



Palestinian National Authority

Act of
**Financial & Administrative Control
Bureau**

NO. 15 for 2004

The Law of Financial & Administrative Control Bureau

We President of the Palestinian National Authority

After having perused the amended basic law

The law of General Control Institution, No. 17 for 1995

The resolution No. 22 for 1994, on the establishment of the General Control Institution

The resolution No. 301 for 1995 on appointment of the president of the General Control Institution

And according to what was acknowledged by the Palestinian Legislative Council in its Session, held in 14 - 4- 2004

Hereby promulgate the following law

Chapter one Definitions & General Provisions

Article 1

In applying the provisions of this law, the following expressions and terms wherever they are contained herein shall have the meanings assigned thereto, unless otherwise stated:

The National Authority: Palestinian National Authority (P.N.A)

President: President of Palestinian National Authority

The Cabinet: The Cabinet of Palestinian National Authority

The legislative council: The Palestinian legislative council

The absolute majority: one member plus to the half of total of the legislative council representatives

The Bureau: Financial and administrative control bureau

President of the bureau: President of financial and administrative control bureau

Vice President: Vice President of financial and administrative control bureau

The Director General: Director General of financial and administrative control bureau

Article 2

According to the provisions of this law, the public bureau shall be established and named: Financial and Administrative Control Bureau, it shall have private budget, within the Palestinian authority general budget

It shall enjoy independent juridical person, and shall have the complete legal aptitude to take up all works and activities, ensuring the achievement of the requested assignments

Article 3

Control shall mean the control procedures and works, which shall aim at:

- 1- Ensuring the soundness of financial activity, and good use for the public money, in the assigned purposes to it.
- 2- The administrative inspection, to guarantee the performance efficiency, good application for the authority, and the deviation disclosure, where found.
- 3- The extent of harmony and correspondence in the financial and administrative activity with the prevalent laws, the regulations, the rules, and the resolutions.
- 4- Ensuring the transparency, the impartiality, and the obviousness of the public performance, and to reinforce the credibility and the reliability of the economic, financial, and administrative policies of the P.N.A

Article 4

- 1- President of the Bureau shall be appointed by a resolution of P.N.A president upon the Cabinet nomination, and after the ratification on his appointment by the absolute majority of the Legislative Council
- 2- Vice president of the Bureau shall be appointed by the resolution of the Cabinet after the nomination of President of the Bureau
- 3- The General Director shall be appointed by a resolution of the Cabinet after the nomination of president of the Bureau
- 4- President of the Bureau shall appoint enough staff numbers, to enable the bureau to perform its required assignments.

Article 5

President of P.N.A shall nominate alternative for the Bureau president during two weeks as maximum, from the rejection date of the Legislative Council ratification on the president of Bureau

Article 6

The president of the bureau or the president vice-president must:

- a- Be Palestinian
- b- Be efficient and specialist
- c- Be known for his impartiality and good reputation.
- d- Not be less than forty years old.
- e- and, not be condemned of any competent court in any crime or, misdemeanor broke the honesty and honor , or the public money crime .

Article 7

The bureau shall be accountable in front of president of the Palestinian National Authority, and in front of the Palestinian Legislative Council

The bureau shall undertake the tasks and the responsibilities assigned according to provisions of the law.

Article 8

The Bureau President shall submit to both of the President of Palestinian National Authority, the Palestinian Legislative Council and the Cabinet, annual report, or upon request, about its works and observations which were executed by it .he should also submit for the president, PLC, The cabinet any data, information, studies and researches demand from it and, he should conduct any request from any of them, the annual report of the bureau should be promulgated in the Official Gazette.

Article 9

The headquarter of the bureau shall settle in Jerusalem city, and there well be two temporary locations, one in Gaza city, and the other location in Ramallah City.

Article 10

- 1- The duration of the bureau presidency shall be nonrenewable seven years,
- 2- It is not permissible to exempt the president of the bureau for any reason, unless there is a resolution of the absolute majority of Palestinian legislative council.
- 3- The salary of the president of the bureau and his other financial rights shall be determined according to resolution of the president of P.N.A, attest of PLC, and shall be promulgated in the official gazette

Article 11

According to provisions of this law, The President of the Bureau, his vice-president, the director general, and the staff, have the immunity on whatever they commence in works subjected to implement their powers

Article 12

It is not permissible to interfere in any work of the bureau activities.
All the entities, which subjected to its control, should submit the bureau's requests, completely and perfectly.

Chapter Two
The Bureau Form

Article 13

- 1- The bureau shall be formed of the President, the Vice President, the Director General , and enough number of directors , the supervisors , the experts , the auditors , the technicians , and the staff according to its organizational structure and the schedule of job formations approved by Palestinian Legislative Council
- 2- The president of the bureau shall be a minister rank, while the vice-president shall be deputy minister rank

Article 14

The position of the bureau president shall be considered vacant in any of the following cases:

- 1- The death
- 2- The resignation
- 3- Exemption from the duty

Article 15

- 1- If the position of the president becomes vacant, the alternative shall be appointed according to provisions of this law in one month maximum from the vacancy date
- 2- The Vice-President shall manage the position in the period which mentioned above in the item no.1.

Article 16

The president of the bureau shall appoint the executive directors, the auditors, the supervisors, the experts, the technicians, and the staff, according to provisions of this law and the civil service law

Article 17

It is not permissible during the work, for the bureau president, vice president and the director general:

- 1- To occupy any other job.
- 2- To purchase or lease any of the P.N.A properties, or any other prominent person by indirect way or by a public bidding and to rent or sell any thing, or exchanging one of their properties to the P.N.A.
- 3- To participate in engagements with the public sector units, or any other entities under the Bureau jurisdiction.
- 4- To be a member of the board of directors for any company, corporation, assembly, institution, or any non-governmental body

Article 18

The Bureau shall have the necessary departments and divisions to manage its financial, administrative, legislative, follow up, studies, researches, development and planning, which are vital to perform its assignments, in accordance with instructions issued by the Bureau President

Article 19

The bureau can demand the help of the experts and specialists in the purposes and the issues, displayed to it, which requires special experiences and qualifications, financial remunerations shall be given to them, in return for their services according to the special rules

Article 20

The bureau president can form temporary committees either for control, inspection, inquiry or study and exploration committees. under an authority of auditor , and they shall be mandated for specific issues and assignments within the bureau assignments and responsibilities , and shall submit their results to him .

Article 21

It is not permissible to appoint any one, as auditor in the bureau, or delegated to conduct the auditor works, unless he get, at least, the first university degree in the subject.

Article 22

The bureau vice president shall perform the president assignments and his responsibilities in case of his absence, and all whatever delegated to him according to provisions of this law.

Chapter Three
Powers of the Bureau
Article 23

The bureau shall aim to ensure the soundness of the work, and the financial and administrative stability of the Palestinian national authority, in the three authorities, legislative authority, judicial authority, and the executive authority, and to disclose all kinds of the financial and administrative deviation, including cases of abuse of public function, affirmation that public performance is applying to the provisions of the law, regulations, rules, resolutions and instructions according to them, affirmation that it is exercised in the best way with the minimum cost in order to conduct the work according to provisions of the law, the bureau has the following rights :

- 1- Proposition of the regulations, the systems, and the bureau working policies, to submit them to legislative council for approving.
- 2- Constructing of the plans and programs, to enable the bureau to conduct its assignments.
- 3- Putting the programs and the courses of the training, for enhancing the staff development and training.
- 4- Constructing the annual budget draft for the bureau, and submit it to the cabinet to approve it as part of the public budget of the Palestinian National Authority.
- 5- Verification that the internal bodies in entities are conducting their duties correctly and accuracy, and to study the rules which organize their work, to ensure its correctness and adequacy to achieve the target objects.
- 6- Monitoring the expenses and revenues of the Palestinian National Authority, such as loans, imprests, stores and warehouses, according to this law
- 7- Carrying out the policies concerning the control and inspection, to guarantee enhancing transparency, veracity, and clearness in government actions, institutions, public agencies and the like
- 8- Examination and the verifying at the reasons of defects in the work and production including disclosure of the faults in financial and administrative systems which block regular work in public entities, to suggest the treatment and manners to avoid it
- 9- Disclosure of the financial, administrative and legal offences, which committed by the staff while performing their duties
- 10- Disclosing and controlling the offences which committed by non-public staff aiming to damage the soundness of the public service or the public job
- 11- Verifying the complaints which were presented by the public about offences or negligence in public performance, and study the contents of the newspapers about ill-management, abuse, negligence, and acting the public performance recklessly
- 12- Concerning the revenues, the bureau shall have the responsibilities for:
 - a- Auditing the actual taxes, duties, the various yields, in order to ensure that its actual and prediction was done according to the prevalent laws and regulations

b- Auditing the land sales transactions, the real estates related to the P.N.A under its administration or under its rent.

c- Auditing the acquisition of various kinds of revenues to ensure that the acquisition done in due time and according to regulations and prevalent law

13- As far as concerning the expenditures, the bureau shall have the responsibilities for:

a- Auditing the expenditures to ensure that the expenditures have been adequately disbursed , within the objectives for which such appropriations had been allocated , and that the expending has been accomplished according to the prevalent laws and regulations

b- Auditing the documents, vouchers, which have been supported to confirm spending to ensure its adequacy and adaptation in value with the records.

c- Ascertaining that posting the expending orders has been done in conformity to rules and from the concerned entities

d- Ascertaining the implementation of the provisions of public budget organization law, the annual budget law and the correctness of the money orders posted according to provisions of the budget law

14- As far as concerning the accounts of the trusts, imprests, loans, and reconciliation, the bureau shall be responsible for auditing all these accounts to ascertain the soundness of their operation, and that their numbers have been entered in the accounts they are matched with, they are supported with legal documents, and that they have been reimbursed in the defined times with its interest burdens to the treasury

15- Auditing and reviewing resolutions concerning personnel affairs in connection with recruitments, wages, salaries, promotions, increments, vacations, other allowances and the like to ensure their compliance with the general budget and related acts, regulations and prevailing provisions and resolutions

16- Auditing the grants, gifts, and donations given to the auditees, the mechanism to run and to ensure their compliance with prevailing laws and the regulations

17- Studying any question, case, or report submitted to the bureau, by the president of P.N.A, legislative council, the cabinet, or the related minister, in which considered as responsibilities of the bureau including the inspection of the administrative and financial offence committed by the staff in the entities.

Article 24

The bureau has the right to audit the accounts, documents, requirements inside the location of any entity, the staff of this entity should facilitate its assignment, and submit to the bureau all the requested information The bureau has the right to draw the staff's attention to the viewpoints, and discuss with them the reasons of delaying tasks accomplishment

Article 25

The bureau have the right to access all the reports information and data which prepared by the staff and the reports related to investigation on the offences concerning directly to the financial and administrative issues the bureau have the right to be supplied with all required information, elucidations from all the governmental departments related to their works

Article 26

The president of the bureau shall submit quarterly reports, or upon request , including the result of the bureau investigations , studies , researches , suggestions , the committed offence , the resulted responsibilities , the observations and the recommendations about them to the president of P.N.A , legislative council , and the cabinet in order to adopt the suitable actions .

Article 27

1- The auditing actions shall be conducted inside the entities, to ensure the soundness of provisions and the rules of government accounting implementation, and to ensure the obligation of the entities in implementing the general budget of P.N.A, its registering and classifying in financial actions.

2- the financial auditing shall be conducted on spending , and on internal control systems to guarantee clarity, analyzing the results, expressed by the financial positions and the final accounts for the entities to impress a real sight about it

Article 28

The bureau should submit special reports concerning very important issues considered very urgent to be discussed by both of the P.N.A president, the legislative council, the cabinet, and the competent minister

Article 29

According to provisions of this law, the bureau has the right to request , to review to preserve any files, data , papers , documents , or information , or to get a photocopy of them from the entities where the files , data , papers documents or information available including the secret circulation papers .

The bureau has the right to call who should give evidence according to the common rules and regulations

Article 30

According to provisions of the law, the bureau has the right to request from the specialized entity to exempt the official employee or suspend him temporarily if it was clear that investigation procedures will be damaged if he remained in duty

Chapter Four **The Auditees**

Article 31

According to the provisions of this law, hereunder entities shall be under the bureau jurisdiction:

- 1- The presidency of P.N.A, and all the related institutions
- 2- The prime minister, members of the cabinet, and who are in the equals.
- 3- The legislative council including its institutions and departments
- 4- The judicial authority, the prosecution, its members (the prosecutors), and the staff
- 5- The ministries and the bodies of P.N.A
- 6- The security forces, police, all military and security bodies
- 7- All kinds and levels of the public agencies, institutions, societies, unions, syndicates and their equal
- 8- The organizations and companies Owned by P.N.A, or shared with P.N.A, any one receive aid from P.N.A, or from the donors to P.N.A
- 9- The companies and institutions authorized to manage or fructify one of the public utilities of P.N.A
- 10- Local government unites including municipalities, village councils, and others
- 11- In case that there isn't any contrary context, the provisions of this law shall take effect on the entities which its laws, regulations, the issued resolutions, include special rules
- 12- The units, the departments, and the institutions on which the provisions of this law take effect, shall be called "the administrative entities"

Chapter Five **Duties of the entities under** **the bureau jurisdiction**

Article 32

The ministry of finance has to provide the bureau with detailed, analytical quarterly report for the general budget of P.N.A

The report should include the financial changes, the trends of expenditures and revenues compared with predictions

It includes the explaining of the important deviations, the cash flow analysis and the effects of these changes on the general financial situation of P.N.A, and the report explores the suggestions of the suitable rectifications procedures to reach the financial equilibrium

Article 33

Ministry of finance prepare introductory unified accounts for public transactions and submit to the bureau within six month from closing the accounts

The accounts reflect the opened balances & the closed balances for the unified fund, the private funds, details of financial transactions which done to cover financial defects, if any Net general local and foreign debt. The accounts reflect the loans during the year, the related and resulted liabilities.

34Article

According to the introductory accounts, prepared pursuant to the article 33 , the Ministry of Finance prepare the final account draft and submit it to the bureau during a year from the end of fiscal year to study it and submit it to the legislative council with related observations .

Article 35

All the financial auditors in the entities should notify the bureau of all cases of financial offences in expenditure within two weeks from the date of their occurrence

Article 36

All representatives of spending and all the entities under the bureau jurisdiction should notify the bureau of any case of defalcation , theft , squander , damage , fire , negligence and the like , at the day of their discovery, also they have to send to the bureau the resolutions concerning them once they are issued .

And also:

a- They should submit to it the indications, and data, which are necessary for reviewing the plan implementation, performance and evaluation according to the system and the forms prepared by the bureau.

b- They should submit to the bureau the answers to its observations within one month from the date of the bureau notifies the observations to them

c- They should submit to the bureau a copy of all resolutions, regulations and directions issued in that entities.

Article 37

Entities carrying out investment projects should send to the bureau a copy of contracts, agreements, tenders of each project, and the modifications which have been done during the execution of the project if the P.N.A is a part of the contractors or a partner.

Article 38

The staff of the bureau can perform the work in their offices, in the offices of auditees, or in the field. The entities under the bureau jurisdiction should find the suitable places to be used by staff of bureau when those entities asked to do it.

Article 39

The entities under bureau jurisdictions stated in item (7, 8) of article 31 of this law should present the bureau observations to the concerned Board of Directors within one month, and the General Assemblies as they have been held

Chapter Six **Financial and Administrative** **Violations**

One . Financial Violations

Article 40

According to the provisions of this law, the hereunder aspects shall be considered as financial violation:

- 1- Violating the financial rules and procedures set forth by the applied constitution, laws and regulations
- 2- Violating the rules and procedures concerning the implementation of the P.N.A general budget and controlling such implementation
- 3- Violating the rules and procedures concerning purchases, sales and stores, also the offences of all prevailing financial and accounting rules, procedures and systems
- 4- any mistaken action due to negligence , or internal errors that result in spending unauthorized amount of P.N.A , funds, wasting any financial dues for P.N.A , or other entities under the bureau jurisdiction
- 5- the non – submission of copies of the contracts , agreements , or bids , which the law requires to be submitted to the bureau
- 6- the non–submission to the bureau of the accounts , the results of operations and their supported documents within the predetermined periods , also non–submission of the papers , the data, the resolution, the meeting minutes, the documents, and the others, which the bureau asks for, to be under its disposal for examining, auditing, or accessing according to the law

Two : Administrative Violations

Article 41

According to the provisions of this law, the hereunder aspects shall be considered as administrative violations:

- 1- Abstaining from answering the bureau observations , or it's correspondences in general , or a delay in replaying them within the dates specified in the law without accepted excuse , also , any answer given by the concerned employer with the objects of gaining – time or procrastination
- 2- Non-submission to the bureau members, and the resolutions, issued in respect of the financial offences within the period specialized in this law.
- 3- The groundless delay in informing the bureau within the dates specified in this law, of measures taken by the competent entity, concerning the financial offence notified to it by the bureau
- 4- The mismanagement and misconduct or negligence in the public job function.
- 5- Omission in performance, or in the public utilities
- 6- Violate the related instructions or resolutions which issued by the bureau.

Discipline Penalties

Article 42

- 1- According to the provisions of this law , every employee perform any of the financial or administrative offences , share in performance , facilitate , conceal the offender , or being late to inform about it , should be punished disciplinary , with remising to sue criminal or civilian charge in the needs
- 2- The auditees should do the necessary procedures in order to get back the money which was paid regardless the law, also
- 3- To force the offender to back the embezzled money or the caused to loss of money due to public treasury, or due to other auditees

Article 43

The official shall not be exempted from the penalty , unless he proves that the contravention he committed has been in execution of a written order issued to him by his superior , despite his written notification to the superior of the contravention which in case , the responsibility shall be on the person who issued the order

Article 44

All the auditees should inform the bureau immediately when any financial or administrative discovered in it , or any evidence caused financial loss for P.N.A , or caused to loss any of it's properties , or may caused to loss any of it's , or may cause to loss , damage of it's fixed and current assets , at any case , in order to adopt the suitable procedures according to this law , and without prejudice to the right of the entities to take any other procedures

Chapter Seven **Staff System**

Article 45

The one to be appointed in the bureau must:

- 1- Be Palestinian.
- 2- Be efficient and specialized
- 3- Be known for his impartiality and good reputation.
- 4- and, not be condemned of any competent court of any crime or, misdemeanor broke the honesty and honor , or the public money crime .

Article 46

It is not permissible for the president of the bureau to transfer temporarily or permanently, any employee to perform in another governmental entity or non-governmental entity

Article 47

The mandated staff by the president of the bureau who conduct the bureau works shall have the power of judicial police, according to the provisions of this law

Article 48

The president of the bureau supervise all the bureau activities, and design the requested rules and resolutions for the work performance.

Article 49

The staff efficiency reports are organize by rule or system, issued as resolution from the bureau president.

Article 50

Any one works in the bureau , gets out the improper way in his work , or displays against honor of his work , he should be punished disciplinary with remising to sue criminal or civilian charge in the needs , and he shall not be exempted from the penalty , unless he proves that the contravention he committed has been in execution of a written order issued to him by his superior, despite his written notification to the superior of the contravention .In such a case responsibility shall be on the person who issued the order .

Article 51

The information , the data , and the documents perused by the bureau staff concerning their jobs and during their works in financial and administrative auditing are considered confidential, and should be exchanged according to this rule , it is not permissible to be available to public or be published , and be accessed to the others except for the judiciary when it be needed only , in suit resulted of the administrative and financial control works , for the responsible department in the bureau , or for the official reference which the reports , the recommendations , and its works results submit to , according to provisions of this law , under the ability of the disciplinary and the penal responsibility .

Article 52

It is not permissible to inflict any disciplinary penalties, unless there is an audition of the employer saying and after his rejoinder. Resolution of the bureau president shall be written herein, authorized and after inquiry commission forming

Article 53

The civil service law provisions shall run on the staff of the bureau if there is not any related text in this law.

Article 54

The president of the bureau and his vice-president should take the following legal oath in front of the president of P.N.A and the PLC before they conduct their work

"I swear by almighty god to exercise my work sincerely and honestly and to serve my home country honorably

I should not infringe the prevailing laws and regulations in Palestinian national authority. "

The other staff of the bureau should take a legal oath in front of the president of the bureau

Article 55

The Bureau President shall submit a financial obligation for himself, for his spouse and for his minor children that details what they own in real estates, movable property, bonds, stocks, cash money and debts whether inside the country or abroad to the supreme court which shall make the necessary arrangements to maintain its secrecy . Such information shall remain confidential, and may not be access unless permitted by the Supreme Court when necessary.

Chapter Eight
Final & Transferal
Provisions

Article 56

The properties of general control institution which was established according to the law no 17 of the year 1995 with its staff will be transferred to the bureau established in accordance with the provisions of this law.

Article 57

The other prevailing laws in the P.N.A shall be in force if there is not any definition, provided in this law, concerning any of the tasks and other things of the bureau responsibilities.

Article 58

The law of general control institution no 17 of the year 1995, and the resolution no. 22 of 1994 concerning establishment the general control institution shall be invalid.

Any provision, contrary to the provisions of this law, shall be invalid and revoked

Article 59

The cabinet, issuing the rules and the necessary regulations to implement the provisions of this law according to the bureau suggestion, and after the coordination with the committee of the general budget in the legislative council

Article 60

All competent entities, within their respective areas of jurisdiction, should execute this law which shall enter into force after thirty days from the date of its published in the official gazette

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Rawhey Fatooh
President of Palestinian Authority
Palestine