

The Establishment of the State Audit Bureau Law No. 30 (1964)

On the establishment, Aims and Composition of the State Audit Bureau

Article 1:

There shall be established an independent commission for financial control which shall be called "The State Audit Bureau (SAB)" and shall be attached to the National Assembly.

Article 2:

It shall be the basic aim of the State Audit Bureau to realize effective control over public funds by exercising the functions vested in it in accordance with and in the manner laid down in this Law.

Article 3:

The SAB shall be composed of a President , an Undersecretary, an Assistant Undersecretary and an adequate number of technical staff in accordance with the provisions of this law. A Vice-President and more than one Undersecretary and Assistant Undersecretary may be appointed in the SAB subject to the requirements of work. For the operation of the provisions of this Law the necessary number of non – technical staff and employees of various categories and grades shall be attached to the SAB.

Article 4:

The SAB shall consist of departments, controllerships, divisions and sections, whose composition, organization, number and scope of functions shall be determined by order of the President of the SAB.

**The Authorities Subject to the Control of the State Audit Bureau.
Functions of the State Audit Bureau and Means of Exercising them.**

SECTION I : The Authorities Subject to the Control of the State Audit Bureau

Article 5:

The following authorities shall be subject to the Financial Control of the SAB:

- I. All the Ministries, Departments and Public Organizations which constitute the administrative system of the State.
- II. The Municipalities and all other local bodies which have a public legal entity.
- III. Public Commissions, bodies, establishments attached to the State, the municipalities or other local bodies, which have a public legal entity.
- IV. Companies or establishments in which the State or any other public legal entity holds a share of not less than 50% of their capital or guarantees them a minimum profit.

SECTION II : The Functions of the State Audit Bureau

Article 6:

The SAB shall, in general, exercise Control over the collection of the State revenues and expenditures within the limits of the budget allocations and shall examine the adequacy of the regulations and methods adopted for the safeguarding of public funds and prevention of their abuse.

The SAB control shall, in particular, include the accounts of the Ministries, Government organizations and departments and all their branches, as well as the accounts of the bodies which have independent or supplementary budgets, including the National Assembly and of all other bodies mentioned in the preceding Article.

Article 7:

The SAB Control shall be exercised before and after the expenditure, in accordance with the provision of this Law.

Article 8:

In respect of revenues, the SAB Control shall include the following :

- a. To ascertain that the administrative systems entrusted with collection have in fact collected and deposited the State's revenues and dues in the Public Treasuries and entered them according to their items in their respective accounts.
- b. To verify that the provisions of the financial laws, regulations and circular are applied effectively and to draw attention to any deficiencies could be observed so that they may be rectified.
- c. To ascertain that the administrative by-laws and regulations in order to ascertain their adequacy for the control of the basis of various taxes, fees and charges and to ensure their collection in accordance with the laws.

In the course of exercising the control provided for in this Article, the SAB shall examine, check and inspect the documents books and registers of public collections and entitlements in order to ascertain that the financial dispositions and accounts entries pertaining to collection have been carried out in a proper and regular manner in accordance with the provisions of the financial and accountancy by-laws.

The SAB shall, in particular, verify the following matters :

1. That vouchers or other documents showing receipt of public revenues and entitlements have been examined by competent officials and that the sums shown therein have been paid over to the Public Treasuries and properly recorded in the books of accounts.
2. That statement submitted by the various State organizations showing the amounts of public revenues and entitlements which have been collected, in addition to those that remain to be collected, are all that the State is entitled to in accordance with the laws, decrees, by-laws and orders, and that every effort has been made to collect those in arrears.
3. That there has been no exemption from any tax, fee or charges in cases other than those laid down in the laws or without the approval of the competent authority.

4. That the collection of tax fees and charges has been carried out in accordance with the laws.

Article 9:

In respect of expenditures, the SAB control shall include verification of the following :

- I. That the expenditures have been made, in accordance with the budget allocation and that disbursements have been in accordance with the financial laws, by-laws and circulars.
- II. That the documents submitted in support of disbursements are correct and that the amounts paid in accordance with them correspond with the figures entered in the account books.

In the course of exercising the control provided for in this Article, the SAB shall examine, check and inspect the payment vouchers, registers and books in order to ascertain that the financial dispositions and accounting entries pertaining to disbursements have been carried out in a proper and regular manner in accordance with the provisions of the financial and accountancy by-laws, and the general rules of the Budget.

The SAB shall, in particular, verify the following matters:

1. That the amounts expended against each item of the budget correspond with the figures contained in the documents, that the respective payment orders have been correctly issued by the competent authorities in accordance with the Law, that they are accompanied by the required authorization and the valid documents and receipts, and that they have been charged against the respective chapter and item in the budget.
2. That the allocations made for each Chapter or Item of the Budget have not been exceeded except with the prior permission of the competent authority.
3. That the amounts expended as charges against the allocations made for development projects have been expended in the

manner for which the allocations were earmarked and that no work without original allocation in the Budget has commenced before an additional allocation has been made.

4. The validity of the reasons leading to the under expenditure of all or part of the allocations earmarked in the Budget for development projects, and that the surplus from the allocation earmarked for a certain work has not been appropriated in order to exceed the allocation for another work in such a way as to lead to the increase of the final costs of that work over the allocation earmarked for it in the Budget, without the permission of the authority which has the right to permit over expenditure.
5. That no commitment has been made by any Department in such a way as to lead to exceeding the allocated item in its budget, even though the expenditures have not actually been incurred.
6. That no posts are filled which have been granted in a personal capacity or whose cancellation or change has been decided when they first become vacant.
7. The correct implementation of the provisions of the laws in respect of the Budget.

Article 10:

The SAB shall be competent to examine and check personnel orders concerning the authorities referred to in paragraphs I, II & III of Article 5, on appointments, promotions, grant of increments, settlements, allowances, additional salaries and the like, as well as travel allowances and transport expenses, in order to examine the validity of such orders and their conformity with the rules of the Budget and the other financial provisions, laws, by-laws and orders thereunder.

Article 11:

The SAB shall examine and audit the accounts of pension funds, service benefits and insurance, social security and aid payments and verify that they conform with the laws, by-laws and orders thereunder.

Article 12:

The bodies referred to in the first three paragraphs of Articles 5 of this Law shall submit to the SAB all their orders concerning appointment of staff, employees and workmen, their promotions, grant of increments and the like, and orders concerning pensions and service benefits and the like, shall be submitted within a period not exceeding ten delays from the date of their issue, and the other orders within a period not exceeding comments concerning the conformity of the said orders with the condition of the Budget and the financial controls and rules regulating it, sufficiently before the lapse of the period specified for withdrawal or challenge. The authority concerned shall immediately withdraw or cancel such faulty orders and their resulting effects.

If the said authority does not agree to the SAB opinion, the orders objected to shall be considered suspended by force of law until the matter is settled by an agreement between the two authorities, otherwise the matter shall be submitted to the Council of Ministers for settlement.

Article 13:

Supply and public works tenders, where the value of each is upwards of one hundred thousand dinars** shall be subject to the SAB prior control. In determining such value, consideration shall be given to the gross value of the articles or works under tender, calculated on the basis of minimum prices of tenders fulfilling the conditions required.

In no case may a tender be split into parts for the purpose of decreasing its value to the extent necessary to render it beyond the SAB control. Evidence for such splitting shall be established when the authority concerned announces another tender for the same articles or works or in respect of articles or works in respect of articles or works considered complementary or similar to (the first one) within less than three months from the date of the conclusion of the contract for the first tender.

The authority in charge of the tender shall not inter into a commitment or contract with the supplier or contractor who won the tender, until a permission to this effect has been obtained from the competent authority in the SAB in accordance with its regulations.

The SAB shall settle the matter and notify the authority concerned of the result within a period not exceeding seven days from the date of receipt of the tender documents and all the papers, documents, statements and explanations related to it, in full and duly completed. Such period shall be effective only from the date of receipt of the papers, statements or explanations which the SAB may request during the said seven days and which it deems necessary and essential for the purpose of examination and checking. In this case control shall include ascertainment that the allocation in the Budget allows commitment or contracting and that all procedures necessary to be fulfilled before the commitment or contracting have been observed, in accordance with the established financial rules and regulations in this respect.

If the SAB does not take a decision concerning the matter nor notify the authority concerned of the result before the lapse of the period referred to in the fourth paragraph of this Article, this authority may enter into the commitment or contract at its own responsibility, without prejudice to the right of the SAB to exercise its functions in the subsequent control of expenditure. In the event the SAB notifies the authority concerned of its objection within the above fixed period and this authority does not accept it, it shall notify the SAB of its viewpoint supported by reasons. If nevertheless the President of the SAB continues to maintain his previously stated opinion, the matter shall be referred to the Minister concerned or the representative of the authority concerned for consideration. If his opinion differs from that of the President of the SAB, he shall submit the two points of view to the Council of Ministers, which after hearing the President of the SAB shall decide the matter and such decision shall be carried out.

Article 14:

The provisions of the preceding Article shall apply to every proposed commitment, agreement, or contract the conclusion of which will entail financial rights for, or obligations against, the State or other public legal entities, where the value of such commitment, agreement or contract is upwards of One hundred thousand dinars**.

Article 15:

The SAB shall be competent to inspect all materials entrusted to and operations in the public stores and warehouses and their various branches, and examine and check their documents, books, registers and accounts. The SAB shall verify the safekeeping of various kinds of materials and the correctness of the accounts entries pertaining to them, shall investigate the reasons for any damage to or piling up of such materials and make any proposals it deems fit for the disposal of the damaged or piled up materials in order to prevent any such recurrence in future. The SAB shall also ascertain the adequacy and sound application of the by-laws and regulations laid down for the stores and warehouses referred to, and draw attention to any deficiencies that it may find in them in order to avoid them.

Article 16:

The SAB shall find out and investigate the reasons for cases of embezzlement, negligence and financial contravention, the loopholes in the standing work orders which caused, helped or facilitated their happening, and suggest corrective measures. If the SAB suspects the existence of malpractice in any of the public stores, warehouses or treasuries it may ask the authority concerned to take an immediate inventory, which the authority shall carry out. In this event the competent inspector or checker in the SAB may witness but not take part in the inventory work.

Article 17:

The SAB shall be competent to examine and check all settlement accounts in respect of materials held in safekeeping, imprests and current accounts, and verify the correctness of the work involved in their regard, that their figures are entered in the account books and that they are correct and supported by legal documents.

Article 18:

The SAB shall check the accounts of advances and loans granted by the State or any establishment or body having a public legal entity as well as such advances and loans granted thereto. With regard to the former case, it shall verify that the capital, interest and their supplements are paid to the Public Treasury in accordance with the terms of the contract granting the advance or loan. With regard to the latter case, it shall verify that the State or the borrowing public body has paid back the capital, interest and supplements on the fixed dates.

The preceding provision shall apply to the advances and loans concluded under the guarantee of the State, or of any body or establishment having a public entity.

Article 19:

The SAB may examine the ways in which the State funds are invested, check the account of such investments and make any comments it deems fit in this respect.

Article 20:

The SAB has the right to examine the administrative, financial and accountancy by-laws in order to ascertain their adequacy and suggest the means to avoid any deficiency in them.

Article 21:

The SAB shall be competent to examine and check the final accounts of the financial year ended for each of the State, the public bodies and establishments whose budgets are regulated by laws.

Article 22:

The President of the SAB shall make an Annual Report about each of the final accounts referred to in the preceding Article, setting forth the comments and differences which may occur between the SAB and the authorities subject to its Financial Control. The said report shall be submitted to the Head of the State, the National Assembly, the Council of Ministries and the Minister of Finance not later than the end of the month of January following the lapsing of the fiscal year***.

The President of the SAB may submit other reports during the year on matters which in his opinion are of such importance and seriousness that they should be promptly considered.

Article 23:

The SAB shall be competent to examine and check the accounts of every company or establishment in which the State or any other public legal entity holds not less than 50% share in its capital or guarantees it minimum profit. In arriving at the percentage of capital referred to (in this Article), the total share of the State as well as of all other bodies having a public legal entity shall be taken into account.

The preceding provision shall apply in respect of the companies which are licensed to utilize or manage any of the public utilities or which are granted a concession to utilize any of the natural resources in the State.

The SAB also shall, in respect of the share companies that are subject to its Control, check the reports of their auditors and of their Board of directors.

Article 24:

The examination and checking of the accounts of the companies and establishments referred to in the preceding Article shall be carried out in accordance with the procedures and conditions adopted by such companies and establishments in the preparation of their accounts according to the nature of their business activities and within the limits of the provisions, by-laws and orders regulating their operations.

The SAB shall pass its comments resulting from the checking of the aforementioned accounts to each company or establishment whose accounts have been checked, the supervising administrative authority concerned and to the Ministry of Finance.

As regards share companies, the SAB shall pass its comments not less than thirty days before the General Assembly of the company. The Board of directors of the company shall submit such comments to the General Assembly.

Article 25:

The SAB shall examine and check every account or other work which the National Assembly or the Council of Ministers entrusts to it for examination and checking. In this case the President of the SAB shall pass his comments to the authority that requested the examination or checking. He may include in his Annual Report any comments he deems fit in respect of the above mentioned account or work.

Section III : Exercise of Functions

Article 26:

The SAB shall exercise its functions by means of inspection, examination and checking. Surprise inspections may take place.

Article 27:

In accordance with the provisions of this Law, the technical staff of the SAB shall be charged with inspection, examination and checking required by the SAB in the exercise of its functions. None of this work may be entrusted to any of the other staff of the SAB even if his post is considered technical in accordance with another law.

Article 28:

The examination and checking referred to in the preceding Article shall be carried out at the office of the SAB or that of the authorities where the registers, books, accounts, their supporting documents and other papers are available, and they shall be examined and checked by

the SAB.

The SAB shall, consistent with efficiency and the interest of the work, determine this as it deems fit.

Article 29:

A part from the documents and registers provided for in the financial laws, by-laws and circulars, the SAB may check or examine any document, register or other papers that it deems necessary and essential for the exercise of its function in the best manner.

Article 30:

The SAB may communicate directly with heads, controllers, directors and auditors of accounts or whoever acts for them in the ministries, organizations, departments and all their branches, public bodies and establishments and the companies and establishments attached thereto, and other authorities which are subject to its financial control.

The SAB may correspond with them and make surprise inspection of their businesses.

Article 31:

The SAB shall notify the respective authorities that re subject to its financial control of its comments resulting from inspection, examination and checking. The said authorities shall provide the SAB with their replies to the comments within one month from the date of such notification.

Article 32:

The SAB may request the authority concerned to take the necessary measure for the collection of the amounts due to, or unjustly spent by, the State, other public bodies and establishments or institutions and companies attached to them.

Article 33:

If a dispute occurs between the SAB and any ministry, organization,

department or institution or body in respect of the control exercised by the SAB the matter shall be referred to the Council of Ministers for decision and such decision shall be carried out.

** Value was twenty thousand dinars, has been amended to one thousand dinars by Decree-law No. 4 of 1977, issued on January 27, 1977 and published in Kuwait – AlYoum No. 1121 on Feb.1, 1977.

*** The date of submission of the annual report was amended by Decree-Law No. 43 for the year 1994

Regulations Concerning the Staff of the State Audit Bureau

Article 34:

The President of the SAB shall be appointed by Amiri Decree upon nomination of the Speaker of the National Assembly, approval of such nomination by the Assembly in a secret session and after approval of the Council of Ministers.

The President shall have the statues of a Minister in respect of salary, pension, and all other allowances and financial advantages and in respect of the procedures for accusation and trial. He may not be dismissed except with the approval of the majority of the constituent members of the National Assembly or by the order of the competent Disciplinary Authority as provided for in the preceding Paragraph.

Article 35:

The President of the SAB while holding office, may not assume any other public office or, even indirectly, profession or carry on in industrial, commercial or financial business. He may not participate in any contract concluded by the government or public institutions or bodies. He may not hold simultaneously his post (as President) and membership of a board of directors of any company.

During such period he may not buy or rent any property of the State, even by means of public auction, or sell, lease or barter any of

his property to the State.

Article 36:

The President of the SAB shall assume technical and administrative supervision of the work and personnel of the SAB. He shall issue the by-laws and orders necessary for the organization and management of the SAB in accordance with its functions as laid down in this Law.

Article 37:

In the event of the appointment of a Vice-President of the SAB, he shall be subject to the provisions of the first and third paragraphs of Article 34 of this Law, and shall have the status of a civil servant, grade superior "B" in respect of salary, pension and other financial advantages.

Article 38:

The Undersecretary and the Assistant Undersecretary of the SAB shall be appointed by Amiri Decree upon nomination of the President of the SAB and approval of the Speaker of the National Assembly and the Council of Ministers.

The Undersecretary shall have the status of Undersecretary of a ministry and the Assistant Undersecretary that of Assistant Undersecretary of a ministry in respect of salary, pension, and all other allowances and financial advantages.

As regards the procedures for accusation, trial and retirement, they shall be subject to the provisions applicable to the technical staff of the SAB as laid down in this Law.

Article 39:

The Vice-President, the Undersecretary and Assistant Undersecretary shall assist the President of the SAB in organizing and managing the SAB as laid down in the internal by-law of the SAB which shall be issued by order of the President.

Article 40:

With the exception of the posts of Vice-President, Undersecretary and Assistant Undersecretary of the SAB appointment to any other posts of the SAB and selection of specialists and experts in the work of the SAB shall be by order of the President.

Article 41:

In respect of the personnel of the SAB in general, the President shall have the powers, which under the law and by-laws vest in the Minister in respect of his Ministry's personnel. He shall also have the authority which vests in the Minister of Finance in respect of the use of the budget allocations for the SAB and of the organization and management of the SAB and, in general, all personnel affairs in respect of which the Minister of Finance had wider powers than other Ministers.

Article 42:

For the application of this Law, the technical staff official shall be any person who holds a technical senior post of the second group in the SAB budget. Any person appointed to such a post must hold high qualification in law or in commerce, or the equivalent, from a university recognized by the authority concerned in Kuwait.

Article 43:

The SAB budget shall include a statement of the number of posts required, their types, grades and salaries in all groups of posts as laid down in the schedules of grades and salaries appended to the Civil Service Law.

Article 44:

There shall be set up in the SAB a Committee to consider the affairs of its technical staff under the chairmanship of the Undersecretary of the SAB and membership of the Assistant Undersecretary and three senior technical staff according to the seniority of their posts and, then, of their grades.

The Head of Personnel in the SAB shall act as Secretary to the Committee.

In case any of these persons is absent or unable to attend, the one next to him in seniority shall take his place.

Article 45:

The Committee referred to in the preceding Article shall be competent to consider all the personnel affairs of the technical staff of the SAB and shall have the powers of the Personnel Committee under the laws and by-laws pertaining to the Civil Service. Its resolutions shall be by absolute majority. The Committee's proposals concerning promotions shall be submitted to the President of the SAB for approval without the need of obtaining the agreement of the Civil Service Commission.

Article 46:

No staff employee of the SAB may be transferred to, or seconded to work in another authority except with the approval of the President of the SAB.

Article 47:

There shall be set up in the SAB a Higher Committee, which, in respect of the SAB personnel, shall have the powers granted by the laws and by-laws to the Council of Ministers and the Civil Service Commission in employment affairs in respect of all the State's Civil servants. The Committee shall be composed of the following:

Chairman

1. The President of the State Audit Bureau

Members

2. Chairman of the Financial and Economic Affairs Committee in the National Assembly
3. Chairman of the Legal and Legislative Affairs Committee in

the National Assembly

4. President of the Legal Department
5. President of the Civil Service Commission
6. Assistant Undersecretary of the State Audit Bureau

If the Chairman or a member is absent or unable to attend, his place shall be taken by the person who acts for during his absence, according to the regulations of his respective authority.

The Personnel Head of the State Audit Bureau shall act as Secretary to the Committee. Meetings of the Committee shall have quorum only if attended by a majority of the members. Resolutions shall be by a majority vote of those present, and the chairman shall have the casting vote in the event of a tie. Abstention from voting shall be considered a vote against the proposal.

The technical staff of the SAB may not be dismissed, other than by means of disciplinary action, except after the approval of the Committee referred to in this Article.

Article 48:

The internal by-law of the SAB shall regulate the procedures and rules pertaining to the disciplinary action against, and investigation of the technical staff of the SAB.

Article 49:

A Disciplinary Board shall be competent to try the technical staff of the SAB and shall be composed of the following :

1. The President of the Legal Department
Chairman
2. The Undersecretary of the State Audit
Bureau Member
3. The Undersecretary of the Civil Services
Commission Member

If the Chairman or any of the two members is absent or unable to attend, his place shall be taken by the person who acts for him according to the regulations of his respective authority. The pertinent

procedure, rules and penalties prescribed in respect of all the State's other civil servants shall apply to the disciplinary trials of the staff of the SAB.

Article 50:

In the absence of any specific provision in this Law, all the rules and provisions of the Civil Service Law in that respect shall apply to the staff and civil employees of the SAB.

Article 51:

The Chief Accountant and his assistants, and the Head of Personnel and his assistants in the SAB shall be attached to this Board and their posts and grades be Included in its Budget.

On Financial Deviations and Disciplinary Actions Against the Persons Found Responsible Thereof

Section I : Definition of Financial Deviations and Actions in Respect Thereof

Article 52:

In the application of the provisions of the law, the following shall be considered financial deviations.

1. Contravention of the financial rules and provisions laid down in the Constitution.
2. Contravention of the general budget, or the budget, or the budgets appended thereto or independent therefrom, and of the budgets of those bodies that are subject to the control of the State Audit Bureau, for which civil servants assigned to control or supervise them.
3. Contravention of the Law of the Rules Governing the drawing up of the General Budget, the control of its execution and the final accounts.
4. Contravention of the provisions of the Tenders' laws and by laws and of the by-laws of (Government) stores and purchases, and,

in general, of all financial, accounting and store rules, provisions, regulations, and circulars.

5. Any wrongful act, negligence or omission which results or may result in the spending of money from public property without lawful right, or in the loss of, or in an adverse effect on, a financial right or interest of the State or of any other public entity or body which is subject to the control of the State Audit Bureau.
6. Failure to supply the SAB with the tender documents and proposed commitments, agreements and contracts which are subject to the prior financial control, without justification. Failure to supply the SAB with the accounts and supporting documents in the dates fixed for them, or with the papers, documents or other evidence which the SAB requests and has the right to examine, check or peruse in accordance with the Law.
7. Failure to reply to the SAB comments or correspondence in general, or delay in replying to them without justification. It shall be considered as failure to reply if the object of such reply is procrastination.
8. Delay without justification in notifying the SAB within a period not exceeding fifteen days of the action taken by the administrative authority concerned in respect of the contravention of which it is notified by the SAB or failure without an acceptable excuse to take the necessary action in their regard, and in general, any act or attitude that may hinder the SAB without just cause from exercising its functions of financial control in the best manner.

Article 53:

With the exception of Ministers, any civil servant shall be disciplined as laid down in this Law, if he in any way whatever commits any financial offense described in the preceding Article, or aids and abets in, or willfully fails to report, or is an accessory before or after, the commission thereof.

Article 54:

It shall be incumbent on every government authority, public body or institution or company or establishment attached to it, to refer the matter to investigation after discovery of any financial offence which is committed therein, and it shall issue within a period not exceeding fifteen days after either to take no action or administratively discipline the person responsible or refer him to disciplinary trial as it may deem fit.

Article 55:

The SAB shall be notified of the decision in the cases of financial deviation together with the investigation file and other relative papers and documents, within a period not exceeding ten days from the date of such decisions.

Article 56:

The SAB shall notify the authority concerned of the financial deviation it first discovered and shall follow the same procedures and provisions in their respect as laid down in the preceding two articles.

Section II : Discipling the Staff Held Responsible for Financial Deviations

Article 57:

The SAB shall have the right to object to the decisions referred to in Article 55 of this Law if it has good reason.

In such a case the President of the SAB may institute disciplinary proceedings against the offender before the tribunal which has jurisdiction under this Law to disciplinary try cases arising out of financial deviations.

Proceedings in such a case shall be instituted within a period not exceeding one month from the date the SAB has received the decision which is objected to, together with the investigation file and all the relative papers and statements in full, otherwise such a decision shall become final and the right of the SAB to institute proceedings shall lapse.

Article 58:

If it appears to the SAB from the examination of the papers that the decision of the authority concerned to take no action is not right or the penalty imposed on the official responsible is not proportionate with the offence committed, and if, nevertheless the SAB does not consider the offence worth disciplinary trial by the Tribunal, the President of the SAB may, in case, return the papers to the authority concerned within fifteen days from the date of their receipt by the SAB requesting that the matter be reconsidered either by imposing penalty on the offender in the case of the decision being to take no action, or by applying a stiffer penalty proportionate with the offence, including up to fifteen days cut off pay.

Article 59:

The authority concerned shall decide on the SAB request, notifying it of result within a period not exceeding seven days from the date of receipt of the papers returned to it.

If the authority fails to respond to the SAB request or notify it of the result within the period stated in the preceding Article, the President of the SAB may refer the offender to disciplinary trial within a period not exceeding ten days from the date of receipt of the papers returned to the SAB.

Section III : Constitution of the Tribunal Competent to try Disciplinary Cases Arising out of Financial Deviations and the penalties that may be imposed**Article 60:**

Jurisdiction to try disciplinary cases arising out of financial deviation laid down in Article 52 of this Law shall vest in a tribunal to be constituted in the following manner :

(a) As regards staff of the highest grade of the second group and upwards, the tribunal shall consist of:

Chairman

1. The President of the Legal Department

Members

2. The Undersecretary of the State Audit Bureau
3. The Undersecretary, Ministry of Finance
4. A Counselor of the Legal Department
5. The Undersecretary of the Civil Service Commission

(b) As regards other than those mentioned in paragraph (a), the Tribunal shall consist of : Chairman

1. The Vice President of the Legal Department

Members

2. The Assistant Undersecretary of the SAB
3. An Associate Counsellor of the Legal Department
4. A Representative of the Ministry of Finance
5. A Representative of the Civil Service Commission

The grade of any of the two members may not be lower than that of the staff official brought to trial.

If the President or any member of either tribunal is absent or unable to attend, he shall be replaced by the person who acts for him in accordance with the regulations of authority in his respective office.

Article 61:

The appropriate Disciplinary Tribunal shall be determined according to the grade of the staff official at the time the disciplinary case is brought against him.

If there are several staff officials responsible for the deviation or related deviations their trial shall be before the tribunal appropriate for trying the person of the highest grade amongst them. The President of the SAB shall delegate one of his staff to act as Secretary to the Disciplinary Tribunal.

Article 62:

In the absence of any special provision in this law, the procedures, rules and penalties prescribed in the same respect in the Civil Service Law shall apply in the disciplinary trials before the said Tribunal.

Article 63:

If any of the staff officials brought to disciplinary trial before the tribunal provided for in paragraph (a) of Article 60 falls originally under the jurisdiction of the tribunal provided for in paragraph (b) of the same Article, the penalties to be imposed on him shall be those which the latter Tribunal would appropriately impose if it had tried him.

Article 64:

The decisions of the tribunal shall be supported by reasons and signed by the President and members of the tribunal.

Article 65:

Decisions of the Tribunal shall be final whether they are given in the presence or absence of the defendant.

The SAB and those concerned may appeal such decisions in the manner laid down for the appeal against administrative decisions by requesting their annulment or the substitution of other decisions for them for being in any way contrary to the Law, within sixty days from the date such decisions become known to them. Such appeal shall not involve the suspension of the execution of the disciplinary decision appealed against, unless the appropriate court hearing the appeal so orders.

Article 66:

The Secretary of the tribunal shall supply the SAB with a true copy of the decisions issued by the tribunal within a period not exceeding thirty days from the date of their issue.

Article 67:

The SAB shall follow up the tribunal's decisions imposing penalties

and ascertain that the authority to which the convicted staff official is attached has executed such penalties as imposed on him.

Article 68:

The acceptance of the resignation of a staff official against whom a disciplinary action has been brought shall not prevent the continuation of proceedings for his disciplinary trial. His financial settlement shall be suspended pending the end of his trial.

Section IV : Exoneration and Limitation of Action

Article 69:

A staff official shall not be exonerated from penalty unless it is proved that he has committed the deviation in obedience of a written order issued to him from his seniors and despite his drawing the attention of his senior in writing to such deviation. In this case the responsibility shall fall on the person who issued the order.

Article 70:

No disciplinary action for financial deviations shall be brought after the lapse of five calendar years from the date of occurrence of the deviations.

Such period of limitation shall cease to run by investigation, charge or trial proceedings, but shall again begin to run from the date of the last proceedings.

If there are several offenders and the period of limitation ceases to run in respect of any one of them, it shall also cease to run in respect of the others even though no proceedings have been brought against them, which would cause the period of limitation to cease to run.

Article 71:

A disciplinary action may be brought against a staff official who has left the service for any reason, provided that the action is not time barred in accordance with the provisions of the preceding Article.

The appropriate tribunal for his trial shall be determined according to

his grade when he left the service.

The said tribunal may issue an order suspending payment of his pension or service benefit due to him pending the end of his trial.

Article 72:

The following penalties may be imposed on the staff official referred to in the preceding Article.

1. Loss of pension for a period not exceeding three months.
2. Loss of all or part of the pension or service benefit from the date of judgement.
3. A fine of not less than ten dinars and not more than the salary received by him for the month in which the deviation occurred.

Such fine shall be recovered by deduction from his pension or service benefit, if any, within the prescribed legal limits or by the way and in the manner followed in the collection of public funds and entitlements.

Article 73:

The imposition of any of the penalties laid down in this Law shall not prejudice the right to bring a civil or criminal action against the staff official if necessary.

General Provisions

Article 74:

Before the President of the SAB assumes his duties and functions as laid by this Law he shall take the following oath before the National Assembly.

"I swear by Almighty God to be loyal to the County and the Amir, to respect the Constitution and the Laws of the State, to safeguard the interests and property of the people and to discharge my duties honestly and truly".

Article 75:

The President shall prepare the draft budget of the SAB in agreement with the Speaker of the National Assembly, who shall forward it within the legal date to the Ministry of Finance. The Minister of Finance shall list the draft, as he receives it from the Speaker of the National Assembly, under a special section in the general budget of the State. If the draft contains an increase over the total allocations for the preceding year, the Minister of Finance may simply list the allocation for the previous year and submit the matter of the increase to the National Assembly, which shall decide it after hearing the opinions of the Minister of Finance and of the President of SAB.

Article 76:

In the case the President being absent or his post vacant, the Vice-President or the Undersecretary of the SAB as the case may be shall act on his behalf.

Article 77:

The President of the SAB may delegate to the Vice-President, the Undersecretary and Assistant Undersecretary of the SAB all or Part of his functions as laid down in this Law with the exception fo those functions laid down in Articles 13(paragraph 7), 22, 25 (paragraph 2), 33, 39, 75 and 78 (paragraph 2) of this Law.

Article 78:

The SAB checking of the documents pertaining to the authorities which are subject to its financial control shall be hundred percent. As an exception form this general rule, the President of the SAB may, in cases of extreme necessity and for considerations dictated by the public interest, reduce the percentage of checking in respect of one kind or more f the documents pertaining to the authorities which are subject to control whether for all or part of them, provided that the reduction of checking may not in any way be less than 50 percent in respect of any kind of document pertaining to any authority.

An order shall be issued by the President of the SAB determining

the kinds of documents and the authorities to which the percentage of reduction of checking applies.

Such order shall be treated as strictly confidential so that any authority will remain ignorant of the order reducing the percentage of the checking of its documents.

Such order shall prescribe the ways and conditions regulating the checking in this case.

Article 79:

The checking shall revert to its original percentage immediately the reasons which called for the reduction in accordance with the provisions of the preceding Article have ceased to exist.

Article 80:

Regarding the checking of secret expenditures it shall be sufficient for the Minister concerned to sign a declaration, every three months, containing a statement of the amount spent during such period from thesecret expenditures allocated in the budge for his Ministry, and a certificate to he effect that the purposes they were allocated for.

The Minister shall send the declaration confidentially to the President of the SAB within a period not exceeding ten days from the end of the period caused by the declaration, and the President of the SAB shall not show it to anyone, but keep it in his care.

Article 81:

The SAB shall check the operating, trading and profit and loss accounts, and profit and loss accounts, and the General Budget in respect of the State's administrative systems and their branches, the public bodies and establishments, and all other public legal entities and their facilities, which engage in commercial or industrial activity. Such checking shall be carried out in accordance with the accounting procedures and practice followed in commercial and industrial operations.

Article 82:

The documents and accounts of the State Audit Bureau shall be checked by the Ministry of Finance and the SAB shall be notified of any comments or offence resulting from such checking in order that they may be submitted to the President of the SAB for the necessary action in accordance with this Law. Such (comments or offences) shall be mentioned in the annual report of the SAB.

Article 83:

The SAB shall continue the control of the execution of construction projects within their allocations in the budget and shall ascertain whether their execution was achieved the result and objects for which the allocations and expenditures were made.

Article 84:

The National Assembly may call the President of the SAB to attend its sessions in which the reports of the SAB are discussed and allow him to speak and give his point of view on the matter under discussion and on government's replies and statements concerning them.

Article 85:

If the parliamentary government is suspended, the SAB shall be attached temporarily to the Office of the President of the Council of Ministers.

Article 86:

The President of the SAB shall notify the speaker of the National Assembly before he proceeds on his annual leave.

Article 87:

The disciplinary actions brought in respect of financial deviations which have not yet been decided up to the effective date of this Law shall be referred 'as they are' to the appropriate disciplinary tribunal in accordance with Article 60 of this Law, and the persons concerned shall

be notified of such reference.

Article 88:

The rules of implementation of this Law shall be issued by a decree on the basis of submission by the President of the SAB.

Article 89:

This Law shall be published in the Official Gazette and shall be effective from the date of publication. It shall supersede all other provisions, which may be inconsistent with those of this Law.

Deputy Amir of Kuwait
JABER AL-AHMAD AL-JABER

Issued on 27 Safar 1384H
Corresponding to 7 July 1964

All Copy Rights Reserved © SAB
State of Kuwait - 2004

