

The Internal Control System and its amendments No. 3 for 2011

Article 1:

This system shall be called (the internal control system for the year 2011) and shall come into force from the date of its publication in the official newspaper.

Article 2:

The following words and expressions wherever mentioned in this system shall have the meanings assigned to them below unless the context indicates otherwise:

The Ministry: The Ministry of Finance.

Minister: Finance Minister.

Competent Minister: The Prime Minister with regard to the Prime Ministry, and the Minister with regard to his ministry and the departments associated with it, and the head of any department which exercises the powers of the minister.

Department: Any ministry, department or public authority which budget is included in the state's general budget.

Governmental Unit: Any public official body or institution, governmental department or public authority that is financially independent and whose budget is not included in the state's general budget nor any company which is wholly owned by the government.

The Board: The Board of Directors or the Board of Commissioners in the governmental unit, as the case may be.

Internal Control: The set of methods, means and procedures adopted by the governmental department or unit to achieve its objectives in protecting public assets and funds and their proper use in an optimal manner, and ensuring the implementation of policies plans and operations efficiently and effectively in accordance with the applicable legislation.

Internal Audit: The independent objective activity that achieves for the department or government unit the quality of its operations and enables it to achieve its objectives by adopting a systematic approach to assessing the effectiveness of risk management processes and developing them according to institutional government controls.

Article 3:

Notwithstanding what is stated in any other system, the provisions of this system shall apply to any department or any governmental unit.

Article 4:

a. A unit called (the Internal Control Unit) shall be established in the governmental department and unit to undertake the internal control and internal auditing of financial, administrative and technical transactions in accordance with the provisions of this system and the instructions issued pursuant thereto.

b. An internal control unit called (Central Internal Control Unit) shall be established in the Ministry to monitor the commitment of internal control units in government departments and units to implement the provisions of this system and the instructions issued thereunder.

Article 5:

The head of the internal control unit in the department is linked to the competent minister or the head of the council.

Article 6:

A. The Minister forms a committee called (the Central Committee for Internal Control Standards) headed by the Secretary General of the Ministry or one of its senior employees named by the Minister and the membership of each of the following:

1. A senior employee of the Ministry, named by the Minister.
2. A senior employee representative from the State Audit Bureau, who is named by the director, and who shall be the vice-chairman of the committee
3. Two representatives who occupy the position of head of an internal control unit to be chosen from the departments.
4. Two representatives who occupy the position of head of an internal control unit to be chosen from government units.
5. One of the specialists in accounting and auditing from a public university, named by the minister, in coordination with the university president.
6. A representative from the Association of Certified Public Accountants named by its president.

B. The head of the central internal control unit in the ministry shall be the secretary of the committee, who shall prepare its agenda and write the minutes of its sessions.

C. The Committee shall have the following duties and powers:

1. Laying the foundations and criteria for evaluating the performance and achievements of the internal control units.
2. Drawing up and updating the general policy related to internal control.
3. Developing internal control standards and building institutional capacities in government departments and units.
4. Classification of internal control units.
5. Study the organizational and functional structure of the internal control units.
6. Preparing a manual for internal control procedures.

D. The committee meets by the invitation of its chairman or the deputy in his absence at least once a month, and its meeting is legal in the presence of the majority of its members, provided that the head of the committee or his deputy is among them. The committee takes its decisions by at least the majority of the votes of those present.

E. The term of membership of the Committee shall be four years, subject to renewal.

Article 7:

The internal control standards and conditions that must be met by the person occupying the position of head of the internal control unit are determined by instructions issued by the Council of Ministers based on the minister's recommendation based on the recommendation of the Central Committee for Internal Control Standards.

Article 8:

A. The internal control unit in governmental departments and units aims to preserve public money and public assets and ensure that they are used in an optimal manner.

B. In order to achieve its objectives, the Internal Control Unit undertakes the following tasks:

1. Ensure the correctness and accuracy of the entries, statements, accounting information and financial statements.
2. Verify the effectiveness and efficiency of the financial operations used.

3. Protection of financial resources and assets from misuse.
4. Ensuring the extent of compliance with the legislation in force to reduce errors and discover them if they occur.
5. Commitment to the approved financial policies of government departments and units.
6. Exercising administrative and technical oversight and ensuring that the government department and unit achieve the goals and general policies of the department and government unit by reviewing the administrative decisions issued in this regard.

Article 9:

The internal control unit in the department and government unit is committed to the following:

A. Preparing an annual plan for the financial audit and submitting it to the concerned minister or the council for approval, before the end of November of each year.

B. Submit a monthly report and whenever needed on internal control work, achievements and observations, including observations that were not directed to the concerned minister or the council, provided that a similar annual report is submitted to the minister during the first four months of the following year.

C. Preparing the financial audit procedures manual and submitting it to the Minister for approval.

Article 10:

The employees of the government department and unit are obligated, under penalty of legal responsibility, to facilitate the task of the employees of the internal control unit and to provide data, documents, records, books and information that are binding to enable them to perform their duties.

Article 11:

The minister submits to the Council of Ministers an annual report summarizing the internal control reports in government departments and units.

Article 12:

The Minister shall issue the necessary instructions to implement the provisions of this system.

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