



AOA Fact Sheet *Ombudsman of YEMEN*

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INSTITUTIONAL OVERVIEW NUMBER 1

Legal Framework

COCA (central organization for control and auditing) is founded as supreme audit institution with an independent considerable identity according to act no 45 for the year 1974 issued in Sana'a, in addition to act no 11 for the year 1982 issued in Aden. Moreover the two SAI, s (in Sana'a and Aden) integrated as one SAI in 1990 after the unification of the south and north of Yemen.

The headquarter of COCA located in Sana'a, the capital of republic of Yemen, and it includes 20 branches in the other governorates.

Jurisdiction

Coca has to carry on an yearly advisory meeting compound of the leadership of the judiciary branch (the minister of justice) the prosecutor and the lawyer of public funds prosecution in order to coordinate all efforts to protect the public funds as well as to enhance the principal of accountability.

The mission statement of COCA is to "Achieve an effective control on public resources so they can used and managed effectively, economically and efficiently.

- The organization exercises the following functions in the field of financial controls over the bodies specified under article (6) of COCA act :-

- Control over revenue and expenditure through exercising audit procedure and examination of books and records of receipts, general entitlements and expenditures and obtains audit assurance, that all financial transactions regarding receipts, payments and accruals have been properly posted to the accounting records and in accordance with the relevant legislations.
- Audit of pension cost, retirement remuneration, living expense and social insurance to ensure its compliance with legislations.
- Audit of different sources of public revenue , checking methods of its application, uses or investment, to ensure that it's properly maintained, applied or invested, and those activities are carried in accordance with the relevant effective legislations.
- Physical inspection of stores and warehouses, checking its books, records, documents of receipt and issue, stock-taking records, identification of damaged, obsolete and slow moving stock, investigate reasons and suggesting appropriate methods of treatments. Follow-up stock taking results and how differences have been treated.
- Inspection and audit of purchase and contracting activities and supply and services contracts, to ensure compliance with regulations

legislations, articles, policies and management decision.

- Check internal control and internal check procedures, review records and books of accounts to ensure its completeness. And to discover, trace any breach of duties, corruption, negligence or fraud. Investigate causes and identify weakness in the internal control system and suggesting appropriate procedure methods to overcome the problems and avoid its future occurrence.
- Audit of loans, advances, assistance and credit facilities which has been contracted for by the state or any other body subject to the organization control and inspection of supporting vouchers and documents and verification of contracts and agreements to ensure that it was properly recorded in books and records, whether these loans have been received or provided by the state and the above bodies, the organization should ensure that those loans have been received and have been used for the specified activities. If these loans are provided by the state and the above mentioned bodies. The organization should verify repayment of the loans and interests and ensure that they are in accordance with the terms of contracts and agreements.
- Audit of grants donation and contributions made to or by external or internal institutions to ensure that they are in accordance with legislations, authorized decisions and they are within the stated policies and agreements.
- Audit of the final accounts of all different bodies subject to the control of the organization and also the final accounts which represents execution of the state budget and its supplements, and form an opinion on whether they comply with legislations.
- Audit of financial statements of the economic and subsidized units to form an opinion on whether they represent the financial position of the units and the results of their operations at the specified date and whether they have been prepared in accordance with accepted accounting standards, represent a product of a sound accounting and financial system, a proper accounting records have been maintained, the financial transactions have been properly recorded in the books and whether they comply with legislations

2. The organization performs the following functions on the field of performance audit and execution of work plan, applying the economic, effectiveness and competent standard measures:
 - Auditing and form an opinion on plans, economical and social development projects follow-up and evaluation of its implementations programs to ensure that, outcomes, cost, objectives, specifications and dead lines are consistent with plans.
 - Audit and evaluation of all financial and economic plans of the state and of the units subject to the control of the organization, to ensure that those plans adhere to the government general policy and they will meet their stated objectives.
 - Inspection and evaluation of programs and annual budgets

related to the financial and economical activities, specially in the field of foreign currency and employment budgets, to ensure that it's based on a realistic practical and objective standards and that appropriate procedures are established for its execution and the extent to which it has been effective in achieving targeted objectives and outcomes.

- Study and evaluate costing systems, performance standards, and costing standards to ensure that they are appropriate and realistic. Also study and evaluate pricing policies and match them with costs and ensure proper authorization.
 - Audit and inspection of books and records, documents, financial, technical and statistical data for all existing activities and projects under construction, in units subject to the organization control. The objective is to evaluate performance, measure success in meeting objectives and the appropriateness and adequacy of methods and procedure applied. Also to ensure optimum utilization of economic resources, identifications of unauthorized resources where there is excessive use of resources and bottle necks. Also identification of any deviation from the plan and suggesting remedies.
3. The organization performs the following functions in the fields of statutory controls and evaluations, of statutory and organizational status:
- In the field of statutory controls the organization will examine and review decisions made by units under the control of the organization as regard financial breaches or inconsistency to ensure that proper action has been taken, and that responsibility has been determined, and an appropriate punishment was given .
 - In the field of evaluation of statutory and organizational status, the organization is concerned of inspection of legislation articles and financial, accounting and administrative regulations to ensure that it is adequate and appropriate, and suggests amendments where needed. It will also contribute by giving its professional opinions on any bill drafts of law, articles, decisions and systems concerned with accounting, auditing, inspection, financial control or accounting practice. The objective is to ensure that it is adequately, identify weaknesses and contradictions, suggesting appropriate amendments to be submitted to the appropriate authority for re-drafting, approval, and issue.
4. Without any breach of the provisions of articles (23,25) of COCA act, the organization will inspect any accounts or any other activity entrusted to it, to audit or inspect, by the responsible authority and the organization has to report to the concerned authority .
5. The president of the Republic , the prime minister and the parliament may assign to the organization the inspection of any activities of the units subject to the organization control , and preparation of any reports or information about any of them, without any breach of the provisions of articles (23,25) of COCA act.

Legal Powers

1. COCA is fully independent in performance of its duties and it is not permissible for any body whoever may be to interfere in its affairs or the affairs of its branches or employees in whatever form.
It is not permissible for all COCA employees to practice any work or activities that directly or indirectly affect coca independence and neutrality in control and auditing work. In particular , they are forbidden to do the following :-
 - To perform other work in whatever form for a salary or remuneration payable from public money or otherwise. This prohibition does not include contribution in research and training fields provided that a permission is obtained from the president.
 - To practice any free profession or do any commercial, industrial or financial work or any other work which conflict with the concept of independence and neutrality of coca.
 - To buy anything out of public money or to sell or to let anything of their properties or exchange it for something . This prohibition does not apply to deals governed by public rules.
 - To join any political faction or have political shade or participate in the political parties campaigns.
 - To practice any audit or examination of accounts with a view of rendering service to any party , political organization or for any other purposes outside coca objectives or affecting its independence and neutrality.
2. The state concerned authorities are in no way allowed to appoint coca to audit or examine accounts or activities with a view to achieve goals outside coca objectives and duties or affect its independence and neutrality. In all cases it is prohibited to use coca authorities, powers and employees by any other party except for the purpose of achieving the objectives of this act.
3. The president shall have the powers entrusted to the minister of finance , minister of civil service and administrative reform stipulated in laws and by –laws, relating to the utilization of funds in coca budget and the regulation of its work and employees affairs. He shall have the authority to give travel permit to a coca employees to travel abroad. The president travel permit is to be obtained from the president of the presidential council.
4. COCA shall have an independent budget, which appears in the state budget as a lump- sum figure. A budget proposal prepared in the same classification as that of the state budget is to be submitted to the presidential council within a maximum period of five months before the beginning of the financial year and accompanied by sufficient explanations for any increase over the last year estimates and all necessary documents to enable the council to study the proposal and takes in the same way as the presidential council office budget is treated and then transfer the proposal in its final form to be included in the state general budget . In all cases the concerned state

Implementation Arrangements

authorities should in no way keep or distress any part of the approved coca budget in the general budget.

5. Technical members of COCA are protected with immunity against all sorts of pressure and interference which may hinder the performance of their duties. Every technical member should be conservative in away to preserve the independence and neutrality of COCA.
6. In case of dispute between coca and any auditee which is not settled at all concerned levels, the president shall have the right to refer the matter to the presidential council.
7. To preserve the independence and neutrality of the licensed audit firms employed by coca to audit economic units, coca will collect audit fees from the auditees and then pay that to the audit firms out of coca account. The executive regulations determine how fees are to be estimated, collected and paid.

COCA performs its functions according to the circumstances, through audit, examination; verification, and physical inspection. And in doing this, it has the following powers:-

1. To inspect all records, accounts and supporting documents wherever they exist or in the organization office .and it has the right to inspect any other records, documents, reports, minutes or other, papers it thinks that they are relevant to the performance of its duties and it has the right to keep a copy or a photocopy wherever it thinks necessary. The relevant by-law of this act will determine methods of inspection of records and documents which its circulation is prohibited.
2. The organization has the right to receive any relevant information and explanations necessary for the performance of its duties from the present and previous responsible officials in the units subject to the audit or other related units. And in doing this , the organization has the following rights :-
 - To question and seek explanations from the relevant people and insist on a hand written replies.
 - Exceptionally and through the responsible minister or governor, the organization may require the attendance of the responsible official to the organization office to give any information or explanations, but the request for attendance must be justified .
3. The organization has the right for direct contact with all responsible officials of the different bodies subject to the control of the organization. Both previous and present officials and third parties who are involved in the subject matter being considered. This covers the ministries of finance and civil service representatives and similar officials in the administrative organization units. Also the organization reserves the right of corresponding with them and

- performing surprise check on their activities.
4. Performing its duties, the organization may use sampling techniques or it may perform comprehensive audit depending on the circumstances.
 5. Addition to the normal audit and inspection procedure, the organization has the right to perform surprise audit without giving pre-notice.
 6. The organization has the right to use sealing wax when this procedure is needed as a precautionary decision. Its opening should be minuted and attended by a committee nominated by the president. The shape and size of this seal is determined by.
 7. When the organization discovers any action prohibited by law or damaging to the public interest, it has the right to seize documents and write a detailed report to the management of the body concerned on the subject matter - explaining the appropriate legal procedure which should be taken. Within thirty days from receiving the report if the concerned body did not respond, the organization has the right to transfer the relevant document to the legal authorities. The only exception to this rule, is when the prohibited actions are committed by ministers, deputy ministers or governors where the report will be submitted to the president of the presidential council to decide upon it.
 8. For the purpose of providing evidence on any financial and managerial breach, or criminal offenses damaging to the public interest, the members of the organization who were selected in accordance to the provisions of the by – laws of this act will enjoy the judicial control capacity.
 9. The organization has the right to join in the stock- taking activities of the bodies subjected to it, s control. Whether this stock- taking took place at the end of the accounting year or during the year according to the relevant legislation and regulation.
Also the organization has the right to perform surprise stock count, cash count and fixed assets inspections or any other assets.
 10. The organization is responsible for auditing and inspection of the public sector units and quasi-government where the state holdings in these units is more than 50% of its capital.
The organization will also form an audit opinion on its financial statements. Also the organization may seek assistance of the private audit practice- who have practicing licenses in Yemen.
 11. For the purpose of the above , the organization has the power to appoint the private auditors and fix their audit fees. Also the organization will exercise supervision over their work, amend their audit programs if required, examine their working papers, discuss and evaluate their findings and approve the financial statement audited by them .
 12. Where the state holding in the quasi-government units is less than 50% the organization reserves the right to object on the appointment of the private auditors .
Also their audit programs, their fees, should be agreed with the organization.
A copy of the audited financial statements should be submitted to the

organization two months before the general meeting for review and reporting. Also the organization, if it wishes, has the right to attend the general meeting to observe and make clear any reservations it has on the report.

13. The provisions in paragraph (10,11) are applicable to the quasi-government unit if a written request was made by the general assembly of these units to the organization
14. The organization will review the financial statements prepared by private auditors and it has the right to accept, complete any incomplete process or extend audit procedure or to demand further audit work from them .for this purpose, the organization has the right to receive the information and explanation required from the auditor or from the units audited under the provisions of this act.
15. If the organization finds out that the poor performance is the result of inadequacy or lack of regulations or sound systems, or unclear working instructions or bad planning or incompetent employees, it has the right to ask for review, improvement and amendments of these regulations, systems and plans.
16. For the purpose of obtaining relevant and reliable audit evidence to form its audit opinions, the organization has the right to communicate and seek technical assistance from different sources of skill and knowledge and from experts in both professional, technical and academic fields.
17. The organization has the right to identify the officials who are responsible for any breach of duties and identify the extent of this responsibility from its findings and its primary investigation and functions performed by them .
18. the organization can perform, continuous and pre- audit activities in addition to past-audit activities.
19. The president makes decisions as regards the organization , development and improvement of activities with special emphasis on the followings:
 - Develop audit procedures and audit techniques to be used in performance of different audit activities through all different audit processes.
 - Adopting professional standards necessary for performing audit activities specially in areas of audit planning , audit control and preparation of audit report.
 - Adopting professional standards which secure independence and objectivity in the audit.
 - Adopting suitable and appropriate recruitment and training policies to ensure efficiency in audit work.
 - Establish a quality control procedure which ensure the validity of all evaluations and conclusions reached, which are supported by adequate evidence to form an audit opinion and in a way which will secure the accuracy and validity of quality results reported, so that it can be of some help to users.

*Research &
Analysis Wing*

Investigative Techniques

1. It is the duties of the authorities in units audited by the organization to implement all recommendations and directions issued to them as regards the following :-
 - Temporary suspension of any employee whose continuation hinders the organization activities .
 - Taking appropriate legal procedure to recover misappropriated public funds from those who are responsible for its loss.
 - Stop payments to others or discharge any liability if it proves to be unlawful.
 - Suspend, any agreement if it proves to be anti to the present legislation or damaging to the public interest.
 - Stop any procedure which it thinks damaging to the public interest .
 - Taking legal action against any employee who violates the provisions of this act and its by- laws.
2. All audited should provide the organization members with the relevant documents, records and financial information required for the purpose of the audit, and any facilities necessary for the performance of their duties.
3. The audited should provide the organization with all reports and decision concerning any financial or managerial breaches whether they are discovered by the organization or by the unit, supported with documents, minutes and vouchers. This should be done within 30 days of the discovery of the breach, or of the date of The organizations notice to the units . The organization also has the following rights:-
 - the right to ask the management who make the above decision, to reconsider the decision . This should be done within 30 days of the decision and management have to reply to the organization request. If management did not respond to the organization request, the president has the right to ask for the worker or employee to be brought for a disciplinary trail . This should be done within the next thirty days.
 - to follow-up the results of the disciplinary actions and to receive a report on its outcomes and decisions.
 - Those responsible for financial activities in units subject to the control of the organization, the ministry of finance

representatives and internal auditors should inform the organization about any financial irregularities or unauthorized spending, within fifteen days (15) days, from the date of the expenditures.

- It is the responsibility of the bodies subject to the control of the organization to inform the organization about any fraud , misappropriation, wasting, damage, fire, negligence or any other catastrophe, immediately when it is discovered and also to inform the organization of any procedures and decisions taken.
- Bodies subject to the organization control, should provide the organization with all data and indicators necessary to follow-up execution of work plans and performance evaluations presented in models and formats designed by the organization.
- Bodies subject to the organization control should provide the organization with the economic feasibility studies for any consultancy project within a reasonable time from implementation of those projects. Also any amendments, and the reasons for them should be made known to the organization.
- Bodies subject to the organization control should submit to the organization all statements, decisions, data and documents or any other information, required to be submitted by legislation and within the specified period.
- Heads of the economic units, subsidized units, and co-operative units, should inform the organization in writing of date and place of the general meeting which will approve the financial statements. This should be done one month before the date of the meeting and inform the organization if meeting adjourned. Also the organization is entitled to receive the general assembly meeting minutes not later than fifteen days from the date of the meeting .
- Bodies under the organization control should respond to the organization reports and recommendations in writing , within two months from receiving these reports and recommendations. The organization will respond by writing a detailed memorandum contains all errors and irregularities which have not been resolved , and requires the relevant body to take appropriate procedures and actions against those involved, according to the effective legislation not more than one month.
- The ministry of finance should submit to the organization the final accounts of the state general budget six months following the end of the financial year.

Internal audit departments and inspectors in the units, subject to the organization control, should prepare their work plans and audit programs with close co- ordination with the organization and should provide the organization with a copy of their reports and findings within 15 days of its submission to the responsible officials.

The followings are considered financial breach of the

provisions of this act:

- Contradictions to principles and financial procedures laid down in the constitution legislation and by - laws .
- Contradictions to principles and procedures concerning the execution of the general budgets, supplemented budgets and independent budgets.
- contradictions to accounting and financial principles, procedures and regulations currently adopted.
- Any wrong action whether it's intentionally or negligently the consequences of which is making unauthorized or illegal payments or loss of financial rights of any of the bodies subject to the organization control.
- Any other breaches which are considered by other legislations as financial breaches.

The following are considered administrative breaches:

- Not to provide the organization with accounts, results of the operations, and supporting documents within specified period and whatever demanded by the organization from papers data, decisions, meetings minutes, documents or others which it has the right to inspect, audit or examine.
- Not to respond to the organization reports and correspondence within the specified period without a reasonable justification . It's considered as not responding if the replies imply procrastination.
- Not to notify the organization of any managerial decisions or judgments regarding financial irregularities within the period specified by this act.
- Unjustified delay in notifying the organization within the period specified in this act about the decision taken concerning financial irregularities known to the organization.
- Refusal to receive and respond to the organization's written inquiries.
- Non – compliance with the provisions of article (14) of this act and paragraphs (3'4' 5' 6' 7' 8' 10) of article (15) of this act.

Any employee who commits any financial or administrative irregularities specified in the above articles, or facilitates , contributes to its occurrence, or cover up the preparators, he will be disciplined according to the provisions of the act and disciplinary by- laws, without any breach for the right to bring a criminal proceedings.

*Code of
Conducts and
Standards*

FOI Standards

*Public
Awareness &
Outreach*

1. COCA preparing reports on finding results, examining, inspection and survey and making recommendations to the related authorities.
2. COCA preparing reports on budgets, final accounts, balance sheets of the economic subsidized and cooperative units. Submitted reporting to the concerned bodies including COCA's opinion whether budgets and final accounts express fairly the financial position and turnover results besides other observations.
3. COCA preparing reports on the performance appraisal results of audited bodies, including proposals, recommendations to solve all shortcomings and what is necessary to follow in future and addressing these reports to the related bodies.
4. COCA preparing reports on audit results of the final accounts for implementing budgetary of audited bodies and addressing them to the concerned bodies.
5. COCA preparing an annual report on audit results of the final accounts regarding the public budget and other supplementary and independent budgets. This report submitted to the president of the Republic, parliament, consulting council and providing to the concerned bodies copies of this report during a period not exceeded than three months from receiving the final accounts from the ministry of finance.
6. COCA preparing a regularly reports on the general results of its audits submitted to the president of the Republic, provided copies to prime minister and parliament.
7. COCA preparing reports and data according to request of president of the Republic.
8. According to the circumstances, COCA submitted any reports are important in different areas to the president of the Republic and concerned bodies.

*Linkages with
Civil Society*

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