



The Palestinian National Authority

State Audit & Administrative Control Bureau

The Annual Plan for the Year 2008

Audit and Supervision for Construction, Development and Promoting of Good Governance



The Master Plan of the State Audit and Administrative Control Bureau in Palestine-2008

Introduction

State Audit and Administrative Control Bureau aims to ensure the soundness of performance and realize financial and administrative stability in the legislative, executive and judiciary authorities of the Palestinian National Authority. The Bureau seeks to disclose all forms of financial and administrative deviation, including cases of abuse of public office. The Bureau aims to affirm that public performance is applying to the limits of the effective provisions of the law, regulations, rules, resolutions and instructions in the best ways and in minimum applicable cost. The Bureau, via its vision, is looking for the most effective contribution in promoting the Palestinian people, and switching from relying on foreign aids to self-relying, through controlling expenses and permanent improvement of performance.

Realization of Bureau's mission and goals requires financial and administrative control of high quality, which goes in line with financial control standards adopted by the International Organization of Supreme Audit Institutions (INTOSAI), International Transparency Organization, and other regional and local international organizations operating in the domain of control. This effort entails restructuring Bureau's work so that it would become institutionalized according to requirements of up-to-date financial and administrative supervision in their various forms. Consequently, the application of INTOSAI principles on the Palestinian reality must take into consideration the legislations, the traditions and the domestic conditions, and the negative policies of the Israeli occupation on the Palestinian people.

The foundations of Bureau's success in fulfilling its goals rest on the existence of sincere political will of the President and Prime Minister of Palestinian National Authority, the will to activate and develop Bureau's job, the will to enforce law and regulations on all institutions and individuals without exceptions as first, to make sure that great deal of laws and regulations which govern institutions work are available and being enforced as second, the recruitment of staff that has firm control experience plus the need of further training as third, the willingness of audited entities to demand and receive control service of high quality as fourth, and the incessant public demand that all parties must oblige to laws and regulations in force as fifth.

The twelfth cabinet has submitted the reformation and development chart, which exemplifies the Palestinian National Authority's unified plan of development and reformation for the years 2008-2010. This plan is to work on combining elements of planning and allocating resources in one plan, which has a mid-range prospective, and it will follow the best international exercises during the planning the public sector, setting of its budgets and laying bases of developing these procedures, along with their performance within the coming years. The plan managed to have the Quartet and the international community approval, support and encouragement, which was symbolized in Paris Economic Conference, where participants emphasized on supporting the Palestinian National Authority in building and reinforcing establishments, composing financial policies in a way that could accomplish as much self-dependence and good governance as possible and offering the Palestinian



National Authority guarantees to back it up with 7.4 billion dollars in the next three years.

In the case the international donors redeemed their promises; the year of 2008 and the years that follow will see scaling up in developing and constructing variety of domains, and this will require an increasing in expenditures as a result, whether they are dedicated for the General Balance or for projects. Therefore, The State Audit and Administrative Control Bureau is obliged to offer a distinctive form and approach of audit, and the capacity to adapt with and respond to upcoming changes, requirements of development plan to control government and authorities performance, the government ability to expend and assure the fulfillment of intended goals of development and reformation plan, in addition to application's added value and the correction and development of financial policy. The Bureau's role is greatly enlarged as a result of the absence of the Legislative Council's supervision on executive authority performance.

The Bureau, standing on core values of control job, is looking for providing institutions subject to its control with control and audit services of high quality through exercising its preemptive (preventive) control, regular control and performance control economically, efficiently, and effectively. This is to be achieved by establishing a solid internal control and audit system that would assure objectivity and accountability of public money management's outcomes, devising precise controls to ensure credibility of the system outputs, all of which will help prepare of more balanced, accurate and objective reports that highlight the brilliant stages of establishment building and risks that appear in regular administrative and financial control systems, treat them and make sure they will not occur once again. This is the way to increase the economic, financial and social productivity of any given institution, fortify the Palestinian financial system, consolidate its acceptance locally, regionally and globally, and to build a modern system that is unbiased, transparent and open when it comes to the inquiry of the public money administration.

The Bureau aspires that the work of financial and administrative audit and control would be elevated to the level of cooperation with institutions subject to its control, and that of course requires it's to change the concept and culture of control, which may sometimes reach the extent of refusing or even resisting it. The change has to be directed toward making institutions –along with employees- ask for audit and control services of good quality. This demands creating a mutual trust between internal and external financial and administrative control through openness and informal communication, besides dealing with internal control unit at every institution as pivotal to cooperation, forward thinking and early exchange of plans and ideas which affect the size of direct financial and administrative control required needed from the Bureau. The Bureau endeavors to computerize its work; thus, advancing its control duties from individual control to system control in terms of data process and summary.

The Bureau personnel are determined to take the challenge imposed by the burden of audit and control work under unusual conditions, which is rapidly increasing so it becomes so sizeable and costly for us that it sometimes gets out of our control. The work will be progressed according to an annual plan that is flexible, objective and compatible with the demands and changes of government's mid-range plan, and



within the general framework of the Bureau's strategic plan, which considers the conformity between the Bureau's role, its capacities and saving amounts of money exceed its operational costs, therefore, reinforcing the Bureau's economic and social feasibility.

Institutions subject to SAACB's control-control mechanisms:-

The State Audit and Administrative Control Bureau works hard, according to INTOCIA's requirements of financial control rules, to render control service of high quality under the limited resources available to it, and through exercising financial and administrative control over all operations of institutions subject to Bureau's control. The adjustment between its role and capacity forces the utilization of sample-control mechanism; samples are to be scientifically chosen, according to a specific plan that ensures enough diversity, and enables the judgment of legitimacy, efficiency and effectiveness of public money management. The institutions subject to Bureau's regular control are categorized into the following:

- The Palestinian National Authority Presidency and its institutions.
- The Executive authority which includes the Council of Minister, civil ministries and security agencies.
- The Legislative authority which includes the Legislative Council and all affiliated institutions.
- The Juridical authority which includes all degrees of courts.
- Local authorities which include municipal, local councils and joint councils.
- Unions, syndicates and associations which include centers, clubs, societies and non-governmental associations.
- The public institutions and corporations which include funds, ventures, establishments and corporations partly or wholly owned by P.N.A or which manage or are authorized to run a public facility.
- Security forces.



Work plan

Based on the above, the 2008 Bureau strategy will focus on adjusting its role to its capacities, revitalizing the Bureau, reinvigorating public institutions and enhancing public interest, enhanced the economic and social feasibility of the Bureau and providing a service of high quality and efficiency by the following:

I- Capacity building and professional development:-

	Item	Timelines	Notes
1	The follow up of agreeing the organizational chart, personnel lay-up schedule and placement of staff in it	January 2008	
2	Completion of employees' recruitment procedures with coordination of General Personnel Council and related bodies, so as to speed up personnel enrollment	January-February	
3	Completion of Bureau's furnishing at Ramallah and Gaza	January	
4	Completion of Bureau's computerization and, installation of an internal computers network and providing a computer for each employee	January-February	
5	Carry out of scientific and practical training for all new employees who are going to start work in the beginning of 2008. training will be scheduled	Round the year	
6	Carry out of scientific and practical training for all employees in home and abroad, focusing on quality training on preemptive and regular control	Round the year	
7	Reorganization of Bureau's Gaza library, and the construction and computerization of a new library in Ramallah that has scientific and specialized books and journals	Round the year	
8	Preparation of Bureau's Yearly Budget according to the Bureau's annual plan and strategic plan	July 2008	
9	Development and endorsement of control and audit procedures manual for all sectors according to international standards and to control codes issued by higher entities	Until June 2008	
10	Development and endorsement of administrative and financial regulations governing the Bureau work according to standards of comprehensive quality management	Till the end of the year	
11	Activation, development and permanent update of Bureau's website	Round the year	
12	Execution of legal studies and reconsideration of some of Bureau law articles in consistence with the best international control standards of the INTOSAI, then submitting them before the Legislative Council	January-February	
13	Continuation of involvement in conferences and workshops, whether in homeland or abroad, especially those dedicated for control and audit work, so as to increase interaction with community	Round the year	
14	Development of studies, researches and reports through	Round the year	



	planning and development unit, as well as scientific conferences and seminars specialized in control and audit on financial and administrative affairs		
15	Improvement of relationships with related international and Arab organizations: - The International Organization of Supreme Audit Institutions (INTOSAI) - The Arab Organization of Supreme Audit Institutions (ARABOSAI) - The Asian Organization of Supreme Audit Institutions (ASOSAI) - The European Organization of Supreme Audit Institutions (EUROSAI) - The International Transparency Organization The Public Relations unit has the duty of arranging mutual work visits with these organizations	Round the year	
16	Preparation of procedural plans for each audit assignment, and adoption before execution. They include members of work team, subjects being audited, date of initiation, work hours needed to accomplish the audit assignment and date of report hand over	Round the year	
17	Documentation and collection of audit activities in an audit manual (audit methodology) to ensure stability of work progress	January- February- March-April	
18	Development of personnel abilities through encouraging them to have professional and high study certificates	Round the year	
19	Acquirement of INTOSAI's and ASOSIA's memberships	Through the year	
20	Affirmation of employees' raises and adoption of incentive system	Through the year	



II- Control activities:-

In implementation of the principles of transparency and accountability, and in order to protect and promote public money; and based on the need to adopt a policy of austerity that goes in line with the deteriorating financial, social and economic conditions of the Palestinian people; and in order to enhance credibility and trust in the policies adopted by the Presidency and Government, the Bureau undertakes the following actions in the year 2008:

	Item	Timelines	Notes
1	Audit and preparation of the General Budget of the Palestinian of the year 2007, and methods of execution through incomings, expenditures, accounts sheet and financial position, then analyze them according to law	Round the year	
2	Audit and analyze of PNA's 2006 accounts sheet	January-February-March	
3	Audit of transactions for sale administration and lease of the state-owned lands and real property	Round the year	
4	Revision of the lease documents and contracts of estates rented and occupied by the PNA's institutions, and how would they affect the General Balance	April-June	
5	Revision, control and evaluation of loans, grants, aids and donations given to the PNA and the civil community, regarding agreements and execution mechanisms	Round the year	
6	Audit and control of documents of external treatment transfers and their effects on the General Balance	February 2008	
7	Audit and control of expenditures (budget and balance sheet) of the top PNA officials on a monthly basis and according to effective laws and Bureau's form	January 2008	
8	Confirmation of transparency in inviting, awarding and executing government tenders by exercising regular control on governmental projects contracts	Round the year	
9	examination of ministries, public institutions and audited entities' commitment of Bureau's recommendations about examining and evaluating internal control systems, procedures implemented against negatives and developing positives	Round the year	
10	Activation of the role of internal control units in all audited institutions under the Bureau's control by periodic meetings, and by helping them to lay down internal laws and regulations that organize and promote their work to comprehensive quality control	Round the year	
11	Ration and Evaluation of utilizing governmental vehicle fleet, devising a travel scheme in all public institutions, along with restricting vehicle use after work hours to ministers, deputy ministers and director generals	Until the end of March 2008	
12	Control, examination and evaluation of Wakf (mortmain) estates, which include follow up and audit of lease contracts,	Round the year	



	how far the tenants are committed to their payment on due time, and inclosing cumulative debts on tenants		
13	Follow up the development of organizational chart and the by-law regulating the action of institutions under Bureau's control, and completing placement procedures of staff	Round the year	
14	Audit and evaluation of Legislative Council's performance (financial and administrative)		
15	Audit and evaluation of performance of Supreme Judging Council, religious courts and ordinary courts (financial and administrative)	Round the year	
16	Audit and evaluation of work and activities in non-governmental institutions and unions (financial and administrative), and reinforcement and reactivation of financial disclosure policy	Round the year	
17	Audit and evaluation of public institutions, authorities and boards subject to Bureau's control (financial, administrative and performance)	Round the year	
18	Audit and evaluation of the investment fund the companies related to, and all other companies the P.N.A contribute in, and companies that are authorized to manage public facilities or get aids from P.N.A or grantors	Round the year	
19	Audit and evaluation of the central financial administration and the general administration of supplying and equipping (financial-administrative-supplies)		
20	Audit and evaluation of work and activities of security and police forces (financial, administrative, performance and supplies)	Round the year	
21	Audit and evaluation of the work of the education sector, including universities, colleges and high education (financial, administrative, performance and supplies)	Round the year	
22	Audit and evaluation of local authorities (financial, administrative, performance and supplies), as well as analyze and audit of their balances and methods of execution (budget)	Round the year	
23	Indirectly monitor of the private sector by activating the role of the corporation comptroller by obligating private enterprises to articles of association, especially the clause on submission of annual budget on due time	Round the year	
24	Audit and evaluation of procedure progress of ministry of financials (evaluation of performance)		
25	Audit and evaluation of P.N.A's access points (financial, administrative and performance)		



III- Public complaints and press probes:-

In order to strengthen ties with the public media (the fourth authority), to promote the culture of accepting the other in institutions subject to the Bureau's control and to put an end to tendentious rumors by practicing good governance, abiding by the principle of transparency; the Bureau conducts the following activities:

	Item	Timelines
1	Examining and responding to any complaints filed by the public in relation with any institutions under the Bureau's control	Round the year
2	Following-up the outcomes of compliant examination at institutions under the Bureau's control	Round the year
3	Monitoring press, media and web investigations on deviant financial and administrative practices in institutions under the Bureau's control and taking necessary action to correct such deviant practices	Round the year

IV- Following-up public money protection files:-

In execution of the laws on protection of public money, which cannot become void by conscription, the Bureau will follow-up all files connected with abuse of public money by providing necessary authentic and admissible evidence and affirmative proofs requisite to regain abused public money in cooperation with the P.N.A Presidency, the Legislative Council and the Attorney General.

V- Report preparation:-

Based on the above, and in execution of the provisions of the of the State Audit and Administrative Control Bureau, the following reports are to be prepared during the year of 2008:

	Type of report	Timelines
1	The annual report	Until the end of March 2008
2	Quarterly reports	By the end of every quarter of 2008
3	Audit reports state the outcomes of audit and control of the institutions under Bureau's supervision	Round the year
4	Special reports (matters of significance whenever it is necessary)	Round the year
5	Reports demanded by the President of P.N.A, the Legislative Council and the cabinet	Round the year
6	Monthly reports	By the end of every month