266/2009, Act No 57/2010, Act No 116/2011, Act No 71/2012, Act No

111/2012, Act No 292/2014, Act No 374/2014 and Act No 323/2015, shall be amended as follows:

1. In Article 24 (4), the following sentence shall be inserted at the end of the Article: “To secure a debt owed to the managing authority, the managing authority shall have the right to accept a bill of exchange as a collateral from the recipient.”.
2. Footnote 66d shall read as follows:  
“66d) Article 146(4) of the Act No 25/2006, as amended.”.
3. In Article 27a, paragraph (8) shall read as follows:  
“(8) The returned amount of the grant, or part of the grant, as specified in the request made under paragraph (1) or paragraph (4), shall constitute state budget revenue, except the funds of the European Union approved by the certifying authority which are to be transferred to a special account of the Ministry of Finance with the State Treasury. The extra charge imposed by the managing authority under paragraph (3) or (5) on top of the amount specified in the request made under paragraph (1) or paragraph (4) shall constitute state budget revenue.”.
4. Footnote 68 shall read as follows:  
“68 For example, the Act No 99/1963 laying down the Code of Civil Procedure, as amended; Article 31(10) of the Act No 523/2004, as amended.”.
5. In Article 28 (8), the following sentence shall be inserted at the end of the Article: “Where the grantor has requested the recipient to return the grant or part of the grant under the first sentence and the recipient returns the grant or part of the grant on such terms and in such manner as provided in the grant agreement or decision, or where the grantor has taken action under Article 28a and made an agreement on instalments or on postponement of performance with the recipient, no administrative proceedings shall be initiated.”.
6. In Article 28(4), the following words shall be added at the end of the paragraph: “or within 30 days of the date the decision referred to in Article 27a(3) or (5) became final”.

## **Section VII**

The Act No 292/2014 on grants provided from the European Structural and Investment Funds and on amendments to certain laws shall be amended as follows:

1. In Article 9(2), subparagraph (f) shall read as follows:  
“(f) Manage the transfer of the European Union’s funds from the respective special account
  1. to the payment unit’s receipt account referred to in the relevant law;<sup>48)</sup> or
  2. for an Operating Programme under the European Territorial Cooperation objective, to the payment unit’s receipt account referred to in the relevant law;<sup>48)</sup> or to the recipient’s account pursuant to Articles 31 and 32.”
2. In Article 25, a new paragraph (9) shall be inserted, which shall read as follows:  
“(9) To secure a debt owed to the grantor, the grantor shall have the right to accept a bill of exchange as a collateral from the recipient.”.
3. In Article 32, paragraph (5) shall read as follows:  
“(5) Where the certifying authority provides funds under Article (2)(f) second item to the account of a recipient which is a state-funded organisation making expenditure in the financing of a Slovak Republic - Czech Republic or Slovak Republic - Austria or Slovak Republic - Hungary cross-border cooperation programme, the recipient shall make such expenditure through a special non-budgetary account.”.

4. In Article 33(5), the words “except Operating Programmes under the European Territorial Cooperation objective<sup>49)</sup>” shall be replaced with a semicolon and the words “except where the certifying authority transfers funds under Article 9(2)(f) second item to the recipient’s account”.
5. In Article 41, paragraph (7) shall read as follows:

“(7) Action under paragraphs (3) and (5) shall be subject to the general law on administrative procedure.<sup>62)</sup> The returned amount of the grant, or part of the grant, as specified in the request made under paragraph (1) or paragraph (4), shall constitute state budget revenue, except the funds of the European Union approved by the certifying authority which shall be transferred to a special account of the Ministry of Finance with the State Treasury, and the funds of the European Union’s European Agricultural Fund for Rural Development which shall be transferred to a special account of the Agency with the State Treasury. The extra charge imposed by the grantor under paragraph (3) or (5) on top of the amount specified in the request made under paragraph (1) or paragraph (4) shall constitute state budget revenue.”.
6. In Section 42 (4), the words “under subparagraph (2)(c)” shall be deleted.
7. Footnote 106 shall read as follows:

“106) For example, the Act No 99/1963 laying down the Code of Civil Procedure, as mended; Article 31(10) of the Act No 523/2004, as amended.”.
8. In Article 42 (7), the following sentence shall be inserted at the end of the Article: “Where the grantor has requested the recipient to return the grant or part of the grant under the first sentence and the recipient returns the grant or part of the grant on such terms and in such manner as provided in the grant agreement or decision, or where the grantor has taken action under Article 45 and made an agreement on instalments or on postponement of performance with the recipient, no administrative proceedings shall be initiated.”.
9. In Article 45(4), the following words shall be added at the end of the paragraph: “or within 30 days of the date the decision referred to in Article 41(3) or (5) became final”.

### **Section VIII**

This Act shall come into effect on 1 January 2016.

**Andrej Kiska m. p.**  
**Peter Pellegrini m. p.**  
**Robert Fico m. p.**

- 1) For example, Act of the National Council of the Slovak Republic No 39/1993 on the Supreme Audit Office of the Slovak Republic, as amended; Act of the National Council of the Slovak Republic No 10/1996 on general government control, as amended; Act No 461/2003 on social insurance, as amended; Act No 423/2015 on statutory audits and on amendments to the Act No 431/2002 on accounting, as amended, as amended.
- 2) Article 2(a), (e) and (f) and Article 35a of the Act No. 523/2004 on the budgetary rules of public administration and on amendments to certain laws, as amended.
- 3) Article 3(1) of the Act No 523/2004.
- 4) Article 9(1) of the Act No. 523/2004, as amended.
- 5) Article 2(2) of the Act No 404/2011 on the stay and residence of foreigners and on amendments to certain laws.
- 6) For example, Article 226(2) of the Act No 73/1998 on the civil service of officers of the Police Force, Slovak Information Service, Prison and Judicial Guard Service of the Slovak Republic and the Railway Police, as amended; Act No 200/1998  
Act No 382/2004 on the civil service of customs officers and on amendments to certain laws, as amended; Act No. 315/2009 on the Fire and Rescue Service and on amendments to certain laws, as amended; Act No 281/2009 on the civil service of professional soldiers and on amendments to certain laws, as amended; Act No 55/2017 on the civil service and on amendments to certain laws, as amended.
- 7) For example, Article 25 of the Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal (OJ L 347, 20.12.2013); Article 127 of the Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013); Article 25 and 29 of the Regulation (EU) No 514/2014 of the European Parliament and of the Council of 16 April 2014 laying down general provisions on the Asylum, Migration and Integration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management (OJ L 150, 20.5.2014); Article 34 of the Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived (OJ L 72, 12.3.2014).
- 8) For example, Act of the National Council of the Slovak Republic No 278/1993 on the management of state assets, as amended; Act No 358/2015 governing certain matters in the area of state aid and *de minimis* aid and amending certain laws (State Aid Act); Act No 595/2003 on value added tax, as amended; Act No 374/2014 on the state's receivables and on amendments to certain laws, as amended.
- 8a) Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013), as amended.
- 8b) Act No 280/2017 on the provision of support and subsidies in agriculture and rural development and on amendments to the Act No 292/2014 on grants provided from the European Structural and Investment Funds and on amendments to certain laws, as amended by the Act No 113/2018.
- 9) Article 50 of the Act No. 595/2003, as amended.
- 10) For example, Act of the National Council of the Slovak Republic No 71/1992 on court charges and the charge for an excerpt from the Criminal Register, as amended; Act of the National Council of the Slovak Republic No 145/1995 on administrative charges, as amended; Act of the National



Council of the Slovak Republic No 202/1995 laying down the Foreign Exchange Act and amending the Act of the National Council of the Slovak Republic No 372/1990 on administrative offences, as amended, as amended; Act of the National Council of the Slovak Republic No 18/1996 on pricing, as amended; Act No 523/2004, as amended; Act No 583/2004 on the budgetary rules of local authorities and on amendments to certain laws, as amended; Act No 747/2004 on financial market supervision and on amendments to certain laws, as amended.

11) For example, Act No 523/2004, as amended; Act No 583/2004, as amended; Act No 528/2008 on aid and support provided from the funds of the European Union, as amended; Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009 - 2014 (OJ L 291, 9.11.2010; Treaty on European Union; Treaty on the Functioning of the European Union; Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012), as amended; Regulation (EU) No 1303/2013, as amended; Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013), as amended; Commission Implementing Regulation (EU) No 215/2014 of 7 March 2014 laying down rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to methodologies for climate change support, the determination of milestones and targets in the performance framework and the nomenclature of categories of intervention for the European Structural and Investment Funds (OJ L 69, 8.3.2014), as amended; Act No 292/2014 on grants provided from the European Structural and Investment Funds and on amendments to certain laws, as amended; Act No 343/2015 on public procurement and on amendments to certain laws, as amended.

12) Article 2(36) and (38) of the Regulation (EU) No 1303/2013.

13) For example, Act No 523/2004 laying down the Labour Code, as amended; Act No 553/2003 on the remuneration of certain employees working in public interest and on amendments to certain laws, as amended; Act No 55/2017, as amended.

14) For example, Act No 71/1967 on administrative proceedings (Code of Administrative Procedure), as amended; Act No 238/1998 on funeral allowance, as amended; Act No 600/2003 on child allowance, as amended by the Act No 461/2003 on social insurance, as amended; Act No 627/2005 on foster care allowance, as amended; Act No 528/2008, as amended; Act No 571/2009 on parental allowance and on amendments to certain laws, as amended, Act No 383/2013 on childbirth and multiple birth allowances and on amendments to certain laws, as amended; Act No 292/2014, as amended; Act No 280/2017, as amended by the Act No 113/2018.

15) For example, Civil Code, as amended; Commercial Code, as amended.

16) For example, Article 9 of the Labour Code, as amended by the Act No 257/2011; Article 4 of the Act No 73/1998, as amended; Act No 552/2003 on work in public interest, as amended, Article 8 of the Act No 281/2015; Act No 55/2017, as amended.

17) Act of the National Council of the Slovak Republic No 46/1993 on the Slovak Intelligence Service, as amended.

Act of the National Council of the Slovak Republic No 171/1993 on the Police Force, as amended.

Act of the National Council of the Slovak Republic No 198/1994 on the Military Intelligence Service, as amended.

Act No 4/2001 on the Prison and Judicial Guard Service, as amended.

Act No 315/2001, as amended.

Act No 129/2002 on the Integrated Rescue System forests, as amended.

Act No. 321/2002 on the Armed Forces of the Slovak Republic, as amended.

Act No 215/2004 on the security of classified matters and on amendments to certain laws, as amended.

Act No 652/2004 on customs general government authorities and on amendments to certain laws, as amended.

Act No 69/2018 on cyber security and on amendments to certain laws.

18) Articles 4 and 23 of the Regulation (EU) No 1299/2013.

18a) Articles 4 and 23 of the Regulation (EU) No 1299/2013; Article 83 of the Regulation (EU) No 1306/2013, as amended.

19) For example, Act No 461/2004, as amended; Articles 19 to 30, 32 and 35 of the Act No 292/2004.

20) Article 16(2) of the Act No 292/2014.

20a) Article 10(4) of the Act No 330/2007 on the Criminal Register and on amendments to certain laws, as amended by the Act No 91/2016.

21) For example, Article 55(1)(i) and Articles 101 and 102 of Act No 55/2017

22) For example, Articles 55 and 59 of the Labour Code, as amended; Articles 35 and 189 of the Act No 73/2004, as amended; Articles 76 and 83 to 85 of the Act No 281/2015; Articles 55 and 71 of the Act No 55/2017.

23) Article 5(1)(g), (h) and (j) and Article 6(1)(f), (g) and (i) of the Act No 583/2004, as amended by Act No 361/2014.

24) For example, Article 39 Act of the Slovak National Council No 323/1992 on notaries and notaries' activities (Notary Rules), as amended; Article 23 of the Act No 586/2003 on the legal profession and on amendments to the Act No 455/1991 on trades (Trades Regulation Act), as amended, as amended by the Act No 297/2008.

25) Act of the National Council of the Slovak Republic No 46/1993, as amended. Act No 198/1994, as amended.

Act No 215/2004, as amended.

26) For example, the Code of Contentious Civil Procedure, as amended by the Act No 87/2017; Code of Non-contentious Civil Procedure, as amended by the Act No 87/2017; Act No 71/1967, as amended; Act of the Slovak National Council No 372/1990 on administrative offences, as amended; Act of the National Council of the Slovak Republic No 171/1993, as amended; Act No 136/2001 on the protection of competition and on amendments to the Act of the National Council of the Slovak Republic No 347/1990 on the organisation of Ministries and other central government bodies of the Slovak Republic, as amended, as amended; 10/2017 on control in general government, as amended; Act No 153/2003 on the public prosecution service, as amended.

27) Act No 283/2002 on the reimbursement of travel expenses, as amended; Act No 382/2004 on court experts, appraisers, interpreters and translators and on amendments to certain laws, as amended.

28) For example, Act No 71/1967, as amended.

29) Act No 211/2000 on the freedom of information and on amendments to certain laws (Freedom of Information Act), as amended.

30) For example, Article 143 of the Regulation (EU) 1303/2013, as amended; Article 31 of the Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund (OJ L 138, 13.5.2014), as amended.



