

On governmental audit and financial control

Unofficial translation

The Law of the Republic of Kazakhstan dated 12 November 2015 № 392-V LRK.

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This Law regulates public relations related to governmental audit and financial control, determines the powers and organization of activities of governmental audit and financial control bodies.

Chapter 1. BASIC PROVISIONS OF GOVERNMENTAL AUDIT AND FINANCIAL CONTROL

Article 1. The basic definitions used in this Law

The following basic definitions are used in this Law:

1) violations - actions (actions or inaction) that contradict the norms of the legislation of the Republic of Kazakhstan, as well as acts of objects of state audit, adopted for their implementation;

2) classification of violations - a document, containing a list of types of violations, identified during the state audit, indicating the violated norms of law and the corresponding types of liability, established by the laws of the Republic of Kazakhstan, as well as the ways to eliminate these violations;

3) subjects of the quasi-public sector are state enterprises, limited partnerships, joint-stock companies, including national managing holdings, national holdings, national companies, the founder, participant or shareholder of the state, as well as subsidiaries, affiliates and other legal entities that are affiliated with them in accordance with the legislative acts of the Republic of Kazakhstan;

4) shortcomings are acts (acts or omissions) that create conditions for the possible admission of violations (risk of violations);

5) financial control is the activities aimed at eliminating violations identified during the governmental audit;

6) state audit – an analysis, evaluation and verification of the efficiency of management and use of budget funds, state assets, objects of state audit, related grants, state and state guaranteed loans, as well as loans, raised under the guarantee of the state, including other activity, related to the budget execution, based on the risk management system;

7) objects of governmental audit and financial control (hereinafter - objects of governmental audit) are state bodies, state institutions, subjects of the quasi-public sector, as well as recipients of budgetary funds;

8) state auditor - a civil servant, an employee of the authorized body for regulation, control and supervision of the financial market and financial organizations, carrying out state audit and (or) financial control, having a certificate of the state auditor;

8-1) assistant to the state auditor - a civil servant, an employee of the authorized body for regulation, control and supervision of the financial market and financial organizations, with professional knowledge in the field of accounting, financial reporting and auditing, and a specialist in another field (field of activity) within the competence of the state body, having the right to participate in the state audit;

9) rules of professional ethics of state auditors (hereinafter – the rules of professional ethics) – a single set of ethical rules of conduct of state auditors, developed and approved jointly by the Supreme Audit Chamber of the Republic of Kazakhstan and the authorized body for internal state audit;

10) electronic governmental audit is a governmental audit, remotely carried out through the use of information technology.

Footnote. Article 1 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2019 No. 262-VI (see Article 2 for the enactment); dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 2. Legislation of the Republic of Kazakhstan on Governmental Audit and Financial Control

1. Legislation of the Republic of Kazakhstan on governmental audit and financial control is based on the Constitution of the Republic of Kazakhstan, consists of this Law and other normative legal acts of the Republic of Kazakhstan.

2. The effect of the legislation of the Republic of Kazakhstan on governmental audit and financial control shall apply to governmental audit facilities located on the territory of the Republic of Kazakhstan, as well as those operating outside its borders.

3. State audit and financial control in special state bodies of the Republic of Kazakhstan are carried out in accordance with the procedures determined by the first heads of these bodies in coordination with the Supreme Audit Chamber of the Republic of Kazakhstan and the authorized body for internal state audit.

4. If an international treaty ratified by the Republic of Kazakhstan establishes other rules than those contained in this Law, the rules of the international treaty shall be applied.

Footnote. Article 2 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 3. Governmental Audit

1. The purpose of governmental audit is to improve the efficiency of management and use of budget funds, state assets and subjects of the quasi-public sector.

2. Depending on the subject, governmental audit is divided into the following types:

1) external governmental audit, which tasks are analysis, assessment and verification of effective and legal management of national resources (financial, natural, productive, personnel, informative) to ensure dynamic growth in the quality of life conditions of the population and national security of the country;

2) an internal state audit, aimed at the analysis, evaluation and verification of the achievement of direct and final results by the object of state audit, stipulated in the documents of the State Planning System of the Republic of Kazakhstan, credibility and reliability of financial and management information, efficiency of internal processes of organization of activities of objects of state audit, quality of public services provided, the preservation of state assets and subjects of the quasi-public sector.

3. Governmental audit is divided into the following types:

1) audit of financial statements which are assessment of reliability, validity of financial statements, accounting and financial condition of the object of governmental audit;

2) efficiency audit which is an evaluation and analysis of the activity of the object of governmental audit for efficiency, efficiency, productivity and effectiveness;

3) compliance audit that is an assessment, verification of compliance by the object of governmental audit with the norms of the legislation of the Republic of Kazakhstan, as well as acts of subjects of the quasi-public sector adopted for their implementation.

Footnote. Article 3 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 4. Indicators of governmental audit

Depending on the type of governmental audit, the following indicators are taken into account:

1) efficiency which is the ratio of the results obtained to the planned ones, taking into account the resources used for their achievement;

2) economy that is minimizing the cost of resources allocated to achieve the evaluated performance results while maintaining the relevant quality of these results;

3) productivity which is obtaining the most useful result for the economy or a separate sphere of management using the allocated resources taking into account the quantity, quality and timing;

4) effectiveness that is the degree of implementation of the tasks for each activity and the ratio of planned (direct, final) and actual results of the relevant activity;

5) materiality is a deviation in the performance by the object of the governmental audit of financial and business operations from the requirements of the norms of the legislation of the Republic of Kazakhstan, acts of subjects of the quasi-public sector adopted for their implementation, as well as other errors that affect the decisions, the maximum permissible size is determined in accordance with the legislation of the Republic of Kazakhstan on governmental audit and financial control, depending on the specifics of the operation of the governmental audit and categories of indicators;

6) prospectivity is the conformity of the expenditures made to the goals and objectives set for the planned expected period.

Article 5. Financial control

1. Financial control is exercised by the governmental audit and financial control authorities within the limits of competence established by this Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan, by providing reimbursement to the budget, restoration through performance of work, provision of services, delivery of goods and (or) reflection on the registration of revealed amounts of violations, the enforcement of orders and the prosecution of perpetrators.

2. Measures for the response of financial control are:

1) the issuance of mandatory for all state bodies, organizations and officials to comply with the requirements to eliminate the violations identified and to review the responsibility of the persons who committed them;

2) the initiation of administrative proceedings within the limits of competence provided for by the legislation of the Republic of Kazakhstan on administrative violations;

3) when identifying signs of administrative offenses in the actions of officials of the object of state audit, the transfer of materials with relevant audit evidence to the bodies authorized to initiate and (or) consider cases of administrative offenses;

3-1) in case of non-fulfillment or improper fulfillment of the order by the object of state audit, the transfer of materials with signs of a criminal offense with the relevant audit evidence of the state audit and financial control body for making a procedural decision to the criminal prosecution bodies is carried out through the prosecutor's office.

When appealing the results of the state audit and financial control by the object of the state audit, business entities and other persons whose interests are affected by audit activities, the transfer of materials with signs of a criminal offense with appropriate audit evidence for

making a procedural decision to the prosecution authorities is carried out through the prosecutor's office after compliance with the appeal and (or) judicial dispute settlement procedure;

4) filing a claim in court in accordance with the legislation of the Republic of Kazakhstan, including for the purpose of ensuring reimbursement to the budget, restoration by performing work, providing services, supplying goods and (or) recording the identified amounts of violations that are not compensated (not restored) voluntarily and following orders.

3. The internal audit services, when identifying signs of criminal or administrative offenses in the actions of officials of the object of state audit, take response measures to transfer materials with relevant audit evidence to the criminal prosecution bodies or bodies authorized to initiate and (or) consider cases of administrative offenses.

Footnote. Article 5 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 6. Main principles of governmental audit and financial control

The main principles of governmental audit and financial control:

1) independence which is prevention of interference that interferes with the independence of governmental audit and financial control during governmental audit and financial control;

2) objectivity which is conducting governmental audit and financial control in accordance with the legislation of the Republic of Kazakhstan, standards of governmental audit and financial control, application of objective approach by the governmental audit and financial control bodies and exclusion of conflicts of interest in conducting governmental audit and financial control;

3) professional competence when the governmental auditors have the necessary amount of knowledge and skills to ensure the conduct of qualified and high-quality governmental audit and financial control, compliance with the standards of governmental audit and financial control, rules of professional ethics, as well as the performance of professional duty;

4) confidentiality is the obligation of the governmental audit and financial control authorities to preserve the documents received or compiled by them during the governmental audit and financial control, without the right to transfer them to third parties or verbal disclosure of the information contained therein, with the exception of cases provided for by the legislation of the Republic of Kazakhstan;

5) reliability that is confirmation of the results of the governmental audit by audit evidence;

6) transparency which is the clarity of the presentation of the results of governmental audit and financial control;

7) publicity is the publication in the mass media of the results of governmental audit and financial control, taking into account the provision of secrecy, official, commercial or other secrets protected by law;

8) mutual recognition of the results of the governmental audit that is recognition by the governmental audit and financial control authorities of the results of the governmental audit of these provided bodies that the standards of governmental audit and financial control are observed.

Article 7. Classifier of violations

1. In order to ensure a unified approach in the classification of violations, as well as the formation of reporting on the results of their elimination, the governmental audit and financial control bodies apply a violation classifier.

The classifier of violations is developed and approved by the Supreme Audit Chamber of the Republic of Kazakhstan (hereinafter referred to as the Supreme Audit Chamber) in coordination with the authorized body for internal state audit.

2. The classifier of violations includes the following types of violations:

1) financial violations that entailed unreasonable use of budgetary funds, state assets and subjects of the quasi-public sector, related grants, state and state-guaranteed loans, as well as loans attracted under the guarantee of the government;

2) procedural violations that did not entail unreasonable use of budgetary funds, state assets and subjects of the quasi-public sector, related grants, state and state-guaranteed loans, as well as loans attracted under the guarantee of the government.

3. The amounts of financial infringements revealed by the results of the governmental audit and financial control are the subject to reimbursement to the budget, restoration through performance of works, provision of services, delivery of goods and (or) accounting for accounting on the basis of instructions of governmental audit and financial control authorities and (or) court decisions.

Footnote. Article 7 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 8. Standards of Governmental Audit and Financial Control

1. Requirements for governmental audit and financial control are determined by the standards of governmental audit and financial control.

2. Standards of governmental audit and financial control are divided into:

1) general standards of governmental audit and financial control, which are developed on the basis of international standards and contain fundamental requirements for the activities of governmental audit and financial control bodies.

General standards of state audit and financial control are developed by the Supreme Audit Chamber and approved by the President of the Republic of Kazakhstan;

2) procedural standards for governmental audit and financial control, containing procedural requirements for the conduct (governmental audit and financial control and activities of governmental audit and financial control bodies, which are divided into:

procedural standards of state audit and financial control developed and approved jointly by the Supreme Audit Chamber and the authorized body for internal state audit;

procedural standards of external state audit and financial control developed and approved by the Supreme Audit Chamber. The procedure for development and approval of procedural standards for external state audit and financial control is determined by the Supreme Audit Chamber;

procedural standards of internal state audit and financial control developed and approved by the authorized body for internal state audit in coordination with the Supreme Audit Chamber.

The performance criteria are discussed with the audited entity at the stage of preliminary study of the activities of the audited entity in the manner prescribed by the rules for conducting external state audit and financial control.

3. Standards of governmental audit and financial control are mandatory for use by governmental audit and financial control bodies, individuals and legal entities involved in conducting governmental audit.

4. Internal audit standards in the National Bank of the Republic of Kazakhstan are developed and approved in accordance with the legislation of the Republic of Kazakhstan on the National Bank of the Republic of Kazakhstan.

Footnote. Article 8 as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Chapter 2. GOVERNMENTAL REGULATION IN THE SPHERE OF GOVERNMENTAL AUDIT AND FINANCIAL CONTROL

Article 9. Governmental regulation in the sphere of governmental audit and financial control

State regulation in the field of state audit and financial control in the Republic of Kazakhstan is carried out by the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, the Supreme Audit Chamber and the authorized body for internal state audit.

Footnote. Article 9 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 10. System of governmental audit and financial control bodies

1. The system of governmental audit and financial control bodies consists of:

- 1) The Supreme Audit Chamber, which is the highest body of state audit and financial control;
- 2) revision commissions of regions, cities of republican significance, the capital (hereinafter - audit commissions);
- 3) the authorized body for internal governmental audit;
- 4) internal audit services of central government bodies, with the exception of the internal audit service of the National Bank of the Republic of Kazakhstan, local executive bodies of oblasts, cities of national importance, the capital;
- 5) internal audit services of departments of central government bodies, created at the discretion of the first head of staff within the prescribed staffing level;
- 6) the internal audit services of the subordinate territorial bodies of the Ministry of Internal Affairs of the Republic of Kazakhstan, established at the discretion of the first head within the staff number.

1-1. Internal audit services shall not be established with the Administration of the President of the Republic of Kazakhstan, the Office of the First President of the Republic of Kazakhstan - Elbasy, the Constitutional Court of the Republic of Kazakhstan, the Office of the Government of the Republic of Kazakhstan, the Office of the Security Council of the Republic of Kazakhstan, the Supreme Audit Chamber, the State Security Service of the Republic of Kazakhstan.

2. The authorized bodies of external state audit and financial control are the Supreme Audit Chamber and audit commissions.

The authorized bodies of internal governmental audit and financial control are the authorized body for internal governmental audit and internal audit services.

3. Internal audit services are not legal entities.

4. Internal audit in the National Bank of the Republic of Kazakhstan, including the organization of the internal audit service of the National Bank of the Republic of Kazakhstan, is carried out in accordance with the legislation of the Republic of Kazakhstan on the National Bank of the Republic of Kazakhstan.

Footnote. Article 10 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated November 26, 2019 No. 273-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication); dated 05.11.2022 No. 157-VII (for the procedure of entry into force, see Article 3); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 11. Competence of the Government of the Republic of Kazakhstan

Footnote. Article 11 shall be excluded in accordance with the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 12. Competence of the Supreme Audit Chamber

Footnote. The title of Article 12 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

1. The Supreme Audit Chamber performs an efficiency audit:

1) planning and execution of the republican budget in accordance with the principles of the budget system of the Republic of Kazakhstan with the preparation of a report on the execution of the republican budget for the reporting fiscal year, which, in its content, is a conclusion to the relevant report of the Government Republic of Kazakhstan;

2) the activities of public audit facilities;

3) the implementation of the documents of the State Planning System of the Republic of Kazakhstan regarding the execution of the republican budget and the use of state assets, and on the instructions of the President of the Republic of Kazakhstan also in other areas;

4) implementation of development plans of national management holdings, national holdings and national companies and action plans of national management holdings, national holdings, national companies to which the state is a shareholder;

5) the impact of the activities of the subjects of the quasi-public sector on the development of the economy or a single branch of the economy, social and other spheres of public administration;

6) the formation and management of the government and state-guaranteed debt, as well as debt under government guarantees;

7) the use of related grants, budgetary investments, state and state guaranteed loans, loans attracted under the guarantee of the state, and state assets;

8) the reasonableness of planning, realization and efficiency of the state bodies and subjects of the quasi-public sector to purchase goods, works, services;

9) pricing, including an assessment of the difference between the amount of allocated (spent) national financial resources for the acquisition of goods, works, services and the market value of goods, works, services purchased;

10) asset management of the quasi-public sector entities;

11) tax and customs administration;

12) contracts;

13) in the field of environmental protection;

14) in the field of information technology.

2. The Supreme Audit Chamber performs a compliance audit:

1) the activities of governmental audit facilities for the use of the national budget and national resources;

2) reliability and correctness of conducting by the objects of governmental audit of accounting and preparation of financial statements;

3) the performance by government agencies and subjects of the quasi-public sector of the terms of contracts;

4) the completeness and timeliness of revenues to the republican budget, the collection of revenues to the budget, as well as the correctness of the return and offset of erroneously (unnecessarily) paid amounts from the republican budget;

5) execution of the state emergency budget;

6) use of the republican budget funds, including targeted transfers and credits, related grants, state and state-guaranteed loans, loans secured by the state, state guarantees and assets, as well as financing the execution of state obligations for public-private partnership projects, including state concession obligations;

7) formation and use of the National Fund of the Republic of Kazakhstan;

8) use of the assets of the National Bank of the Republic of Kazakhstan, trust management of pension assets only with the consent or at the instruction of the President of the Republic of Kazakhstan;

9) use by the subjects of the quasi-public sector of the allocated funds of the republican budget for compliance with the financial and economic justification.

3. The Supreme Audit Chamber audits the consolidated financial statements of the republican budget, the financial statements of administrators of budget programs and state institutions, with the exception of the National Bank of the Republic of Kazakhstan.

4. Supreme Audit Chamber:

1) ensure, within its competence, the adoption of measures to counter corruption;

2) listen to appropriate information from officials of governmental audit facilities on issues related to the conduct of external governmental audit;

3) take measures to eliminate the identified (identified) in the course of governmental audit and expert-analytical measures violations and shortcomings;

4) request and analyze the audit reports of the governmental audit and financial control bodies, taking into account the secrecy, official, commercial or other secrets protected by law and makes recommendations for improving the quality of governmental audit;

5) control the results of the audit conducted in accordance with the legislation of the Republic of Kazakhstan on audit activities and this Law on the use of budgetary funds, loans, related grants, state assets and subjects of the quasi-public sector, state and state guaranteed loans, and loans attracted under the guarantee of the state;

6) conduct analysis and research, provides methodological guidance in the field of governmental audit and financial control, implements training programs in the field of governmental audit;

7) organize retraining and advanced training of employees of governmental audit and financial control bodies;

8) organize activities to confirm the knowledge of candidates for governmental auditors who will carry out external governmental audit, in accordance with the certification rules of persons applying for the qualification of the governmental auditor;

9) develops and approves the rules for conducting external state audit and financial control, including, inter alia, the forms of documents adopted following the results of the state audit, logos of the Supreme Audit Chamber and audit commissions used in the relevant documents;

10) develops and approves the rules for evaluating documents of the State Planning System of the Republic of Kazakhstan, development plans of national management holdings, national holdings and national companies and action plans of national management holdings, national holdings, national companies to which the state is a shareholder;

11) develop and approve a standard risk management system that is used to form the list of governmental audit objects for the relevant year and conduct an external governmental audit;

12) develop and approve a model regulation on audit commissions;

13) is excluded by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

14) develops and submits the regulations on the Supreme Audit Chamber to the President of the Republic of Kazakhstan for approval;

14-1) develops and approves the methodology for rating regions and cities by ease of doing business;

15) coordinate the risk management system of the authorized body for internal governmental audit, internal audit services included in the system of governmental audit and financial control bodies;

16) ensure the development, functioning of a unified database on governmental audit and financial control for the purpose of exchanging information with state control and supervision bodies, other state bodies, governmental audit facilities, as well as conducting electronic governmental audit and approving the rules for the formation and maintenance of a single database of governmental audit and financial control and use of its data;

17) make recommendations on improving the budget and other legislation of the Republic of Kazakhstan, including in the field of national security, develops and coordinates normative legal acts of the Republic of Kazakhstan on governmental audit and financial control;

18) adopt legal acts to coordinate the work of the authorized bodies of external governmental audit and financial control, including on interaction with other state bodies or organizations;

19) place information on its activities in the mass media, taking into account the provision of secrecy, official, commercial or other secrets protected by law;

20) provide methodological assistance to the Audit Commissions;

21) represent, on behalf of the Audit Commissions, their interests in cooperation with central state bodies;

22) upon agreement with the Administration of the President of the Republic of Kazakhstan, submit to the maslikhats of regions, cities of republican significance, the capital a submission to the appointment of the chairman of the Audit Commission;

23) publish periodic collections of acts he has adopted, ballots, magazines and other publications;

24) assess the activities of governmental audit and financial control bodies;

24-1) conducts a rating of regions and cities by ease of doing business;

25) practice other powers in accordance with this Law, other laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

5. The Supreme Audit Chamber shall be entitled to audit local budget funds on the following grounds:

1) at the instruction of the President of the Republic of Kazakhstan and his Administration ;

2) at the request of state bodies, audit committees, individuals and legal entities;

3) upon the information from law enforcement bodies.

6. The decision to conduct an audit of local budget funds on the grounds referred to in subparagraphs 2) and 3) of paragraph 5 of this article shall be taken at the Supreme Audit Chamber meeting by the majority of votes, followed by notification to the Administration of the President of the Republic of Kazakhstan.

7. The Supreme Audit Chamber shall have the right to revise the audit results of the state audit and financial control bodies, with the exception of audit materials for which there are enforced judicial acts, on the following grounds:

1) at the instruction of the President of the Republic of Kazakhstan and his Administration ;

2) by decision of the Supreme Audit Chamber.

8. The Administration of the President of the Republic of Kazakhstan shall be notified about the revision of the audit results of the state audit and financial control bodies within the framework of the quarterly information provided on the work of the Supreme Audit Chamber.

Footnote. Article 12 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.01.2021 No. 399-VI (shall be enforced upon expiration of ten calendar days after the day of its first official publication); dated 30.12.2021 No. 95-VII (shall be enforced ten calendar days after the date of its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2023 No. 23-VIII (shall be enforced ten calendar days after the date of its first official publication).

Article 13. Competence of the Audit Commission

1. The Audit Commission within the relevant administrative-territorial unit shall realize the audit of effectiveness:

1) planning and execution of the local budget in accordance with the principles of the budget system of the Republic of Kazakhstan with the preparation of a report on the execution of the local budget for the fiscal year content is a conclusion to the relevant report of the local executive body;

2) the use of related grants, budget investments, state and state-guaranteed loans, loans attracted under the guarantee of the state, and state assets;

3) the impact of the activities of the local executive body and the subjects of the quasi-public sector on the development of the economy or a single branch of the economy, social and other scopes of public administration;

4) the implementation of the documents of the State Planning System of the Republic of Kazakhstan regarding the execution of the relevant budget and the use of state assets, and on the instructions of the President of the Republic of Kazakhstan also in other areas;

5) the reasonableness of planning, feasibility and effectiveness of the local executive body and entities of the quasi-public sector purchasing goods, works, services;

6) pricing, including an assessment of the difference between the amount of allocated (spent) local financial resources for the acquisition of goods, works, services and the market value of goods, works, services purchased;

7) asset management of the quasi-public sector entities;

8) tax administration;

9) contracts;

10) in the scope of environmental protection;

11) in the scope of information technology;

12) activity of objects of governmental audit.

2. The Audit Commission within the relevant administrative-territorial unit shall perform the audit of compliance:

1) reliability and correctness of the governmental audit of accounting and financial reporting;

2) the fulfillment by the local executive body and subjects of the quasi-public sector of the terms of contracts;

3) completeness and timeliness of revenues to the local budget, collection of revenues to the budget, as well as the correctness of the return, offset of erroneously (unnecessarily) paid amounts from the local budget;

4) the use of local budget funds, including those allocated from the higher-up to the lower-level budget in the form of targeted transfers and loans, related grants, state and state-guaranteed loans, as well as loans attracted under the guarantee of the state;

5) the use by the subjects of the quasi-public sector of the allocated local budget funds for compliance with the financial and economic justification.

3. The Audit Commission within the relevant administrative-territorial unit shall hold the audit of consolidated financial statements of the local budget, audit financial statements of administrators of budget programs and government agencies.

4. The Audit Commission within the appropriate administrative-territorial unit:

- 1) ensures, within its competence, the adoption of measures to counter corruption;
- 2) listens to appropriate information from officials of governmental audit facilities on issues related to the conduct of external governmental audit;
- 3) on the basis of the results of the governmental audit, makes proposals on bringing officials to disciplinary responsibility for persons who appointed them;
- 4) takes measures to eliminate the identified (identified) in the course of governmental audit and expert-analytical measures violations and shortcomings;
- 5) submits proposals to maslikhat on the revealed facts of non-compliance by officials of regulatory legal acts of the Republic of Kazakhstan, as well as on the results of performance audit;
- 6) posts information about its activities in the mass media, taking into account the provision of secrecy, official, commercial or other secrets protected by law;
- 7) practices other powers provided for by the legislation of the Republic of Kazakhstan.

Article 14. Competence of the authorized body for internal governmental audit

The authorized body for internal governmental audit:

1) shall conduct an annual audit of the financial statements of budget program administrators, including the consolidated financial statements, and government agencies, except for the National Bank of the Republic of Kazakhstan, based on a risk management system;

1-1) involves the internal audit service in agreement with the first head of the central state body, akim of the region, city of republican significance, the capital to participate in the annual audit of financial statements of administrators of budget programs, including consolidated financial statements, and government agencies, with the exception of the National Bank of the Republic of Kazakhstan;

2) shall perform the compliance audit of:

expenses, associated with the adjustment of the feasibility study, financial and economic assessment and estimated cost of budgetary investments;

the use of funds of the republican and local budgets, loans, related grants, state and state guaranteed loans, as well as loans, secured by the state, including compliance with the conditions for obtaining loans by the subjects of the quasi-public sector, secured and guaranteed by the state, the assets of the state and subjects of quasi-public sector at the instructions of the President of the Republic of Kazakhstan, the Government of the Republic

of Kazakhstan, deputy requests, as well as the results of monitoring the data of information systems of the central authorized body for budget execution;

compliance with the conditions and procedures for the transfer of facilities for implementation of public-private partnerships, the provision of budget loans, financing the fulfillment of state obligations under public-private partnership projects, including state concession obligations, state guarantees and sureties of the state, as well as their use;

compliance with the conditions and procedures for the provision and use of government loans in the cases, stipulated by international treaties of the Republic of Kazakhstan;

compliance with the legislation of the Republic of Kazakhstan on public procurement, state property, accounting and financial reporting, auditing activities, based on the risk management system;

3) carries out desk control in the manner prescribed by this Law and the rules for conducting desk inspections;

3-1) annually reports to the Government of the Republic of Kazakhstan on the results of its activities prior to the approval of financial statements;

4) in order to coordinate the activities of internal audit services included in the system of governmental audit and financial control bodies:

ensures that internal audit services receive methodological and advisory assistance; develops and approves a model provision on internal audit services;

conducts analysis of reporting information of internal audit services on conducted governmental audit and financial control;

conducts an evaluation of the effectiveness of the activities of internal audit services; sends information to internal audit services for risk objects recommended by the risk management system for governmental audit and financial control;

presents to the Government of the Republic of Kazakhstan an annual report on the activities of internal audit services; controls the compliance by the internal audit services with the standards of governmental audit and financial control and the rules for conducting internal governmental audit and financial control;

brings to the heads of state bodies of proposals on consideration of the responsibility of managers, governmental auditors of internal audit services;

5) organizes activities to confirm the knowledge of candidates to governmental auditors who will carry out an internal governmental audit, in accordance with the certification rules of persons applying for the qualification of the governmental auditor;

6) organizes activities for the training, retraining and upgrading of the skills of governmental auditors performing internal governmental audit;

7) is excluded by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

8) develops and approves, in coordination with the Supreme Audit Chamber, the rules for conduct of internal state audit and financial control;

10) develops and approves a standard risk management system that is used to form the list of governmental audit objects for the relevant year and conduct an internal governmental audit;

10-1) adopts legal acts in coordination with the Supreme Audit Chamber to coordinate the work of authorized bodies for internal state audit and financial control, including interaction with other state bodies or organizations;

11) hears appropriate information from officials of governmental audit facilities on issues related to the conduct of internal governmental audit;

11-1) shall develop and approve the rules of electronic internal state audit;

12) practices other powers provided for by this Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Footnote. Article 14 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication); dated 15.11.2021 No. 72-VII (shall be enforced from 01.01.2022); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 15. Competence of the Internal Audit Service

The Internal Audit Service:

1) participates in the audit of the financial statements of the state body, which includes this internal audit service, conducted by the authorized body for internal state audit, agreed with the first head of the central state body, akim of the region, city of republican significance, the capital;

2) shall conduct performance audit:

in the state body, its departments, territorial subdivisions, subordinate organizations in all areas of their activity - for the internal audit services of the central state bodies, except for the internal audit service of the National Bank of the Republic of Kazakhstan;

in executive bodies, financed from local budgets and located in the territory of administrative subordination of the relevant region, city of republican significance, the capital, their subdivisions, subordinate organizations in all areas of their activity - for internal audit services of local executive bodies of regions, cities of republican significance, the capital;

3) shall evaluate the functioning of the internal control and management system, based on the risk management system of internal processes (business processes):

in the state body, its departments, territorial subdivisions, subordinate organizations - for the internal audit services of the central state bodies, except for the internal audit service of the National Bank of the Republic of Kazakhstan;

in executive bodies, financed from local budgets and located in the territory of administrative subordination of the relevant region, city of republican significance, the capital, their subdivisions, subordinate organizations - for internal audit services of local executive bodies of regions, cities of republican significance, the capital;

4) analyzes the achievement of the goals and objectives of the strategic plan of the state body and programs for the development of territories in conjunction with budgetary expenditures;

4-1) shall conduct an inspection of the safety of republican and municipal assets and property;

5) shall conduct compliance audit:

in the state body, its departments, territorial subdivisions, subordinate organizations - for the internal audit services of the central state bodies, except for the internal audit service of the National Bank of the Republic of Kazakhstan;

in executive bodies, financed from local budgets and located in the territory of administrative subordination of the relevant region, city of republican significance, the capital, their subdivisions, subordinate organizations - for internal audit services of local executive bodies of regions, cities of republican significance, the capital; of compliance in the state body, its territorial subdivisions and subordinate organizations;

6) conducts an audit of the compliance of the procedures for conducting public procurements and fulfilling the terms of contracts, including by the terms, volume, price, quantity and quality of the goods, works and services acquired;

7) verifies the safety of inventories and other assets in the relevant government body;

8) hears appropriate information from officials of governmental audit facilities on issues related to the conduct of internal governmental audit;

9) submits to the head of the state body a report on the results of the internal governmental audit with recommendations for curbing, preventing violations when using the funds of the republican and (or) local budgets in accordance with the legislation of the Republic of Kazakhstan, to eliminate identified shortcomings, increase the efficiency of internal processes of organizing the activities of the state body;

10) sends quarterly reports and information on the conducted state audit and measures taken to the authorized body for internal state audit;

11) monitors the implementation of annual work plans for the head of the central state body or akim of the region, the city of the republican significance, the capital;

12) annually reports to the head of the central state body or akim of the region, the city of the republican significance, the capital, and also the authorized body on internal governmental audit on the work done;

13) performs data analysis of information systems:

in a state body, its departments, territorial units, subordinate organizations - for the central state bodies' internal audit services;

in executive bodies financed from local budgets and located on the territory of administrative subordination of the relevant oblast, city of republican scale, the capital, their divisions and subordinate organizations - for internal audit services of local executive bodies of oblasts, cities of republican scale, the capital.

The internal audit services conduct an unscheduled state audit at the instruction of the first head of the central state body, the akim of the region, the city of republican significance, the capital, if the relevant objects are not included in the list of objects of state audit of the Supreme Audit Chamber, audit commissions and the authorized body for internal state audit.

Footnote. Article 15 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2023 No. 23-VIII (shall be enforced ten calendar days after the date of its first official publication).

Article 16. The Council on Governmental Audit and Risks

In order to improve the activity of the state body within the framework of the internal state audit, a consultative and advisory body - the Council for state audit and risks shall be established, headed by the first head of the state body, akim of the region, city of republican significance, the capital.

The main tasks and the procedure for organizing the activities of the Council for Governmental audit and Risk are defined in the rules for conducting internal governmental audit and financial control.

Footnote. Article 16 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 3. PROCEDURAL FRAMEWORK OF GOVERNMENTAL AUDIT

Article 17. Procedure for conducting governmental audit.

1. The governmental audit consists of the following interrelated stages:
 - 1) the formation of the list of objects of governmental audit for the relevant year, providing for the organization of governmental audit on the basis of the risk management system, unless otherwise provided by this Law;
 - 2) planning of a separate state audit and its conduct. When planning a separate state audit, the results of the current control, conducted in accordance with Article 97 of the Budget Code of the Republic of Kazakhstan, shall be taken into account;
 - 3) making decisions and drawing up documents based on the results of the governmental audit.

2. The period for carrying out the governmental audit shall be established by the executive of the governmental audit and financial control body, depending on the type of governmental audit, the scope of forthcoming works, the amount of funds covered by the governmental audit, the number of governmental audit facilities within the framework provided for by the relevant rules for conducting governmental audit and financial control.

3. The period for carrying out the governmental audit can be extended no later than one working day before its end by the representative of the governmental audit and financial control body upon a written request of the governmental auditor with introduction of appropriate changes to the list of objects of governmental audit for the corresponding year.

4. Within the framework of the governmental audit, the following inspections are carried out:

1) counter-checking which is a verification of third parties, which is conducted solely on matters of relationship with the main object of governmental audit within the scope of the audited question.

As the third persons there can be individuals and legal persons participating in the formation of budget revenues and (or) using budgetary funds, assets of the state and subjects of the quasi-public sector, state and state guaranteed loans, related grants, loans attracted under the guarantee of the state, and carrying out management and use of the state property;

2) joint inspection which is a check conducted jointly with the governmental audit and financial control authorities and (or) state bodies, including the highest governmental audit bodies of other countries, within the agreed time frame, within the framework of a single program and a group of governmental audit, following which a single final document is adopted;

3) parallel inspection that is a verification conducted with other state bodies, including with the highest governmental audit bodies of other countries, independently on agreed issues and terms of carrying out with the subsequent exchange of results of inspections.

5. The laws of the Republic of Kazakhstan may establish the specifics of the procedure for organizing and conducting inspections of certain areas of activity.

6. It is allowed to conduct electronic governmental audit within the limits of authorities provided for by the legislation of the Republic of Kazakhstan.

Footnote. Article 17 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 18. Formation of the list of objects of governmental audit for the relevant year

1. The list of governmental audit objects for the relevant year is formed on the basis of risk management systems which are quantitative and qualitative indicators of the performance

of public audit facilities, on the basis of which a decision is made to classify the object of governmental audit as a certain risk group, with a view to their maximum coverage by governmental audit.

The risk management system is based on common principles and approaches established jointly by the Supreme Audit Chamber and the authorized body for internal state audit.

2. The activities of the governmental audit and financial control bodies in order to ensure the implementation of the tasks and authorities entrusted to them are carried out in accordance with the list of objects of governmental audit for the relevant year, approved by their first supervisors.

In the internal audit services the list of objects of state audit for the relevant year shall be approved by:

the head of the state body in which the internal audit service is established - in the central state bodies, except for the internal audit service of the National Bank of the Republic of Kazakhstan;

akim of the region, city of republican significance, the capital - in the local executive bodies of regions, cities of republican significance, the capital.

It is not allowed to make changes in the lists of objects of governmental audit for the relevant year:

1) the Supreme Audit Chamber, except for the instructions of the President of the Republic of Kazakhstan and the initiative of the Chairman of the Supreme Audit Chamber;

2) audit commissions, except for the instructions of the President of the Republic of Kazakhstan, requests of the Supreme Audit Chamber based on the instructions of the Administration of the President of the Republic of Kazakhstan, decisions of the relevant maslikhats and the initiative of the chairman of the audit commission.

3. The instructions of the President of the Republic of Kazakhstan, the persons of the Administration of the President of the Republic of Kazakhstan, authorized by the President of the Republic of Kazakhstan, are subject to mandatory consideration and accounting when forming the list of objects of state audit for the corresponding year of the Supreme Audit Chamber.

Instructions of the President of the Republic of Kazakhstan, persons of the Administration of the President of the Republic of Kazakhstan, authorized by the President of the Republic of Kazakhstan, requests of the Supreme Audit Chamber are subject to mandatory consideration and accounting when forming the list of objects of state audit for the corresponding year of the audit commission.

4. When forming the lists of objects of state audit for the corresponding year of the Supreme Audit Chamber and the audit commission, proposals of law enforcement agencies, special state bodies are analyzed, which are submitted for discussion at a meeting of the Supreme Audit Chamber or the relevant audit commission to consider their expediency and relevance.

Mandatory consideration and accounting for the formation of the list of objects of governmental audit for the relevant year of the authorized body for internal governmental audit are subject to instructions of the President of the Republic of Kazakhstan, authorized by him persons of the Administration of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, deputy requests, inquiries of prosecutors and prosecution.

5. An unscheduled audit of the authorized body for internal governmental audit is conducted:

1) on behalf of the President of the Republic of Kazakhstan, the Head of the Administration of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, the Prime Minister of the Republic of Kazakhstan and his deputies;

2) on the issues, related to the adjustment of the feasibility study, financial and economic feasibility study and estimated cost of budget investments;

3) based on the results of monitoring the data of information systems of the central authorized body for budget execution, using a risk management system;

4) at the request of individuals and legal entities only on the issues set forth in them.

6. The list of objects of governmental audit for the relevant year of the Audit Commission includes objects of governmental audit, financed and (or) receiving funds from the regional budget, the budget of the city of the republican value, the capital, including the budgets of districts (cities of regional significance) for carrying out external governmental audit in the reporting year at their administrative-territorial unit, as well as state revenue bodies and other authorized state bodies to ensure the completeness and timeliness of revenues to the local budget.

7. Approved lists of objects of governmental audit for the relevant year and changes to them, with the exception of information constituting state secrets in accordance with the legislation of the Republic of Kazakhstan on state secrets, and (or) information containing official information of limited distribution, determined by the Government of the Republic of Kazakhstan, in within five calendar days from the date of their approval shall be posted on the Internet resource of the relevant state audit and financial institution trol.

8. The Supreme Audit Chamber, the audit commission, the authorized body for internal state audit have the right to involve relevant specialists of state bodies to conduct a state audit (in agreement with them), as well as, if necessary, audit organizations, experts, paying for their services within the funds allocated from the relevant budget.

9. To form the list of objects of governmental audit, governmental audit and financial control bodies are obliged to place the materials of governmental audit and financial control, reporting in a unified database on governmental audit and financial control, with the exception of materials of governmental audit and financial control of the authorized body for regulation, control and supervision of the financial market and financial organizations containing secrets protected by law, as well as, within the agreed time frame, exchange

information on the lists of objects of governmental audit for the corresponding year prior to their approval.

In order to avoid duplication of audits, the governmental audit and financial control bodies are obliged to agree among themselves lists of objects of governmental audit for the relevant year and changes thereto.

It is not allowed to conduct an unscheduled state audit at the objects of state audit included in the list of objects of state audit approved by the Supreme Audit Chamber for the corresponding year, except for the provisions of Article 15 of this Law and paragraph 5 of this Article.

10. The governmental audit and financial control bodies, with the exception of internal audit services, shall register audits with the authorized body on legal statistics and special accounts in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 18 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 № 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2018 № 202-VI (shall be enforced from 01.01.2019); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 19. Recognition of the results of governmental audit

1. The state audit and financial control bodies shall recognize state audit results conducted by other state audit and financial control bodies, pursuant to paragraphs 2-5 of this article, unless they are recognized by the court as unlawful in accordance with the civil procedural legislation of the Republic of Kazakhstan.

The state audit and financial control bodies shall recognize the results of state audit of compliance of internal audit services that have passed the quality control of the internal state audit authority.

2. In order to recognize the results of the state audit of the audit commissions, the authorized body for internal state audit and internal audit services, the Supreme Audit Chamber shall conduct monitoring of their compliance with the standards of state audit and financial control.

3. The authorized body for internal state audit shall recognize the results of a state audit conducted by the Supreme Audit Chamber, audit committees and internal audit services, if they are not recognized by the Supreme Audit Chamber as not complying with the standards of state audit and financial control.

4. The audit commission recognizes the results of the state audit conducted by the Supreme Audit Chamber, if they are not recognized by the Supreme Audit Chamber as not conforming to the standards of state audit and financial control.

5. The Audit Committee shall recognize the results of the state audit conducted by the authorized body for internal state audit and internal audit services, if they are not recognized by the Supreme Audit Chamber as not complying with the standards of state audit and financial control.

6. In cases of recognition of the results of governmental audit, the governmental audit and financial control bodies reduce the volume of governmental audit, based on the materials of governmental audit conducted by other state governmental and financial control bodies.

7. The state audit and financial control body notifies the state audit and financial control body that conducted the state audit about the fact of non-recognition of the results of the state audit conducted by other state audit and financial control bodies, and the object of state audit with the entry of relevant information into the unified database of state audit and financial control.

Footnote. Article 19 as amended by the Law of the Republic of Kazakhstan dated 29.06.2020 No. 351-VI (shall be enforced from 01.07.2021); dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2023 No. 23-VIII (shall be enforced ten calendar days after the date of its first official publication).

Article 20. Audit evidence

1. Identified facts of violations and deficiencies based on the results of state audit are based on audit evidence and / or other documents and information.

2. Audit evidence is factual data, taking into account their legality, reliability and admissibility, on the basis of which governmental auditors establish the presence or absence of violations and deficiencies, as well as other materials confirming the facts stated in the audit report.

3. Audit evidence, on the basis of which conclusions, recommendations and instructions on the results of governmental audit are formulated, must be consistent with its goals and objectives and be objective, reliable and sufficient.

4. The basis of audit evidence is documents (materials and information) collected directly at the governmental audit facility, as well as received from other reliable sources in compliance with the legislation of the Republic of Kazakhstan.

When auditing quasi-public sector entities, the state auditor has the right to use, inter alia, information from the report on the implementation of action plans, development plans, as well as an audit report, an audit opinion on the special purpose audit of quasi-public sector entities, compiled by an audit organization in accordance with the requirements of international audit standards and the legislation of the Republic of Kazakhstan on audit activity.

5. Documents may contain information recorded in both written and other forms. The documents include, among other things, explanations, financial and other documents, inventory records, certificates, certificates of control measurements, as well as materials containing electronic information, photographs.

6. When collecting audit evidence, governmental auditors use all available means of collecting audit evidence that does not contradict the requirements of the legislation of the Republic of Kazakhstan. The collection of audit evidence is done by a single or selective method.

Footnote. Article 20 as amended by the Law of the Republic of Kazakhstan dated 30.12.2021 No. 95-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 21. Requirements of the Governmental Audit and Financial Control Bodies

1. The requirements of the governmental audit and financial control bodies provided by them within their competence are mandatory for execution by governmental audit facilities.

2. At the request of the governmental audit and financial control bodies, the objects of governmental audit, officials, individuals and legal entities are obliged:

1) to provide the requested information on the composition and formats of these departmental information systems free of charge, as well as the documentation and information necessary for the formation of the list of governmental audit objects for the relevant year and the implementation of governmental audit, preparation of performance reports, including for research in the field of governmental audit, taking into account the observance of the secrecy regime, official, commercial or other secret protected by law; 2) provide the necessary materials (evidence): certificates, oral and written explanations on issues related to the formation of the list of objects of state audit for the relevant year and its conduct without entering the object of governmental audit, within a maximum of five working days, on issues related to with the conduct of a governmental audit at the governmental audit facility, within a period of not more than one working day;

3) to provide, in accordance with the legislation of the Republic of Kazakhstan, access to state and other information systems necessary for conducting state audit.

3. The required information is provided to the governmental audit and financial control bodies in the requested forms, procedure, and within the time limits established by this Law.

4. State bodies that exercise supervisory and supervisory functions, except for the National Bank of the Republic of Kazakhstan, law enforcement agencies, special state bodies, assist the governmental audit and financial control bodies in the performance of their tasks, provide information on the results of their audits secrecy, official, commercial or other secrets protected by law in accordance with the laws of the Republic of Kazakhstan.

Article 22. Documents adopted on the basis of the results of the governmental audit

The following documents are accepted by the governmental audit and financial control bodies based on the results of the governmental audit:

1) audit report on financial statements is a document compiled by governmental auditors directly conducting governmental audit, containing a written opinion on the reliability of the financial reporting, as well as compliance of accounting and financial reporting requirements established by the legislation of the Republic of Kazakhstan;

2) the audit report is a document compiled directly by state auditors by governmental auditors, containing the results of an audit of the effectiveness and (or) compliance audit for a certain period of time;

3) audit opinion – a document drawn up on the basis of audit reports and (or) audit reports on financial statements, containing conclusions and recommendations and approved by the resolution of the Supreme Audit Chamber, the audit commission, the order of the head of the authorized body for internal state audit within their powers;

4) the report on the results of internal audit is a document prepared by the internal audit service, containing recommendations for improving internal procedures, rules, processes in order to increase the efficiency of work, to achieve direct and final results of the governmental audit object, presented to the first head of the central state body or akim of the region, a city of national importance, the capital and an authorized body for internal governmental audit.

The assistant to the state auditor shall not sign documents on the results of the state audit (audit report).

Footnote. Article 22 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 23. Features of the audit report on the financial statements

1. The audit results of the consolidated or separate financial statements are adopted:

1) a positive audit report on the financial statements - in the absence of material errors; 2) an audit report on financial statements subject to a caveat - if there are material errors. 2. In cases of ignorance of accounting or loss of accounting documents at the governmental audit site, the head of the governmental audit and financial control unit shall send to the head of the object of governmental audit and to the higher authority conducting or managing the object of governmental audit, a precept with the requirement to restore accounting at the governmental audit with the determination of the deadline for completion of this work and makes a decision on the temporary suspension of state impact audit with the introduction of appropriate changes in the list of objects of state audit for the relevant year.

At the same time, as a result of the audit of a separate financial statement, the governmental auditor issues an audit report with a refusal to express an opinion.

Article 24. Quality control

1. The heads of the state audit and financial control bodies ensure the organization of quality control by conducting regular inspections and (or) analyzing documents compiled by state auditors and other officials of the state audit and financial control bodies in the course of their activities, for compliance with the standards of state audit and financial control in the manner determined by the relevant rules for conducting state audit and financial control based on the risk management system.

2. Quality control is subject to all stages of the audit activities of state audit and financial control bodies, all activities of state auditors.

3. Necessity and frequency of quality control, including the need to recheck the results of governmental audit, as well as the timing and duration of quality control in order to ensure its promptness and effectiveness are determined in accordance with the appropriate rules for conducting governmental audit and financial control.

Footnote. Article 24 as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (see Article 2 for the enforcement procedure).

Article 25. Monitoring of documents adopted based on the results of governmental audit and financial control

1. Governmental audit and financial control bodies on a systematic basis monitor their data in the audit opinion of recommendations and directed for compulsory execution of instructions.

2. Information on the results of consideration of recommendations and on the implementation of prescriptions, the state audit object and other interested persons must send to the appropriate state audit and financial control authority in the terms specified in the relevant documents with the attachment of supporting documents.

3. Officials of the object of state audit shall be held liable for failure to comply with the requirements of governmental audit and financial control bodies in accordance with the Code of the Republic of Kazakhstan on Administrative Offenses.

Chapter 4. OTHER DIRECTIONS OF ACTIVITIES OF GOVERNMENT AUDIT AND FINANCIAL CONTROL BODIES

Article 26. Expert and analytical activities of authorized bodies of external governmental audit and financial control

1. The expert and analytical activities of the authorized bodies of external state audit and financial control are carried out in the form of expert and analytical activities, as well as preliminary, current and subsequent budget assessments.

2. The Supreme Audit Chamber carries out expert and analytical activities in relation to the republican budget, and also summarizes information on the execution of local budgets to audit the consolidated financial statements of the republican budget.

3. The audit commissions established in the respective administrative-territorial unit carry out expert and analytical activities in relation to the regional budget, the budgets of the city of republican significance, the capital in whose territories they operate, as well as the district (town of regional significance) budget.

4. In order to conduct expert and analytical activities, the Supreme Audit Chamber has the right to involve third parties to conduct research within the funds allocated from the budget.

5. The Supreme Audit Chamber, audit commissions conduct expert and analytical activities in the form of analysis, evaluation of the effectiveness of budget planning and execution, management and use of budget funds, state assets (except for assets of the National Fund of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan) and quasi-public sector entities, implementation of documents of the State Planning System in the Republic of Kazakhstan, as well as studies of their impact on the development of the economy (or a separate branch of the economy), the social sphere, based on a risk management system. The procedure for organizing and conducting an expert-analytical activity is determined by the procedural standard of external state audit and financial control approved by the Supreme Audit Chamber.

The Supreme Audit Chamber and the audit commissions notify the object of the state audit of the expert and analytical activity and discuss with the object of the state audit its results, the decision on which is advisory in nature.

This procedure does not apply to current and subsequent budget estimates.

Footnote. Article 26 as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 27. Preliminary assessment

1. The Supreme Audit Chamber carries out a preliminary assessment of the draft republican budget in the main areas of its expenditures in the manner determined by the President of the Republic of Kazakhstan.

2. Preliminary assessment of the draft republican budget in the main areas of its expenditures is carried out for compliance of the expenditures of the draft republican budget with the priorities of socio-economic development of the country, priority areas of republican budget expenditures, the results of the evaluation of state programs and strategic plans of

central government bodies, conclusions and recommendations given by the Supreme Audit Chamber to the report of the Government of the Republic of Kazakhstan on the execution of the republican budget for the reporting financial year.

3. The results of the preliminary assessment shall be submitted to the Government of the Republic of Kazakhstan before the introduction of the draft law on the republican budget in the Parliament of the Republic of Kazakhstan and shall be of an advisory nature.

4. The central authorized body for budget execution submits information to the Supreme Audit Chamber on the measures taken to implement the recommendations reflected in the conclusion on the evaluation of the draft republican budget within three months after the approval of the law on the republican budget for the relevant financial year.

Footnote. Article 27 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 28. Ongoing assessment

1. The current evaluation is carried out in order to generate operational information for the President of the Republic of Kazakhstan, the Parliament of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, maslikhats and akims on the execution of the relevant budget.

The Supreme Audit Chamber and audit commissions, in the process of budget execution, analyze the completeness and timeliness of tax and non-tax revenues to the relevant budget, the actual expenditure of budget funds in comparison with the approved indicators of the law (maslikhat's decisions) on the relevant budget, identify the reasons for deviations and the related violations, imperfection of the legislation of the Republic of Kazakhstan, make proposals for their elimination.

2. When conducting the current assessment, the materials of the conducted state audit are used, as well as analytical information based on the processing and analysis of operational reports and information provided to the Supreme Audit Chamber and audit commissions by relevant state bodies, administrators of budget programs and quasi-public sector entities in electronic form, including through a single database on state audit and financial control, including:

1) agreements on the results of transfers, reports on direct and final results achieved through the use of dedicated targeted transfers;

2) a consolidated plan for financing commitments, a consolidated revenue plan and financing for payments;

3) plans of financing for obligations and payments of administrators of budget programs;

4) individual financing plans for liabilities and payments of state institutions;

5) amendments to the documents specified in subparagraphs 1) to 4) of this paragraph, with justifications for such changes;

6) all forms of financial reporting provided for by the legislation of the Republic of Kazakhstan.

3. The results of the current assessment are taken into account in the formation of the risk management system.

Footnote. Article 28 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 29. Subsequent assessment

1. During the state audit, the Supreme Audit Chamber and audit commissions carry out a subsequent assessment of the execution of the law (decisions of maslikhats) on the budget for the reporting financial year to determine the compliance of the actual performance indicators of budgets to the indicators approved by the relevant law (decisions of maslikhats) on the budget, completeness and timeliness of the execution of budget indicators, annual reports on budget execution, budget statements of administrators of budget programs in order to establish the legality of budget execution, reliability of accounting and reporting, the efficiency of the use of budgetary funds and state assets.

2. Based on the results of the subsequent evaluation, conclusions are prepared for the report of the Government of the Republic of Kazakhstan or the report of the local executive body of the region, the city of the republican significance, the capital, the district (city of regional significance) on the execution of the relevant budget, the submission and consideration of which is carried out in accordance with the Budget Code of the Republic of Kazakhstan. The requirements for the structure and content of the conclusion are determined in the relevant procedural standards of governmental audit and financial control.

3. The conclusion includes an assessment of:

1) the performance of the main budget parameters: budget receipts and expenditures; efficiency of tax and customs administration;

2) the achievement by the state authorities of the direct and final results envisaged in their strategic plans, programs for the development of territories, the implementation of state programs, including for earlier periods, and budget programs;

3) the use of budgetary funds, including targeted transfers and credits, related grants, state and state-guaranteed loans, loans secured by the state, state guarantees and assets, as well as financing the execution of state obligations for public-private partnership projects, including number of state concession obligations;

4) the use by the subjects of the quasi-public sector of the budget allocated to them for compliance with the financial and economic justification, the effectiveness of budgetary investments, the efficiency of asset management of the subjects of the quasi-public sector;

5) reliability and correctness of conducting by the objects of governmental audit of accounting and reporting.

Footnote. Article 29 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 30. Cameral control

1. The internal control is conducted by the authorized body on internal governmental audit without visiting the object of governmental audit in accordance with the procedure established by this Law and the rules for carrying out desk control by comparing information obtained from various sources of information on the activities of public audit facilities.

When exercising in-house control and appellate settlement of complaints, quality control of in-house control and quality control of consideration of complaints from participants in public procurement are carried out.

2. The purpose of desk control is the timely suppression and prevention of violations, the provision of the governmental audit of the right to self-repair violations identified by the results of desk control, and reduce the administrative burden on public audit facilities.

3. Cameral control is an integral part of the risk management system.

4. Measures for the response of desk control are:

1) the direction of mandatory for execution by all state bodies, organizations and officials of the notice on the elimination of violations identified by the results of desk control;

2) the suspension of spending operations on codes and accounts of governmental audit facilities opened in the central authorized body for budget execution, as well as bank accounts (with the exception of correspondent ones) in accordance with the procedure established by Article 32 of this Law and other legislative acts of the Republic of Kazakhstan;

3) the initiation of administrative proceedings within the competence provided for by the legislation of the Republic of Kazakhstan on administrative offenses.

5. The amounts of financial violations identified by the results of cameral control are subject to reimbursement to the budget, restoration through performance of work, provision of services, delivery of goods and / or accounting records on the basis of notification of elimination of violations identified by results of desk control.

6. Cameral control is carried out without registration in the authorized body on legal statistics and special records in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 30 as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication).

Article 31. Notification of elimination of violations identified by the results of desk control

1. In case of detection of violations based on the results of desk audit, the authorized body on internal state audit shall issue and send a notification to the objects of state audit about the elimination of violations, identified following the results of the desk audit, with a description of the revealed violations in the form, prescribed by the rules of conduct of desk audit, not later than five working days from the day the violations were revealed.

2. Notification of elimination of violations revealed by the results of desk control must be performed by the object of governmental audit within ten working days from the day following the day of its delivery (receipt).

3. The procedure for sending and considering objections to notifications on the elimination of violations identified as a result of desk audit shall be determined by this Law and the rules for the conduct of a desk audit.

4. In case of self-imposed elimination of violations revealed by the results of desk control, within 10 working days from the day following the day of delivery to the auditor of notification of violations elimination identified by the results of desk control, an official shall not be brought to administrative responsibility.

Footnote. Article 31 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 № 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2018 № 202-VI (shall be enforced from 01.01.2019).

Article 32. Suspension of expenditure transactions by codes and accounts of governmental audit facilities opened with the central authorized body for budget execution, as well as bank accounts (excluding correspondent) objects of governmental audit

1. Failure to fill in the due date notification of elimination of violations identified by the results of desk control, associated with the management and use of funds of the republican and local budgets, entails the suspension of expenditure transactions by codes and accounts of state facilities governmental audit, open in the central authorized body on budget execution, as well as bank accounts (except for correspondent) object of public audit in accordance with the procedure established by legislative acts of the Republic of Kazakhstan.

The effect of this paragraph is suspended for the period of consideration of objections to notifications for the elimination of violations identified by the results of desk control.

The response measure, provided for in this paragraph, shall not be applied in the cases where violations cannot be eliminated.

2. Suspension of expenditure transactions by codes and accounts of governmental audit facilities opened in the central authorized body for budget execution, as well as bank accounts (excluding correspondent accounts), covers all expenditure transactions of the governmental audit object, except for:

- 1) wage transactions, provided by the legislation of the Republic of Kazakhstan;
- 2) operations for the payment of all receipts to the budget provided for by the legislation of the Republic of Kazakhstan, as well as mandatory pension contributions, mandatory

pension contributions of the employer, mandatory professional pension contributions, social contributions;

3) withdrawal of money: on executive documents providing for satisfaction of claims for compensation for harm caused to life and health, as well as claims for recovery of alimony; on executive documents that provide for the withdrawal of money for payment of severance payments and pay for work with persons working under an employment contract, payment of remuneration under an author's contract, the obligations of the client for the transfer of mandatory pension contributions, mandatory employer pension contributions, mandatory professional pension contributions and social contributions; on the repayment of tax debts, as well as on executive documents on recovery of state revenue;

4) payment for banking services for operations, provided for in subparagraphs 1) and 2) of this paragraph;

5) money held on the bank account of a single operator in the field of public procurement, intended to be deposited by potential suppliers or suppliers of money as security measures in the framework of participation in public procurement in accordance with the Law of the Republic of Kazakhstan "On Public Procurement".

3. The order of the authorized body on internal governmental audit on the suspension of expenditure transactions on codes and accounts of objects of state audit opened in the central authorized body for budget execution, as well as bank accounts (excluding correspondent ones) of the state audit object shall be made in the form established by the authorized body for internal governmental audit in coordination with the National Bank of the Republic of Kazakhstan, and comes into force from the date it was received by the central authorized body on budget execution, bank or organization carrying out certain types of banking operations.

4. The order of the authorized body on internal governmental audit on the suspension of expenditure transactions on codes and accounts of objects of governmental audit opened in the central authorized body for budget execution, as well as bank accounts (except for correspondent ones) of the object of governmental audit shall be subject to unconditional execution by the central authorized execution authority budget, banks or organizations engaged in certain types of banking operations.

Footnote. Article 32 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 15.11.2021 No. 72-VII (shall be enforced from 01.01.2022).

Article 33. Analysis of the results of governmental audit and financial control.

Governmental audit and financial control bodies systematically analyze the results of the governmental audit and financial control, summarize and investigate the causes and consequences of identified violations and deficiencies in the process of budget execution, use of state assets and subjects of the quasi-public sector.

Based on the results of the analysis, state audit and financial control bodies develop proposals for improving the budget legislation of the Republic of Kazakhstan and developing the financial system of the Republic of Kazakhstan and submit them for consideration to the appropriate authorized bodies.

Article 34. International cooperation

The Supreme Audit Chamber, as well as, within the powers provided by the Government of the Republic of Kazakhstan, the authorized body for internal state audit, interact with the relevant bodies of other states and their international associations, conclude cooperation agreements, participate in joint, parallel inspections and expert-analytical activities, are part of these international associations.

Footnote. Article 34 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 35. Unified database on governmental audit and financial control

1. To optimize managerial processes during governmental audit, to eliminate duplication and ensure recognition of the results of governmental audit, there is a unified database on governmental audit and financial control (hereinafter referred to as a single database) integrated with system of “e-government” and information systems of state bodies.

The procedure for integrating a unified database with the information systems of state bodies is determined jointly by the Supreme Audit Chamber and the relevant state bodies.

2. The unified database contains all information on the lists of objects of governmental audit, the results of governmental audit, expert-analytical activities of governmental audit and financial control bodies, as well as other information necessary for conducting state audit.

The governmental audit and financial control bodies are provided with the appropriate level of access to a single database.

3. For the formation of a risk management system, information on the objects of governmental audit, its financial and other indicators is consolidated in a single database.

The governmental audit and financial control bodies are obliged to place in a unified database of materials of governmental audit and financial control, with the exception of materials of governmental audit and financial control of the authorized body for regulation, control and supervision of the financial market and financial organizations, containing secrets protected by law, within the time limits established the legislation of the Republic of Kazakhstan.

Governmental audit facilities are required to provide the requested information necessary to replenish a single database.

The unified database is administered by the Supreme Audit Chamber, which is responsible for its effective functioning, safety and security of the information posted in it.

The objects of governmental audit are responsible for the reliability and completeness of the data provided for the formation of a single database.

Footnote. Article 35 as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Chapter 5. RIGHTS AND OBLIGATIONS OF PARTICIPANTS OF GOVERNMENTAL AUDIT AND FINANCIAL CONTROL

Article 36. Rights and duties of officials of the governmental audit and financial control bodies

1. Officials of the governmental audit and financial control bodies during the governmental audit have the right:

1) upon presentation of an official certificate or an identification card and an act on the appointment of an inspection with a mark of registration with the authorized body for legal statistics and special accounting within the framework of the governmental audit, obtain unhindered access to the territory and premises of the governmental audit facility, taking into account the observance of the secrecy regime, official , commercial or other secrets protected by law;

2) in accordance with the objectives and subject of governmental audit, in order to prepare an audit report and/or an audit report on financial statements, to request and receive, within the time limits established by this Law, the necessary documentation, information, including electronic media, on issues included in the their competence, as well as access to information systems, written and oral explanations and other information, including those containing state secrets and other secrets protected by law, subject to the confidentiality regime and official, commercial or other secrets protected by law;

3) to request acts and documents adopted based on the results of state control and supervision carried out by state control and supervision bodies;

4) within the limits of their competence, require managers and other officials of governmental audit facilities to submit written explanations on the facts of violations found during the formation of the list of objects of governmental audit for the relevant year and conduct of governmental audit, as well as necessary copies of documents certified in accordance with the established procedure;

5) draw up acts on the facts of failure to submit or untimely submission by state officials of objects of governmental audit of documents and materials requested during governmental audit;

6) exercise other rights stipulated by the laws of the Republic of Kazakhstan.

2. Officials of the bodies of governmental audit and financial control are obliged:

- 1) to observe the legislation of the Republic of Kazakhstan, the rights and legitimate interests of objects of governmental audit;
- 2) not to interfere with the established mode of operation of the object of governmental audit;
- 3) timely and fully to implement the powers granted in accordance with the legislation of the Republic of Kazakhstan for the prevention, detection and suppression of violations;
- 4) to conduct governmental audit and financial control in strict accordance with the standards of governmental audit and financial control;
- 5) to comply with the requirements of professional and professional ethics;
- 6) not to prevent the head (officials) of the object of state audit from being present during the governmental audit and financial control, to give explanations on issues related to the subject of governmental audit and financial control;
- 7) to ensure the safety of documents and information obtained as a result of governmental audit and financial control, including not to disclose information relating to state secrets, official, commercial and other secrets protected by law;
- 8) to report on the conditions conducive to the conflict of interests;
- 9) to base the results of the governmental audit solely on information and evidence obtained and collected during the governmental audit;
- 10) to bear other duties stipulated by the laws of the Republic of Kazakhstan.

3. For violation of the basic principles and standards of governmental audit and financial control in the conduct of governmental audit, governmental auditors bear personal disciplinary, administrative and criminal liability in accordance with the laws of the Republic of Kazakhstan.

Footnote. Article 36 as amended by the laws of the Republic of Kazakhstan dated November 26, 2019 No. 273-VI (shall be enforced upon the expiration of six months after the day of its first official publication).

Article 36-1. The rights and duties of the assistant to the state auditor

1. Assistant to the state auditor shall have the right:
 - 1) to participate in the state audit;
 - 2) receive unhindered access to the territory and premises of the governmental audit facility, taking into account the observance of the secrecy regime, official, commercial or other secrets protected by law upon presentation of an official certificate or identification card and an act on the appointment of an audit of the governmental audit and financial control body, with the exception of the internal audit;
 - 3) to conduct an inventory of stocks and other assets in the relevant object of state audit in compliance with the requirements of subparagraph 2) of this paragraph;
 - 4) to draw up and sign documents in the course of the audit, except for the documents, stipulated in Article 22 of this Law;
 - 5) to exercise other rights, provided for by the laws of the Republic of Kazakhstan.

2. The assistant to the state auditor shall be obliged:

1) to comply with the legislation of the Republic of Kazakhstan, the rights and legitimate interests of objects of state audit;

2) not to interfere with the established mode of operation of the object of state audit;

3) timely and fully execute the powers granted in accordance with the legislation of the Republic of Kazakhstan to prevent, detect and stop violations;

4) to comply with the standards of state audit and financial control;

5) to comply with the requirements of professional ethics;

6) not to impede the head (officials) of the object of state audit to attend the state audit and financial control, to give explanations on the issues, relating to the subject of state audit and financial control;

7) to ensure the safety of documents and information obtained as a result of state audit and financial control, including not to disclose information relating to state secrets, official, commercial and other secrets protected by law;

8) to report on conditions, facilitating a conflict of interest;

9) to base the relevant documents adopted as a result of the state audit exclusively on the information and actual data, obtained and collected during the state audit;

10) to perform other duties, stipulated by the laws of the Republic of Kazakhstan.

3. The assistant to the state auditor shall be personally liable for documents, drawn up and signed by him during the audit.

Footnote. Chapter 5 shall be supplemented by Article 36-1 in accordance with the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated November 26, 2019 No. 273-VI (shall be enforced upon the expiration of six months after the day of its first official publication).

Article 37. Rights and duties of the head of the object of governmental audit

1. The head of the object of governmental audit has the right:

1) to be acquainted with the purpose, duration of the governmental audit, its results, conclusions and recommendations;

2) to be familiar with the measures taken to respond to financial control;

3) not allow audit of governmental auditors who did not submit an act on the appointment of an audit;

4) in case of disagreement with the results of the governmental audit within a period of not more than ten working days from the date of submission of the signed audit report and (or) the audit report on the financial statements, and in case of disagreement with the violations indicated in the notification on elimination of violations, control, within five working days from the day following the day of its delivery (receipt), to send to the relevant governmental audit and financial control authority objections to them;

4-1) Excluded by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication);

5) to exercise other rights stipulated by the laws of the Republic of Kazakhstan.

2. The head of the object of state audit is obliged:

1) to provide the governmental auditors with workplaces;

2) to ensure the timeliness, reliability, objectivity and completeness of data requested by the governmental audit and financial control authorities;

3) not to allow the introduction of changes and additions to the audited documents during the period of governmental audit and financial control, unless otherwise provided by this Law or other laws of the Republic of Kazakhstan;

4) not to interfere with the actions of governmental auditors and do not interfere with governmental audit and financial control;

5) to comply with the lawful requirements of the governmental audit and financial control bodies;

6) timely provide information on the performance of data in the audit opinion of recommendations and instructions sent by the governmental audit and financial control authorities, as well as on the execution of the notice on the elimination of violations identified by the results of desk control;

6-1) notify of detected financial violations of business entities and other persons whose interests are affected by audit activities of the state audit;

7) to bear other duties stipulated by the laws of the Republic of Kazakhstan.

Footnote. Article 37 as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 No. 202-VI (shall be enforced from 01.01.2019); dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 38. Conflict of interest

1. In order to ensure objectivity and independence, governmental audit and financial control by governmental auditors is prohibited:

1) being close relatives, relatives or proxies of the head, head of staff, chief accountant or other person exercising their powers, founder, participant or shareholder of the object of state audit;

2) who worked in the object of the state audit or who were close relatives, relatives or proxies of the head, head of staff, chief accountant or other person exercising their powers, founder, participant or shareholder of the object of state audit during the audited period;

3) from the number of founders, participants or shareholders, officials of the object of governmental audit, who have personal property interests in it.

2. In the event of a conflict of interest, the governmental auditors should inform the head, who appointed the governmental audit in writing, about this.

3. In the cases specified in paragraphs 1 and 2 of this article, the head of the governmental audit and financial control body shall take measures to eliminate the conflict of interests.

Footnote. Article 38 as amended by the Law of the Republic of Kazakhstan dated 30.12.2020 No. 393-VI (shall be enforced upon expiration of ten calendar days after the day of its first official publication).

Article 39. Certification of applicants for qualification of the governmental auditor, retraining and advanced training of employees of governmental audit and financial control bodies

1. In order to obtain a comprehensive and objective description of the professional, business qualities and potential capabilities of persons applying for the qualification of the state auditor, certification.

2. Certification is carried out by the National commission for certification of persons applying for the qualification of a state auditor (hereinafter referred to as the National commission), which includes: one representative from the Administration of the President of the Republic of Kazakhstan, one representative from the Government of the Republic of Kazakhstan, five representatives from the Supreme Audit Chamber, five representatives from the authorized body for internal state audit, deputies of the Parliament of the Republic of Kazakhstan (by agreement).

The working body of the National commission is the Supreme Audit Chamber, which approves the personal composition of the commission in the number of at least fourteen people on the basis of the proposals submitted.

3. Certification of applicants for qualification of the state auditor includes confirmation of their knowledge and interview in the manner determined by the certification rules of persons applying for the assignment of the qualification of the state auditor.

4. Lists of posts for the employment of which a certificate certifying the qualification of the governmental auditor is approved by the relevant governmental audit and financial control bodies.

5. Certification is carried out according to a level system. The rules for certification of persons applying for the qualification of a state auditor, the regulations on the National commission are approved by the Supreme Audit Chamber in coordination with the authorized body for internal state audit.

6. The working body of the National commission maintains a register of persons who have a certificate of the state auditor, in accordance with the procedure determined by the Supreme Audit Chamber.

7. Retraining and advanced training of employees of state audit and financial control bodies are carried out in accordance with the rules for retraining and advanced training of employees of state audit and financial control bodies, developed and approved by the Supreme Audit Chamber jointly with the authorized body for internal state audit.

8. The National Commission shall revoke the certificate of the state auditor for the following reasons:

1) at the recommendation of the authorized body of external state audit and financial control for non-compliance with the requirements of professional ethics;

2) at the recommendation of the authorized body on internal state audit for non-compliance with the requirements of professional ethics;

3) at the recommendation of the relevant state audit body in relation to the state auditor who issued the unreliable audit report, which does not reflect the facts of financial violations, and whose audit report is not confirmed by the quality control materials of the state audit;

4) for repeated violations of the standards of state audit and financial control, due to which the materials of the state auditor were not recognized (more than three times a year) during the control conducted by the Supreme Audit Chamber in accordance with paragraph 2 of Article 19 of this Law.

State auditors who have committed violations for the first time, provided for in subparagraphs 1), 2) and 3) of this paragraph, shall be cautioned.

Footnote. Article 39 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 39-1. Qualification requirements for positions of state auditors

1. Qualification requirements for positions of state auditors who are administrative civil servants of corps B shall be approved by an official (body) having the right to appoint to public posts in coordination with the authorized body for civil service and its territorial subdivisions, based on standard qualification requirements to administrative state positions, approved by the authorized body for civil service affairs.

2. Candidates for positions of state auditors, belonging to the administrative state posts of corps "A" must comply with special qualification requirements, approved by the President of the Republic of Kazakhstan.

3. The qualification requirements for the positions of state auditors who are employees of the authorized body for regulation, control and supervision of the financial market and financial organizations are approved by an official entitled to appoint them.

Footnote. Chapter 5 shall be supplemented by Article 39-1 in accordance with the Law of the Republic of Kazakhstan dated 11.01.2018 №. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020).

Chapter 6. ORGANIZATION OF ACTIVITIES OF THE SUPREME AUDIT CHAMBER

Footnote. The title of Chapter 6 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157–VII (shall be enforced ten calendar days after the date of its first official publication).

Article 40. Composition of the Supreme Audit Chamber

1. The leadership of the Supreme Audit Chamber is represented by the Chairman of the Supreme Audit Chamber and eight members appointed to the positions in accordance with the Constitution of the Republic of Kazakhstan.

2. In case of early termination of the powers of a member of the Supreme Audit Chamber in the form of submitting a resignation letter, a member of the Supreme Audit Chamber must notify the Chairman of the Supreme Audit Chamber in writing no later than one month before submitting the relevant resignation letter.

Footnote. Article 40 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 41. Admission to the civil service in the Supreme Audit Chamber

Footnote. The title of Article 41 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 (shall be enforced ten calendar days after the date of its first official publication).

1. To organize the smooth operation of the Supreme Audit Chamber within the staff size limit approved by the President of the Republic of Kazakhstan, the apparatus of the Supreme Audit Chamber is formed, headed by the chief of staff appointed by the Chairman of the Supreme Audit Chamber.

2. Admission to the civil service in the apparatus of the Supreme Audit Chamber is carried out in accordance with the legislation of the Republic of Kazakhstan on civil service.

Footnote. Article 41 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 42. Guarantees of independence of the Supreme Audit Chamber and its officials

1. Officials of the Supreme Audit Chamber, when carrying out their activities, are independent of the object of state audit.

2. Unlawful interference of state bodies and other organizations in the activities of the Supreme Audit Chamber is not allowed.

3. It is not allowed to involve state auditors and other officials of the Supreme Audit Chamber at the request of state bodies to conduct inspections that are not provided for in the lists of objects of state audit for the corresponding year.

4. State control and supervision of the financial activities of the Supreme Audit Chamber is carried out by state bodies with the consent or at the instruction of the President of the Republic of Kazakhstan.

Footnote. Article 42 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Chapter 7. FUNDAMENTALS OF INTERACTION OF THE SUPREME AUDIT CHAMBER WITH OFFICIALS, STATE BODIES AND OTHER ORGANIZATIONS

Footnote. The title of Chapter 7 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157–VII (shall be enforced ten calendar days after the date of its first official publication).

Article 43. Interaction of the Supreme Audit Chamber with the President of the Republic of Kazakhstan

Footnote. The title of Article 43 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

1. The chairman of the Supreme Audit Chamber shall provide the President of the Republic of Kazakhstan with information on the work of the Supreme Audit Chamber at least once a quarter.

2. At the end of the year, the Supreme Audit Chamber, in addition to the information specified in paragraph 1 of this article, provides information on the performance indicators of state audit and financial control bodies.

Footnote. Article 43 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 44. Interaction of the Supreme Audit Chamber with the Parliament of the Republic of Kazakhstan

Footnote. The title of Article 44 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

1. For discussion and approval, no later than May 15 of the year following the reporting year, the Supreme Audit Chamber submits a report on the execution of the republican budget for the reporting financial year to the Parliament of the Republic of Kazakhstan, which in its content is a conclusion to the relevant report of the Government of the Republic of Kazakhstan.

2. The chairman of the Supreme Audit Chamber provides the Parliament of the Republic of Kazakhstan with information on the work of the Supreme Audit Chamber at least once a quarter.

3. The Majilis of the Parliament of the Republic of Kazakhstan hears twice a year the report of the chairman of the Supreme Audit Chamber.

Footnote. Article 44 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 45. Interaction of the Supreme Audit Chamber with the Government of the Republic of Kazakhstan

Footnote. The title of Article 45 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

1. The Supreme Audit Chamber, within two months after the central authorized body for budget execution provides consolidated financial statements on the execution of the republican budget for the reporting financial year, submits an opinion to the Government of the Republic of Kazakhstan on the objectivity of the information provided within the prescribed period.

2. The conclusion reflects conclusions and recommendations both for the entire consolidated report and for individual administrators of budget programs.

Footnote. Article 45 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 46. Interaction of the Supreme Audit Chamber with state audit and financial control bodies

Footnote. The title of Article 46 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

1. In order to coordinate their activities, the governmental audit and financial control bodies shall establish a coordination council of governmental audit and financial control bodies to review law enforcement practices in the field of governmental audit and financial control, audit and financial control.

Formation and organization of the activities of the coordinating council are determined by the regulation on the coordinating council of state audit and financial control bodies approved by the Supreme Audit Chamber.

2. Decisions of the coordination council of the governmental audit and financial control bodies are mandatory for the governmental audit and financial control bodies.

3. The interaction of the Supreme Audit Chamber with the state audit and financial control bodies is carried out in accordance with this Law and a regulatory legal act approved jointly by the Supreme Audit Chamber and the authorized body for internal state audit.

Footnote. Article 46 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Chapter 8. ORGANIZATION OF THE ACTIVITIES OF THE AUDITING COMMISSIONS

Article 47. Composition and procedure for the formation of the Audit Commission

1. The members of the management of the Audit Commission are represented by the Chairman and four members.

2. The chairman of the audit commission is appointed for a term of five years and dismissed by the maslikhat of the relevant region, city of republican significance, capital at the recommendation of the Supreme Audit Chamber and in coordination with the Administration of the President of the Republic of Kazakhstan.

3. The members of the Audit Commission are appointed for a term of five years and dismissed by the maslikhat of the relevant oblast, city of the republican significance, the capital in accordance with the legislation of the Republic of Kazakhstan on public service.

Footnote. Article 47 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 48. Powers of the Chairman of the Audit Commission, members of the Audit Commission

1. The Chairman of the Audit Commission shall:

1) exercise overall leadership and bear responsibility for fulfilling the tasks and functions assigned to the Audit Commission, provided for by the laws of the Republic of Kazakhstan;

2) approve lists of objects of state audit for the corresponding year of the Audit Commission;

3) organize the work of members of the Audit Commission and the Audit Commission; 4) approve the structure of the staff and the staffing table of the Audit Commission within the approved staffing level and the funds provided for in the local budget.

According to the decision of the Chairman of the Auditing Committee of the region, submission of the annual report on the performance of the district budget (city of regional significance) to the corresponding maslikhat may be entrusted to one of the members of the Audit Commission of the region.

2. Members of the Audit Commission:

1) organizes and implement audit, expert-analytical, information and other activities of the Audit Commission;

2) bears responsibility stipulated by the laws of the Republic of Kazakhstan.

Article 49. Organization of Audit Commissions

1. The procedure for the work of the Audit Commission is determined by this Law, regulations and rules. The Regulations on the Audit Commission are approved by the relevant maslikhat on the basis of the model regulations on the Audit Commissions. The Regulations of the Audit Commission are approved by the Audit Commission.

2. Carrying out audit activities, as well as information and analytical, legal, advisory, organizational and other activities of the Audit Commission is provided by the Audit Commission.

The apparatus of the Audit Commission consists of officials who are administrative civil servants, headed by the head of the apparatus appointed by the chairman of the Audit Commission.

Article 50. Guarantees of independence of the Audit Commission and its officials

1. Governmental auditors of the Audit Commission in the course of their activities are independent of the object of governmental audit.

2. Illegal interference of state bodies and other organizations in the activity of the Audit Commission is not allowed.

3. It is not allowed to involve governmental auditors and other officials of the Audit Commission at the request of state bodies for inspections not provided for in the lists of objects of governmental audit for the relevant year.

4. State control and supervision of the use of the local budget funds by the Audit Commission shall be carried out with the consent or on behalf of the Maslikhat.

Chapter 9. BASES OF INTERACTION OF THE AUDITING COMMISSION WITH STATE BODIES

Article 51. Interaction between the Audit Commission and Maslikhats

1. The Audit Commission submits to the maslikhat for consideration the report on the execution of the local budget, which in its content is a conclusion to the relevant report of the local executive body:

1) in the maslikhat of the region, the city republican significance, the capital until May 20 this year;

2) in maslikhat of the district (city of regional significance), which is part of the relevant area, until April 20 of this year.

2. Maslikhat of the district (city of regional significance) has the right to request information from the Audit Commission on the conducted state audit, expert-analytical activities on the implementation of the budget of the relevant region (city of regional significance).

Article 52. Interaction of the audit commission with the Supreme Audit Chamber

Footnote. The title of Article 52 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

1. The audit commission provides the Supreme Audit Chamber with information on its work for the reporting period on a quarterly basis. The form and structure of the information provided are regulated in the relevant procedural standard of state audit and financial control.

2. The audit commission is entitled, in agreement with the Supreme Audit Chamber, to take part in a parallel (joint) audit with the Supreme Audit Chamber.

Footnote. Article 52 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

Chapter 10. AUTHORIZED AUTHORITY FOR INNER GOVERNMENTAL AUDIT

Article 53. Interaction of the authorized body on internal governmental audit with the prosecution and prosecution authorities

1. Upon receipt of a request from the prosecution or prosecution authorities, the authorized body for internal governmental audit shall:

1) provide the results of an earlier conducted state audit on the relevant governmental audit object of governmental audit in the event of their presence, without re-conducting state audit;

2) in the event that the questions raised in the inquiry were not reflected in the results of the previous governmental audit, these issues are taken into account in the list of objects of governmental audit of the authorized body for internal governmental audit for the next year.

1-1. At the request of the asset recovery authority, the authorized body for internal state audit shall assign state auditors to participate in the audit on issues within the competence established by this Law.

2. The central authorized body for budget execution to participate in the audit and give an opinion on the relevant requirements or requests of the prosecutor's office, criminal prosecution, a decision made as part of the initiated pre-trial investigation, as well as a court ruling in accordance with the Law of the Republic of Kazakhstan "On Public Procurements" shall determine the list of audit organizations (auditors) and payment for their services from the republican budget within the allocated funds.

3. At the request of the audited bodies, an audit organization (auditor) is determined from the list of audit organizations (auditors) in compliance with the principles of priority and regional representation.

Footnote. Article 53 as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced from 01.01.2022); dated 12.07.2023 No. 23-VIII (shall be enforced ten calendar days after the date of its first official publication); dated 23.12.2023 No. 51-VIII (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Article 54. Guarantees of independence of the authorized body for internal governmental audit and its officials

1. Governmental auditors of the authorized body for internal governmental audit in the course of their activities are independent of the object of governmental audit.
2. Unauthorized interference of state bodies and other organizations in the activities of the authorized body for internal governmental audit is not allowed.
3. It is not allowed to involve state auditors and other officials of the authorized body for internal state audit at the request of state bodies to conduct audits that are not provided for in the list of objects of state audit for the corresponding year.

Footnote. Article 54 as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced from 01.01.2022).

Chapter 11. INTERNAL AUDIT SERVICES

Article 55. The organization of internal audit services

Internal audit services are formed by the decision of the first head or collegial body of the central state body, akim of the region, the city of republican significance, the capital and act on the basis of this Law and the regulations on internal audit services, approved by the first head of the central state body, akim of the region, city of republican significance, the capital.

Regulations on internal audit services are developed on the basis of the model provision on internal audit services.

Footnote. Article 55 as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020).

Article 56. Guarantees of independence of the internal audit service

The Internal Audit Service is independent in conducting internal state audit and preparing reports on the results of internal audit. The Internal Audit Service is independent of other structural divisions, is subordinate and accountable to the first head of the central state body, the akim of the region, the city of the republican significance, the capital.

The Internal Audit Service cannot be involved in activities that fall within the competence of other structural subdivisions of the central state body, local executive bodies of oblasts, cities of republican significance, the capital, as well as the preparation or execution of programs and projects not related to its authorities.

Article 57. Internal control system

1. The internal audit service shall provide a consulting assistance in the organization of the internal control system in a state body, its departments, territorial subdivisions, subordinate organizations and (or) in local executive bodies, located in the territory of

administrative subordination of the relevant region, city of republican significance, the capital, their subdivisions, subordinate organizations, funded and (or) receiving funds from the relevant budget.

2. The internal control system of the state body consists of the following interrelated components:

1) control environment - internal (corporate) culture, organizational structure and internal set of policies and procedures that predetermine the quality of reporting and the effectiveness of the state body;

2) risk assessment is the process of identifying, analyzing and preventing risks that affect the achievement by the government of its objectives. Risk assessment is the basis for establishing control procedures and planning activities for internal state audit;

3) control procedures - a combination of control procedures (techniques) carried out by officials (structural units) in the performance of their functions;

4) information and communication - the timely and effective identification of data covering all areas of activity of the state body, their registration and exchange. The state body takes measures to protect against unauthorized access to information;

5) monitoring and evaluation of the effectiveness of the internal control system - determining the likelihood of errors that affect the achievement of the goals and reliability of the state body's reporting, ascertaining the materiality of these errors and determining the ability of the internal control system to achieve the goals and objectives.

Footnote. Article 57 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 № 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 58. Interaction between the head of the state body and the internal audit service.

The head of the state body interacts with the internal audit service through:

1) approval of the annual work plan of the internal audit service;

2) consideration and decision-making on the implementation of the recommendations of the Council on State Audit and Risk;

3) consideration of the annual report on the results of internal governmental audit.

The head of the internal audit service of the central state body, local executive body of the region, the city of republican significance, the capital regarding compliance with state audit and financial control standards, as well as the rules for the conduct of internal state audit and financial control audit shall have the authority to sign letters when sending them to the authorized body on internal state audit.

The authority to sign shall be issued by the relevant order of the first head (akim).

Footnote. Article 58 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 № 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

official publication); dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication).

Chapter 11-1. The procedure for considering objections to an audit report or an audit report on financial statements, notification of the elimination of violations identified as a result of in-house audit by the authorized body for internal state audit, and appealing against decisions, actions (inaction) of the authorized body for internal state audit and (or) its officials

Footnote. The Law shall be supplemented by Chapter 11-1 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 202-VI (shall be enforced from 01.01.2019); dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication).

Article 58-1. Appeals Commission

Objections to the audit report or the audit report on financial statements, notification of elimination of violations identified as a result of in-house control by the authorized body for internal state audit (hereinafter referred to as the objection), appeal against decisions, actions (inaction) of the authorized body for internal state audit and (or) of its officials (hereinafter referred to as the complaint) are considered by the appeal commission under the authorized body for internal state audit.

The composition and regulations of the appeals commission shall be approved by the authorized body on internal state audit.

Footnote. Article 58-1 as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication).

Article 58-2. Procedure and terms for filing objections, complaints

Footnote. The heading of Article 58-2 as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication).

1. The objection of the object of state audit shall be submitted to the appeals commission:
1) within ten working days from the date of submission of the signed audit report and (or) the audit report on financial statements;

2) within five working days from the day following the day of delivery (receipt) of the notice of elimination of violations, identified following the results of the desk audit.

1-1. An objection, a complaint is filed with the Appeal Commission in the manner and within the time limits determined by the rules for conducting in-house control and the Regulations on the Appeal Commission, approved by the authorized body for internal state audit.

2. The date of filing an objection, complaint to the Appeal Commission, depending on the method of filing, is:

1) in person - the date of receipt of the objection, complaint by the authorized body for internal state audit;

2) by mail - the date of the note on the acceptance of a postal or other communication organization;

3) through the use of information technologies - the date of its receipt in the form of an electronic document, and for objections, complaints to the notification of the elimination of violations identified as a result of in-house audit - the date of its receipt through the information system of a state body that provides a single point of access to electronic services of state procurement.

3. The form and content of objections, complaints are determined by:

1) the rules for conducting internal state audit and financial control on objections, complaints to the audit report and (or) the audit report on financial statements;

2) the rules of in-house control on objections, complaints to the notification of the elimination of violations identified as a result of in-house control.

Footnote. Article 58-2 as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication).

Article 58-3. Refusal to consider objections, complaints

1. The Appeals Commission refuses to consider objections, complaints, the procedure and deadlines for filing of which do not meet the requirements established by Article 58-2 of this Law.

2. In case of refusal to consider an objection, complaint, the Appeals Commission, within five working days from the date of receipt of the objection, complaint, notifies in writing the object of the state audit, the potential supplier, the applicant.

Footnote. Article 58-3 - as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication).

Article 58-4. Procedure and terms for consideration of objections, complaints

Footnote. The title of Article 58-4 as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication).

1. The objection shall be considered by the appeals committee:

1) within thirty working days from the day following the day of receipt of the objection to the audit report or the audit report on financial statements, except for the cases of suspension and (or) extension of the time period for consideration of such objection;

2) within fifteen working days from the day following the day of receipt of the objection to the notification of the elimination of violations, identified following the results of the desk audit.

The timeframe for the execution of the notification of elimination of violations, identified following the results of the desk audit shall be suspended for the period of consideration of the objection.

2. The objection shall be considered within the limits of the issues, contested by the object of state audit.

3. When considering an objection, the Appeals Commission shall have the right to request information or documents from the state bodies, officials and other individual and legal entities, as well as from the competent authorities of foreign states on the issues set out in the objection.

4. The time limit for consideration of an objection, specified in paragraph 1 of this article shall be suspended if a request is sent to state bodies, officials and other individual and legal entities, as well as to competent authorities of foreign states until the receipt of a response, which is reported to the object of state audit within three days from the date of suspension of the consideration period.

If the object of a state audit presents additions to an objection, the time period for consideration of the objection, established by paragraph 1 of this article, shall be extended by fifteen working days, which is reported to the object of state audit within three working days from the date of the extension of the consideration period.

5. The complaint is considered by the appeal commission in the manner prescribed by the laws of the Republic of Kazakhstan, as well as in accordance with the regulation on the appeal commission, approved by the authorized body for internal state audit.

6. In case of receipt of an objection, complaint before the conclusion of the contract on public procurement, the term for its conclusion is suspended until the end of the period established by paragraph 5 of Article 47 of the Law of the Republic of Kazakhstan "On Public Procurement".

In case of receipt of an objection, complaint at the stage of adoption by the object of state audit of a decision on the execution of a notice on the elimination of violations identified by the results of an in-house audit, the period for its execution is suspended until the end of the period established by paragraph 5 of Article 47 of the Law of the Republic of Kazakhstan "On Public Procurement".

7. Objection, complaint is considered within the stated requirements (arguments).

The decision of the Appeal Commission may be appealed to the court.

In this case, the execution of the decision of the appeal commission is suspended until the decision of the court is issued.

Footnote. Article 58-4 as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication).

Article 58-5. Decisions taken based on the results of consideration of objections, complaints

1. Based on the results of consideration of an objection, complaint, the Appeals Commission makes one of the following decisions:

1) on full or partial satisfaction of the objection, complaint;

2) on the refusal to satisfy the objection, complaint with the rationale for making such a decision.

The decision of the Appeal Commission is made in writing and is mandatory for execution by the object of the state audit.

2. The results of consideration of objections, complaints are drawn up by the authorized body for internal state audit within two working days from the date of the decision of the appeal commission.

Footnote. Article 58-5 - as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 358-VI (shall be enforced one year after its first official publication).

Article 58-6. Appeal resolution of disputes

1. Appeal resolution of disputes arising from the appeal of documents, adopted following the results of the state audit and desk audit of the authorized body on internal state audit, shall be carried out in the manner and time, provided for by this Law.

2. Appeal resolution of disputes in the cases provided for by this Law shall be mandatory.

Chapter 12. TRANSITIONAL AND FINAL PROVISIONS

Article 59. Liability for violation of the legislation of the Republic of Kazakhstan on governmental audit and financial control

Violation of the legislation of the Republic of Kazakhstan on governmental audit and financial control entails responsibility in accordance with the laws of the Republic of Kazakhstan.

Article 60. Procedure for appealing against legal acts, actions (inaction) of state audit and financial control bodies and (or) their officials

1. Actions (inaction) of state audit and financial control bodies and (or) their officials may be appealed in accordance with the procedure, established by the legislation of the Republic of Kazakhstan.

2. The appeal of legal acts of state audit and financial control bodies, related to the revealed facts of inappropriate and (or) unreasonable use of budgetary funds, shall not suspend their execution.

3. Is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 No. 202-VI (shall be enforced from 01.01.2019).

Footnote. Article 60 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 26.12.2018 № 202-VI (shall be enforced from 01.01.2019).

Article 60-1. Procedure and terms of appeal resolution of disputes arising from appealing documents, adopted following the results of a state audit, and notifications on elimination of violations, identified following the results of desk audit of the authorized body on internal state audit

Footnote. Chapter 12 shall be supplemented by Article 60-1 in accordance with the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 No. 202-VI (shall be enforced from 01.01.2019).

Article 60-2. Form and content of the complaint

Footnote. Chapter 12 shall be supplemented by Article 60-2 in accordance with the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 No. 202-VI (shall be enforced from 01.01.2019).

Article 60-3. Refusal to consider a complaint

Footnote. Chapter 12 shall be supplemented by Article 60-3 in accordance with the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 No. 202-VI (shall be enforced from 01.01.2019).

Article 60-4. Procedure for consideration of a complaint sent to the authorized body on internal state audit

Footnote. Chapter 12 shall be supplemented by Article 60-4 in accordance with the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 No. 202-VI (shall be enforced from 01.01.2019).

Article 60-5. Making a decision following the results of consideration of the complaint

Footnote. Chapter 12 shall be supplemented by Article 60-5 in accordance with the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 No. 202-VI (shall be enforced from 01.01.2019).

Article 60-6. Suspension and (or) extension of the term of consideration of the complaint

Footnote. Chapter 12 shall be supplemented by Article 60-6 in accordance with the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication); is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 No. 202-VI (shall be enforced from 01.01.2019).

Article 61. Transitional Provisions

Administrative civil servants who are governmental auditors are required to pass appropriate certification before January 1, 2017 in the manner specified in Article 39 of this Law.

Article 62. Procedure for the enactment of this Law

1. This Law shall take effect ten calendar days after the date of its first official publication, with the exception of:

- 1) subparagraph 8) of Article 1, Article 27, which are enacted from January 1, 2017;
- 2) paragraph 3 of article 12, paragraph 3 of article 13 and article 45, which are introduced from January 1, 2020.

2. To establish that subparagraph 8) of Article 1 of this Law from the date of enactment of this Law until January 1, 2017 is effective as follows:

8) the governmental auditor is an administrative civil servant performing governmental audit and (or) financial control;

Footnote. Article 62 as amended by the Law of the Republic of Kazakhstan dated 11.01.2018 No. 135-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

*The President
of the Republic of Kazakhstan*

N. NAZARBAYEV

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