



THE CENTRAL ORGANIZATION FOR CONTROL AND AUDITING (COCA) Of the Republic of Yemen

Mr. Chairman, ladies and Gentlemen;
Assalamu Alaikum; May peace be upon you.

I would like to start off with extending my appreciation and gratitude to our host, SAI of Azerbaijan for hosting this important gathering and for their excellent organization and hospitality, led by H. E Mr. Heydar Asadov. I would like also to thank all those contributed to organize and prepare for this forum from both: EUROSAI and ARABOSAI.

My Paper will focus on two parts: The first of which will give you a brief introduction to our SAI of Yemen, the Central Organization for Control and Auditing (COCA). The second part is about the status we have reached at our SAI in satisfying each element of an SAI independence in light of Mexico independence.

Introduction:

COCA is the supreme audit institution of the Republic of Yemen. It is an independent and autonomous body. COCA is responsible for conducting external audit and special investigations in the government of Yemen. Its objectives, mandate, responsibilities, etc., are as outlined below:

Objectives

The objectives of COCA as stated in its Act (1992) are summarized as to:

1. carry out effective audit to ensure sufficient and adequate management and uses of public funds and resources with due regard to economy, efficiency and effectiveness;
2. contribute to enhance and improve performance of public entities; and
3. contribute to the development of auditing and accounting profession in Yemen.

In other words, as a Supreme Audit Institution, COCA is concerned with the overall public financial management in Yemen. Its ultimate mission is the assurance that all public funds and expenditures are adequately controlled, accounted for, safeguarded and used with due regards to economy, efficiency and effectiveness.

Types of Audit

COCA is empowered to conduct, but not limited to, the following types of audit:

1. compliance/authority audit; attest/financial, and
2. performance (value-for-money) audit. COCA has the freedom to plan for its audits as it sees fit with due regard to its resources and competencies. Regularly, in addition to its annual audit plan, it performs a number of special assignments as deems necessary in response to special requests from high authorities (Parliament, President, Prime Minister).

Reporting Responsibilities

As per its law of 1992, Our organization, COCA, is reporting to the President of the Republic of Yemen and the Parliament.

Accordingly, COCA is required to issue three layers of reports :

- Audit reports issued to the concerned entities with copies to the Presidential Office, Prime Minister, and any related supervisory parties as the case might be; and
- Periodic/quarterly and annual reports to be submitted to the President, Parliament and Ashura Council (Consultative Council of the Republic of Yemen); and
- COCA audit report of the Final Accounts of the State of Yemen to be submitted directly to the Parliament.

Though COCA is required by law to conduct three main kinds of auditing, financial, compliance and performance auditing, currently its main focus is on financial and compliance audits. It is in the process of developing its capabilities and resources to effectively undertake comprehensive auditing, thereby fulfilling its mandate.

Scope of Work:

In its work, COCA covers all public entities, authorities, public enterprises, semi-public enterprises and subsidized units including Cooperatives. So, in that capacity, COCA follows the public moneys wherever it goes.

COCA adherence to the eight core principles of SAI independence proclaimed in the Mexico Declaration on SAI Independence (ISSAI 10)

Principle 1

The existence of an appropriate and effective constitutional/statutory/legal framework and of *de facto* application provisions of this framework

In general there is a Legislation that spells out, in detail; the extent of our SAI independence. According to COCA Act of 1992, our organization is an autonomous and independent body. It is financially and administratively independent. The president of COCA has the powers of the Ministers of Finance and Civil Service in managing the organization resources. The budget of COCA is included in the General Budget of the State as a number. Thereby the Ministry of Finance is not allowed to change the budget of our SAI. It has all the powers to plan, conduct and follow-up its work the way it sees fit.

Recently, COCA has proposed a constitutional amendment to recognize COCA as an autonomous supreme audit institution of Yemen to ensure constitutional foundation of independence to our SAI. In the current constitution, there is one provision requiring an audit body to submit its annual auditor report about the state final accounts to the parliament. Its independence is not expressed clearly and directly.

Principle 2

The independence of SAI heads and members (of collegial institutions), including security of tenure and legal immunity in the normal discharge of their duties

The current applicable legislation does not specify clearly the conditions for appointments, re-appointments, employment, removal and retirement of the head of our SAI. However, our organization is in the process of amending the current legislature to secure more independence. That would include the appointment and re-appointment of the president of COCA for a fixed term of five years renewable only once. Moreover, the appointment process is involving the President of the Republic and the Parliament.

Principle 3

A sufficiently broad mandate and full discretion, in the discharge of SAI functions

Our SAI is empowered to conduct all types of audits (financial, compliance and performance)... The scope of its audit includes, among other things, the:

- Use of public monies, resources, or assets, by a recipient or beneficiary regardless of its legal nature;
- Collection of revenues owed to the government or public entities;
- Legality and regularity of government or public entities accounts;
- Quality of financial management and reporting; and

- Economy, efficiency, and effectiveness of government or public entities operations.

While respecting the laws enacted by the Legislature that apply to our SAI, it is free from direction or interference from the Legislature or the Executives in conducting its mandate, i.e. in the:

- Selection of audit issues;
- Planning, programming, conducting, reporting, and follow-up of its audits;
- Organization and management of the office; and
- Enforcement of the decisions, conclusions and/or recommendations wherever is applicable.

Principle 4

Unrestricted access to information

As clearly specified by its law, our SAI, COCA has adequate powers to obtain timely, unfettered, direct, and free access to all the necessary documents and information, for the proper discharge of its statutory responsibilities. Any kind of delay to obtain the necessary information or obstacle is considered as a punishable act.

Principle 5

The right and obligation to report on their work

Our organization is not restricted from reporting the results of its audit work. It is required by the constitution to report at least once a year on the results of their audit work of the final accounts of the state budget. Also, it is required by law to report quarterly on its audit work in addition to individual audit reports that are addressed to the entities subject to its audit with copies to their respective supervisory bodies.

Principle 6

The freedom to decide the content and timing of audit reports and to publish and disseminate them

COCA is free to decide the content of its audit reports. It is also free to make observations and recommendations in their audit reports, taking into consideration, as appropriate, the views of the audited entity. As mentioned previously, COCA is specifically required by the constitution to submit its audit report of the Final Accounts of the State Budget to the Parliament. The report is distributed to all members of the parliament and openly discussed and broadcasted live on television and Radio.

COCA is free to decide on the timing of its audit reports with regard to the individual audit reports to be addressed to the entities subject to its audits. As with regard to quarterly or annual reports, they are to be issued in the specified time as prescribed by the constitution or law.

COCA, sometimes, accommodates specific requests for investigations or audits by the Legislature, as a whole, or one of its commissions, or the President of the Republic or the Prime Minister as it sees fit.

Our SAI issues quarterly statistical report describing a summary of its audits in General terms for it is not totally free to publish and disseminate its audit reports, except for those that have been formally tabled or delivered to the Parliament. That is because there is no legislation prescribes these cases for all government entities not only our organization. In order for COCA to make its reports public, there is a need for a governing legislation prescribing what should be secret/classified and public/unclassified information; in some countries it is called secrecy and disclosure/ transparency act.

Principle 7

The existence of effective follow-up mechanisms on SAI recommendations

COCA submits its reports to the Parliament, President, Alshura (consultative) Council, Prime Minister, Supervisory bodies and/or head of the audited entities as appropriate, for review and follow-up on specific recommendations for corrective action. COCA has its own internal follow-up system to ensure that the audited entities properly address its observations and recommendations as well as those made by the Parliament, or one of its commissions, and the President of the Republic of Yemen, as appropriate. COCA includes its follow-up findings in its subsequent audit reports to be addressed to different levels of stockholders (Parliament, President, Prime Minister, Supervisory Bodies, Head of agencies etc...) as it sees fit, for consideration and action.

Principle 8

Financial and managerial/administrative autonomy and the availability of appropriate human, material, and monetary resources

To a certain extent we could say that our SAI has available necessary and reasonable human, material, and monetary resources. Our law specifies that COCA Budget should be

included as one single number in the state budget without any unnecessary interference of the executives. Furthermore, though the president of COCA has the powers of the ministers of Civil Service and Finance, our organization is still straggling in securing more sufficient resources free of executive control on the access to these resources. However, our SAI manages its own appropriated budget and allocate it appropriately. In our country, the problem we are facing is that the executive branch is responsible to submit the state budget to the Parliament in which COCA budget is included. The parliament has the power to propose recommendations to the government to apply any changes in the budget but not to apply changes itself. For that reason COCA can not apply to the legislature for any additional resources to help it fulfill its mandate.

In closing:

I would like to express my heartfelt appreciation and gratitude for giving me this wonderful opportunity to share with you our experiences and practices in executing our mandate within the context of our independence in this valuable and fruitful gathering. I am very confident that we will benefit a great deal from the exchange of the valuable information, good practices from both sides- EUROSAI and ARABOSAI. As I had previously positive experiences from similar forums, I am equally confident that outcome of this meeting would be fruitful and everlasting impact on sub-organizations and respective SAIs. Our host, the SAI of Azerbaijan, is one of the main factors of success due its unique capabilities to organize such well rewarding event. Thanks to the Control Chamber of Azerbaijan for their warm hospitality.

Thank You very much for your kind attention.

Assalamu Alaikum