

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Palestinian National Authority

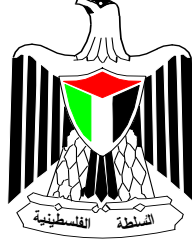
State Audit & Administrative
Control Bureau



السلطة الوطنية الفلسطينية

ديوان الرقابة المالية والإدارية

Palestinian National Authority



State Audit and Administrative Control Bureau

Annual Report

2006

Executive Summary

Audit and supervision for construction, Development and Promoting for good Governance

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Acknowledgment

The State Audit and Administrative Control Bureau aspires to exercise the works of supervision and Control by what harmonizes and the rules of the International Organization Of Supreme Audit Institutions (INTOSAI),the international government review criteria, the Audit and the confirmation international, the organization of the international transparency, and the rest of the international organizations regional and local ones specialized in the supervision and the financial and administrative Audit, And this requires the reorganization and intuitionism of the Bureau according to the new financial and administrative supervision and audit by its different kinds according to the better international exercises, Taking into consideration the legislation, the traditions and the dominant national circumstances, and the reality of the negative policies of the Israeli occupation on the Palestinian people .

According to what we approached and for the objective inquiry about the public money administration results ; the Bureau adopted new work policy in the beginning of the year 2006 it concentrates on the supervision of systems and not the supervision of individuals, Through the preparation of balanced accurate and objective reports, the more upright and the deepest meaning and their deployment according to the law for informing public and fourth authority on the Bureaus work results as first , And showing the shining stages in building the enterprises, the necessity of their development and their generalization until the others benefits from them as second, , and the disclosure of dangers financial and administrative violations that appear in the administrative and financial systems , and their treatment and making their repeating them very difficult matter as third , and making the service of With a greater return to the enterprise economic and social as fourth, and the change of culture service concept of supervision and audit that come to the degree of resistance and refusal sometimes to a service with high quality that the enterprises requests for the Bureau as fifth, enhancement of the Palestinian administrative and financial system and, rising its acceptability locally, regionally and internationally as sixth, and the contribution in building a state of establishments based on a modern, transparent, overt and impartial system that has the ability to control public money, fight corruption and improve the good governing as seventh.

The implementation of this policy on the Palestinian establishments audited by the Bureau demands effort intertwinement of its employees, as well as the acceptance of the challenge imposed by the burden of audit and control work under unusual circumstances. The Bureau works on balancing its role and capabilities in order to save money that exceeds the capacity of its operations, and enhancing its economic, social and financial feasibility.

The devotion of this report's submitters, along with their commitment and sense of responsibility towards Bureau's vision and mission were the most significant factors that made it's publication possible, so we would like to show our appreciation to all members of State Audit and Administration Control Bureau, and we would like to thank Mr. Naeif Abu Khalaf for his valuable remarks, which led to the execution of the report's final format, and Mr. Muhammad Saba'aneh for designing the slogan.

In addition, I would like to thank all bodies covered by Bureau's control for their cooperation with Bureau's staff and the adoption of its recommendations, especially the presidency institution, which was the first to ask for Bureau's audit services, facilitate its duty and adopt its recommendations, as Mr. President Mahmoud Abbas addressed the president of State Audit and Administration Control Bureau upon the assumption of his duty:

"No body is above the law, all laws are in your service, and you may start audit and control with the presidency"

Dr. Mahmoud Abu-Alrub

**President of State Audit and
Administration Control Bureau**

Introduction

The year of 2006 saw dramatic changes in respect with the Palestinian case, and these changes affected the performance of the State Audit and Administration Control Bureau, along with the rest of PNA's establishments. The changes were initiated with the Palestinian Legislative Council's second elections, and the dominance of the leader party on decision making, the latter was obviously expressed by the formation of the 10th cabinet and the incidents that followed (tightening the Israeli closure-killings-arresting Palestinian ministers and deputies-ceasing tax money transfers from Israel). In parallel, international financial and economic punishments were imposed on a people who suffer under the Israeli occupation; these punishments were clearly articulated by stopping foreign money transfers, and banning banks from dealing with the Palestinian cabinet.

The most dangerous aspect of them all was the deterioration of the domestic security; the personal safety was lost and illegal guns were seen everywhere, innocent people were put down while guilty people had impunity, and violations of law made Palestinians approach civil war more than ever.

Election programs of all parliamentary parties concentrated on fighting corruption, enhancing intelligibility of public money management, employing that is based on equal opportunities, putting an end to abuse of public function and administrative corruption. The aforementioned titles are of State Audit and Administration Control Bureau's domain, but the will to activate them remained in hands of the legislative council and the tenth government.

The Bureau, in light of these contradictions, had to accept the challenge and get along with establishing SAACB on modern administrative basis, and providing control and audit services based on the best international experiences.

This report aims to highlight the positive aspects of establishments' work progress, and internal audit and control systems in particular, since this is the only way to develop and to generalize them, and then to reveal blatant administrative and financial infringements that could be found at bodies submitted to Bureau controlling, as well as suggesting reformation methods so as not to occur again. The report also aims to overspread and reinforce corruption fighting measures effectively, and to improve impartiality, intelligibility, honesty and sense of responsibility among civil servants, and to create successful and well-organized systems that are capable of risk managing, internal auditing and advancing of performance control.

The significance of this report comes out from being an all-new approach in composing and publishing SAACB reports that focus on systemized controlling rather than individuals' controlling. Moreover, it provides controlled foundations and decision makers with points of strength and weakness in systems creating process, since this helps in avoiding previous faults and building a state of well-ordered establishments on the basis of modern management, and according to state-of-the-art international experiences.

The reports depends on information collected from data listed in SAACB's audit and control reports of 2006, the data have been subdivided after being categorized and analyzed in line with the related international experiences into:

- Determining subject of control.
- Forming control staffs.
- Preparing a control plan or program.
- Addressing controlled body (through a formal memo).
- Executing field audit and control duties.
- Preparing a draft of controlling report.
- Revising the draft through 3 levels:
 - 1- Department manager.
 - 2- Reports revision committee.
 - 3- Bureau president.
- Approving and publishing the controlling report.
- Following up and referring to controlled body's reply.

The report is based on the law of State Audit and Administration Control Bureau No. 15 for 2004, article 8 of which states: "**The Bureau President shall submit to both of the President of Palestinian National Authority, the Palestinian Legislative Council and the Cabinet, annual report. The annual report of the bureau should be promulgated in the Official Gazette**".

The annual report is divided into 3 chapters; the first one is dedicated for reviewing reality of State Audit and Administration Control Bureau, which includes its foundation, vision, core values, strategic objectives, specialties, authorities, controlled bodies, work mechanisms, kinds of controlling, activities and achievements, budget, annual report, evaluation of controlling system and internal audit.

The second chapter deals with financial and administrative infringements and their methods of management for the 3 authorities (executive, legislative and judiciary), security agencies, public corporations, funds, companies, local government, NGOs and universities.

Whereas the third chapter discusses the futuristic horizons, and the most important challenges that the Bureau faces, which are the application of

standards of the International Organization of Supreme Audit Institutions (INTOSAI), the contribution in constructing a firm internal audit and control system, the change of audit and control concepts, the control of performance, the reinforcement of good government, the activation of people's control, the enhancement of citizen and private sector's trust in the Palestinian National Authority's policies and the establishment of a typical audit and control bureau.

Staff of State Audit and Administration Control Bureau attempted to present this report with the best international experiences available, and it welcomes any comments, advices or suggestions that could help the development of the annual report.

The executive summary

To the annual report

Of the year 2006

The annual report consists of three chapters in addition to the results, the recommendations and nine annexes that is by their total the supervisory and audit activities of the Bureau in the year 2006.

The first chapter handles the reality of the State Audit and Administrative Control Bureau in terms of the emergence by the law number (15) of year 2004 and the responsibility in front of the President of the Palestinian National Authority and the Legislative Council about all its works and its view of the elevation by the Palestinian Arab people from the dependence on foreign aids to the self dependence through the wise pending and the continuous improvement of performance.

An aim from our message the assurance that the general performance agrees with laws, systems , regulations ,decisions and the effective instructions in their limits and that it exercises by an economy, an efficiency and an effectiveness , And the instructive principles for which a deep effect on how the Bureau general directorates think and work considering its essential values towards the achievement of the central target in the strategic plan which is the offering of supervision and audit with a high quality according to the better international exercises by an economy, an efficiency and an effectiveness .

The Bureau achieved (263) audit reports through the year 2006 and participated in 69 sessions of central purchase committee as a supervising member and the Bureau followed up many of the complaints whether from the public or from the enterprises in addition to issuing a collective report about the evaluation of the internal supervision and audit systems To a number of authorities subject to our supervision and the delivery of report to the president of the PNA , the Legislative Council , the Prime minister , and was published on the official site of the Bureau.

Within the framework of the Bureau concern for the delivery of its message, the deployment of the good supervisory service concept and the consolidation of relation with the authorities subject to its supervision and the local and Arab institutions and the foreign ones with the same specialization , the Bureau held Many of conferences, seminars and visits which contributed to the increase of awareness towards the Bureau role and reinforced its relations with all of the sides controlled by its supervision , and from the most prominent distinguished achievements in this regard the request of many authorities controlled by its supervision for the service of audit and supervision on their financial and administrative works.

And on the Arab level the Bureau has activated his role in the Arab organization of Supreme Audit Institutions (ARABOSAI) , and held a training agreement with the Supreme Audit Institution of Kuwait and within the

framework of capacity building , the Bureau have prepared : Organizational Structure of the Bureau , the Strategic Plan , the Annual Plan , the Emergency Plan for the year 2006 , rent a new headquarter for the Bureau , prepare a study about the Bureau's law and the mandate needed to fit with in the international standards , prepare a guiding system for for evaluating the internal supervision and audit systems , preparing guides for supervision on new employment and promotions , guides for financial and administrative control , publish and update the Bureau's web site .

The Bureau faced many of the legal obstacles , the organizational , and technical ones that limited its ability of carrying out its tasks by an economy, an efficiency and an effectiveness the most important obstacles are: The absence of the true political will from the government in the 2006 for the activation of the Bureau's work, The non approval of the organizational structure from the Legislative Council, the absence of the direct communication between the Bureau's headquarters in Gaza and the bank, The non approval of the annual budget of the year 2006, the lack of the material and human resources enough for the Bureau to carry out its tasks, The non financial and administrative independence of the Bureau , The non response to the Bureau reports about 58 % to the total of the issued reports reaching 263 audit reports.

The second chapter handles the financial and administrative essential violations that the Bureau revealed through the supervision and audit reports achieved in the year 2006 which concentrated on the supervision of systems remote from the supervision of individuals.

The Bureau divided the authorities controlled by its supervision into eight sectors and they are: Executive Authority , The Legislative Council , The judiciary Authority , The security services and the police , The public corporations and companies , The local government , The enterprises and NGO's , Universities and collages.

From the reports of audit and supervision that has been published through the year 2006 we recorded the most financial and administrative repeated violations:

- There was no preparation and publication of the final accounts to the PNA.
- There was no approval of the general budget of the year 2006.
- There was no providing of reports about the preliminary unified calculations for the general dealings to the Bureau.
- There was no commitment of most ministries with providing the Ministry of Finance and the budget directorate of the monthly expenditure reports and the financial situations.

- Most of the employments and the promotions took place contrary to the rules of law.
- Weakness of the execution of the purchase operations according to laws and regulations to most of the authorities.
- Weakness in commitment to the system of bids and agreements with suppliers.
- Weakness in getting bills of taxes and the zero vat bills.
- The use of government vehicles in violation way to law.
- The exaggeration in the telephone expenses.
- The non response to the Bureau reports about 58 % to the total of the issued reports reaching 263 audit reports.

The financial and administrative essential violations that the Bureau revealed in the authorities subject to its supervision in the 2006:

Executive Authority:

From the supervision and audit reports of the year 2006 took place on the executive authority (the presidency institute, the Cabinet and ministries, the governorates), and that reached 94 reports by the ratio of 36 % of the Bureau's total reports, we recorded the repeated essential violations consequently:

1. Weakness in the internal supervision and audit system.
2. The non regularity of the preparation of expenditure reports and monthly financial attitudes.
3. Most of the appointments and the promotions in the 2006 took place against the law.
4. The non presence of approved budget.
5. The non preparation and publication of the final accounts.
6. The mismanagement and use of the government vehicles from most authorities.
7. The exaggeration in the telephone expenses.
8. A disorder in the application of the financial system.
9. Weakness in the adherence in the work according to the bids system.
10. Weakness in the commitments with signing the record of attendance and absence.

The Legislative Council:

From the supervision and audit reports of the year 2006 took place on the Legislative Council (one report), less than 1 % of the Bureau's total reports, we recorded the repeated essential violations consequently:

1. The non cooperation with the Bureau in holding the supervision and audit in Gaza.
2. No response to the Bureau's letters and reports.
3. The non approval of the organizational structure of the Bureau.

4. The non approval of the general budget of the PNA.
5. The Legislative Council did not carry out the required role from it in legislation and supervision on performance of the executive authority.

The Judiciary Authority:

From the supervision and audit reports of the year 2006 took place on the judiciary Authority (6 report), 2 % of the Bureau's total reports, we recorded the repeated essential violations consequently:

1. Weakness in the internal supervision and audit system.
2. A disorder in the application of the financial system.
3. Most of the appointments and the promotions in the 2006 took place against the law.

The security services and the police:

From the supervision and audit reports of the year 2006 took place on the security services and the police (4 report), 2 % of the Bureau's total reports, we recorded the repeated essential violations consequently:

1. Weakness in the internal supervision and audit system
2. No response to the Bureau's letters and reports.

The public corporations and companies:

From the supervision and audit reports of the year 2006 took place on the public corporations and companies (61 report), 23 % of the Bureau's total reports, we recorded the repeated essential violations consequently:

1. Weakness in the internal supervision and audit system.
2. No response to the Bureau's letters and reports.
3. The tax evasion.
4. Most of the appointments and the promotions in the 2006 took place against the law.
5. The mismanagement and use of the government vehicles.
6. There is no closer to the final accounts.
7. Disorder in the calculation of the additional working hours.

The local government:

From the supervision and audit reports of the year 2006 took place on the public corporations and companies (50 report), 19 % of the Bureau's total reports, we recorded the repeated essential violations consequently:

1. Weakness in the internal supervision and audit system.
2. The mismanagement and use of the government vehicles.
3. A disorder in the application of the financial system.
4. There is no commitment to the system of buildings and constructions.

5. Weakness in an administration of the municipality's properties (fixed assets).

The enterprises and NGO's:

From the supervision and audit reports of the year 2006 took place on the enterprises and NGO's (33 report), 13 % of the Bureau's total reports; we recorded the repeated essential violations consequently:

1. Weakness in the internal supervision and audit system.
2. There is no follow of the legal procedures in the operation of payments and purchase.
3. A disorder in the application of the financial and accounting systems.
4. Holding the elections of boards of directors does not take place in their date according to regulations and the laws.

Universities and collages:

From the supervision and audit reports of the year 2006 took place on the enterprises and NGO's (14 report), 5 % of the Bureau's total reports; we recorded the repeated essential violations consequently:

1. Weakness in commitment in the application of the financial system.
2. The non preparation of list of the financial position and final accounts.
3. There is no follow of the legal procedures in the operation of payments and purchase.

Follow up of public money protection files submitted before the attorney general

In accordance with the basic role of SAACB in better preserving and spending of public money, carrying out its authorized powers as SAACB law states, and following up public money protection files, SAACB submitted many files related to public money protection to the public prosecution, and they were 20 files by the end of the year 2006. Public prosecution has executed several procedures, and they were:-

- 1- Keeping in 3 files for absence of crime.
- 2- Resuming investigation of 8 files by the public prosecution.
- 3- Concluding 5 files and transferring them to the court of merits.
- 4- Forwarding 4 files to SAACB to examine and compose reports.

The third chapter discusses obstacles of audit work and SAACB's seek for sticking to standards of international control. Furthermore, the Bureau is to concentrate on systems' controlling and internal auditing in the controlled bodies, with the aim of reaching an "A" level by the end of the year 2008, and commencing performance control and good government enhancement. This demands a change of concept and culture of administrative financial control and audit, and making them a must for audited bodies, since this will increase

citizens' and private sector's trust in policies and performance of PNA's establishments. A typical bureau must be established to respond to future challenges and horizons; this bureau has to be administratively and financially independent, capable of providing control and audit services according to the finest international experiences and could take part in the Arab Organization of Supreme Audit Institutions (ARABOSAI), as well as the international boards, especially the Asian Organization of Supreme Audit Institutions (ASIOSAI) and the international Organization of Supreme Audit Institutions (INTOSAI).

Results & Recommendations

Results:

From the reality of the administrative, supervisory and audit work in the year 2006 and the diligent work for the activation of the Bureaus law and its application on the authorities subject to our audit and supervision, and a consolidation of transparency, inquiry, punishment and fighting corruption the Bureau concluded to the most important next results:

On the level of State Audit and Administrative Control Bureau.

- 1- The weakness of the internal audit and supervision system in the Bureau where its accuracy degree reached 19 % in the beginning of the year 2006 and reached 64 % by the end of the year 2006.
- 2- The State Audit and Administrative control Bureau do not have financial and administrative independence and the absence of a clear legal text in this regard.
- 3- State Audit and Administrative Control Bureau followed the policy of supervision and audit on the system, and it kept away from the supervision of persons.
- 4- The government did not approve the budget of the Bureau for the year 2006, and it did not provide the minimum requirements from materials and human resources for carrying out of its supervisory duty with efficiency, proceedings and an economy way .
- 5- The Bureau worked for the activation of its role in the Arab Organization for Supreme Audit Institutions (ARBOSAI).
- 6- In spite of the PNA persistent efforts in cooperation with the government to stabilize the membership of the Bureau in the International Organization of Supreme Audit Institutions (INTOSAI) and the Asian Organization of Supreme Audit Institutions (ASOSAI) did not take place .
- 7- The follow-up of 107 complaints came from the public and the enterprises.
- 8- Weakness of documentary round related to the fixed assets and trusts.

On the level of Supervision and audit works.

From the issued audit reports from the Bureau in the year 2006 and reaching the number 267 report, the summarization of the most important results that the Bureau concluded by what comes :

Public Results:

- 1- 98.8 % of the authorities that was subjected to audit and supervision co-operated with our auditors.
- 2- 6% of the authorities that we evaluated the internal supervision systems got a grade of excellent, 11 % good, 31 % an average and 52 % weak.
- 3- 58 % of the authorities that were subject to our audit and supervision did not give any response to the audit reports of the Bureau.

Executive Authority:

- 1- General weakness in the internal supervision systems.
- 2- 79 % did not give any response to audit reports prepared by the Bureau.
- 3- There is no approved organizational structure in the Presidency institution.
- 4- Ministry of finance did not prepare and publish the final accounts to the PNA in a regular way stated by the law.
- 5- Ministry of finance did not prepare the annual budget and submit it to the Legislative Council to be approved in time frame stated by law.
- 6- Ministry of finance did not prepare quarter financial reports and submit it to the authorized institutions.
- 7- Ministry of finance did not issue permanent instruction on preparing the final account of ministries and public institutions to enable the ministry of finance to prepare the final accounts for incomes and expenditure according to the law.
- 8- The huge increase in the external lawns to the PNA and the absence of the Legislative Council in this file.
- 9- The government employee became the biggest lawn to the PNA in the year 2006 , where the amount of pay roll that where not paid are (529266164) US Dollars in the end of the year 2006 , the sum of all payment required from Ministry of finance are (855532304) US Dollars , and the sum of all payment required from ministry of finance for previous years are (11439750444) US Dollars
- 10- The Ministry of Finance did not oblige the authorities benefiting from the loans with offering reports about the loans and its use.
- 11- Public debt department in Ministry of Finance did not carry out the management operations of recording and follow-up the internal loans that the PNA borrowed from the banks and the investment fund.
- 12- A government printing office did not arise and the government prints and specially the stamps of the general revenues are still done in private printing offices, Also the rise of the stamps balances in ministries responsibility without a closure to them.
- 13- Most of the appointments and the promotions in the 2006 took place against the law.
- 14- The mismanagement and use of the government vehicles from most authorities.

15- The exaggeration in the telephone expenses at the sides that the audit took place on them.

16- Lack of laws, systems and instructions that rules the work of ministries within the reach of their employees.

17- The non care of ministries for preparing guides to help the employees in the easiness and the good performance of the daily works.

18- The presence of an overlap, a repetition and an aggression on the works and supervision specializations of the Bureau from the general directorate of the internal audit in the Ministry of Finance.

The Legislative Council:

1- The internal supervision system is good and can reach an excellent at the activation of the internal supervision system.

2- 100 % did not give any response to audit reports prepared by the Bureau.

3- The Legislative Council suffers from a paralysis in holding the sessions, issuing laws, legislations and the supervision on the executive authority.

4- The non follow-up of reports and recommendations prepared by the Bureau.

The judiciary Authority:

1- Weakness in the internal supervision system.

2- 93 % did not give any response to audit reports prepared by the Bureau.

3- The presence of eight files converted to the attorney general did not complete until now.

4- The courts did not carry out their role in ending thousands of the accumulated cases at them.

The security services and the police:

1- Weakness in the internal supervision system.

2- 100 % did not give any response to audit reports prepared by the Bureau.

The public corporations and companies:

1- The national center of studies and consolidation does not carry out the transfer of all its revenues to the account of general treasury according to the regulations and laws.

2- 36 % did not give any response to audit reports prepared by the Bureau.

3- The organizations, the public corporations and companies got the better results in the evaluation of the internal supervision systems and can exercise the supervision of performance on all their enterprises.

The local government:

- 1- General weakness in the internal supervision system.
- 2- 19 % did not give any response to audit reports prepared by the Bureau.
- 3- The weak commitments by the financial system items of the local authorities in spending, preparation of budgets and the reinforcing of documents.
- 4- The absence of the preparation of the financial position according to regulations and laws.

The enterprises and NGO's:

- 1- Weakness in the internal supervision system.
- 2- 23 % did not give any response to audit reports prepared by the Bureau.
- 3- There is no commitment by systems and laws organizing procurements.
- 4- The preparation of budgets and annual financial sheets do not take place according to regulations, laws and deliver them the specialization authorities.
- 5- Holding the elections of boards of directors does not take place in their date according to regulations and the laws.

Universities and collages:

- 30 % did not give any response to audit reports prepared by the Bureau.
- 1- Al-Azhar University :**
 - The university did not prepare the budget according to the scientific origins.
 - The university did not prepare and present the final accounts on the scheduled time according to law.
 - The university did not held official records for the stabilization of fixed assets.
 - Weak commitment to the financial system especially in the purchase operations.
 - There is no organizational structure to the university approved by the Board of Trustees.
 - There is no approving and documented system to the grants and the loans .
 - 2- Al-Aqsa university :**
 - The preparation of documented studies does not take place from specialists to projects before its execution.
 - 3- The Islamic university :**
 - There is supervisory disorder in the computerized system in the financial department.

- Weak commitment to the financial system.
- The absence of the documented proposed and approved budgets for projects.
- Weak commitment to the financial system and accounting systems in all processes.

4- Palestine Collage of Technology:

- The Collage does not prepare the financial position and the final accounts according to laws and regulations.
- Weak commitment to the financial system especially in the purchase operations.
- Weak commitment by the law of general requirements in recording the requirements movement.

5- Palestine International university

- The university carries out the submission of students before getting the recognition from the Ministry of Higher Education.

Recommendations:

On the level of State Audit and Administrative Control Bureau.

For building of a typical Bureau capable of offering a supervision and Audit service according to the better international exercises harmonious with the criteria of supervision and audit And the international government review, a consolidation of transparency, inquiry , punishment and fighting the corruption with efficiency and an effectiveness we advise on what comes :

- 1- The Bureau must develop the system of audit and internal supervision, and the improvement by it to a grade of excellent just after the approval of its organizational structure.
- 2- The necessity of an amendment the Bureaus law and the grant of the financial and administrative independence by a clear legal text.
- 3- Working for a development and consolidation for policy of supervision and Audit are on systems and keeping away from the supervision of persons.
- 4- The necessity of greater efforts exertion for the stabilization of the membership of the Bureau in the International Organization of Supreme Audit Institutions (INTOSAI), and the Asian Organization of Supreme Audit Institutions (ASOSAI) .
- 5- The necessity of an activation of the Bureaus role on a larger scale in the Arab Organization of Supreme Audit Institutions (ARABOSAI)
- 6- The Bureau must complete computerization to all processes between the two headquarters for full electronic data connection with the institutions that are subject to audit and supervision and to use computerized auditing systems.
- 7- The Bureau must develop the annual cycle for documenting the assets and trust.

On the level of financial, Administrative, fighting corruption and Promoting for good Governance:

For the consolidation of transparency and inquiry in the public money administration, the use of authority and fighting corruption, the reduction of dangers, and the correction of mistakes objectively wherever it was found and made its repetition a very difficult matter and from the reality of the auditing reports that we achieved in 2006, the Bureau recommendations to the authorities subject to its control and audit as follow:

Executive Authority:

- 1- The necessity of elevation the internal supervision systems to a grade of excellent by the end of the year 2008.
- 2- The preparation, approval of the organizational structure, and the completion of employees distribution according to the structure till the end of the first quarter of the year 2008 is necessary for the presidency Institution.
- 3- Ministry of Finance must prepare and publish the final accounts of the Palestinian National Authority regularly according to the law.
- 4- Ministry of Finance must prepare the annual budget and submit it to the Legislative Council for its discussion and approval on time according to the law.
- 5- The Ministry of Finance must prepare the quarter financial reports and submit them to the authorized authorities in the specific dates.
- 6- The necessity of holding appointments and promotions according to the law of civil service, the executive regulation, and through the general Personnel Council.
- 7- On all of the ministries, the organizations and the enterprises providing the Ministry of Finance with the spending reports and the financial attitude are in a monthly way.
- 8- The speed of a preparation and issuing the permanent instructions for a closure, the preparation of final accounts and its distribution are necessary for the Ministry of Finance on the ministries and the public corporations.
- 9- On the Ministry of Finance the obligation of a public debt circles with the follow-up of the internal loans and its development.
- 10- The care for the establishment of a government printing office and holding the annual inventory are necessary to the revenues stamps in the Ministry of Finance, and a follow-up, an equalization and the closure of the stamps accounts by the ministries responsibility yearly.
- 11- The necessity of commitment by the systems and the laws that organize a use, the possession of the government vehicles and the reorganization and the immediate distribution of the compounds in the government corporations.
- 12- The necessity of the organization of the use of the telephone according to an approving and documented system.
- 13- The provision of all laws, the systems and the instructions that rules their work, and a preparation, the consolidation of work evidences and their putting are necessary for the enterprises within reach of their employees.
- 14- The Ministry of Finance must reorganize the framework and the organization of the work of the public administration for the internal audit for ending the overlap and repetition and the aggression in the works and the supervisory specializations are necessary for the Bureau ,

By what guarantees an integration and efficiency of the supervisory works and the commitment to the law.

- 15- The commitment to response to the Bureau's reports.

The Legislative Council:

- 1- Building a typical enterprise is necessary as to be followed and the development of a supervision system and an internal audit reaches an excellent degree by the end of the year 2008.
- 2- It is necessary for the Legislative Council to take its role in the legislation with issuing the laws, the supervision on the executive authority and getting out of the paralysis condition that it suffers.
- 3- The provision of legal cover and the moral protection for the Bureau are necessary to the Legislative Council, and the follow-up of its supervisory works and taking its recommendations according to the law.
- 4- On the Legislative Council members the commitment and the imitation of the Prophet's Hadith "whom took the wage God ask him for the work"
- 5- The commitment to response to the Bureau's reports.

The judiciary Authority:

- 1- The building of an internal supervision system is necessary reaches an excellent level at the end of the year 2008 .
- 2- The necessity of the activation of the role of the authority of the justice in all aspects of life and putting a limit to the guilty who act upon immunity.
- 3- The need to complete the investigations in all of the files transferred to the attorney general.
- 4- The formation of a special court is necessary to be been concerned with crimes of economic and financial violations.
- 5- The necessity of settlement in all accumulated cases in the courts according to a specific timetable.
- 6- The commitment to response to the Bureau's reports.

The security services and the police:

- 1- The building of an internal supervision system reaches an excellent level by the end of the year 2008.
- 2- The necessity of commitment of all security services individuals by the official working hours.
- 3- The necessity of providing all needs and the security work requirements to all of the security services.
- 4- The commitment to response to the Bureau's reports.

The public corporations and companies:

- 1- The building of an internal supervision system reaches an excellent level by the end of the year 2008.
- 2- The necessity of restoration of all spent money from the tobacco organization without any right on the external authorities, and taking all legal procedures for their collection.
- 3- The organizations, the public corporations and the companies must transfer all of the financial dues based on them to the account of the general treasury regularly.
- 4- The commitment to response to the Bureau's reports.

The local authorities:

- 1- The building of an internal supervision system reaches an excellent level by the end of the year 2008.
- 2- The necessity of commitment by the financial system items of the local authorities in the spending, the preparation of budgets, and the reinforcing saving.
- 3- The local authorities must prepare the financial position according to the law.
- 4- Must be approved of a unified administrative system that rules the work of the local authorities and specially the appointments, the promotions and the salaries.
- 5- The commitment to response to the Bureau's reports.

The enterprises and NGO's:

- 1- The building of an internal supervision system reaches an excellent level by the end of the year 2008.
- 2- The need to follow the legal procedures in the purchase operation with the commitment to laws.
- 3- The need to prepare the budgets and the annual budgets according to laws, regulations and their delivery to the specialized authorities.
- 4- The necessity to hold the elections of boards of directors in their date according to the law and regulations.
- 5- The commitment to response to the Bureau's reports.

Universities and collages:

- The commitment to response to the Bureau's reports.

1- Al-Azhar University :

- The necessity of the preparation of the budget according to the scientific origins.
- The preparation and presentation of final accounts on the scheduled time according to the law.
- Official records hold for the stabilization of fixed assets.
- The commitment to the financial system and especially in the purchase operations.
- The framework and structure preparation of the university and its approval from the Board of Trustees.
- The necessity of approving system to the grants and the loans.

2- Al-Aqsa university :

- The commitment by the law of the general requirements in bids , purchase and supplies .
- The necessity to document studies preparation from specialists for the projects before its execution.

3- The Islamic university :

- The reform and development of the computerized financial program in the financial department.
- The commitment to the law of the general requirements.
- The necessity to document discretionary and approved budgets of the projects.
- The commitment to the accounting and financial system is necessary in all financial behaviors.

4- Palestine Collage of Technology:

- The preparation of the financial position and the final accounts according to the law.
- The commitment to the accounting and financial laws is in the purchase operations.
- The commitment by the law of the general requirements in recording the requirements movement.

5- Palestine International university

- The university must get the appropriate recognition from the Ministry of Higher Education and do not record students before that.