



**State of Palestine**

**State Audit & Administrative Control Bureau**

**Role of SAACB in Achieving National  
Development Goals**

**Case Studies on Environmental  
Auditing**

**EUROSAI/ARABOSAI IV Conference - Baku**

# Introduction

- State Audit and Administrative Control Bureau is a constitutional body established pursuant to provisions of the Palestinian Basic Law.
- The Bureau is –according to law- the supreme audit institution of Palestine.
- The Bureau enjoys comprehensive mandate where it supervises all state bodies, local government bodies and NGOs in the State of Palestine.
- President and staff of the Bureau have the immunity necessary to undertake actions.

# SAACB Actions intend to:

1. Guarantee soundness of financial/administrative actions and proper use of public funds for designated purposes.
2. Administrative inspection to ensure efficient performance, proper use of power and disclose deviations, wherever they are.
3. Check compatibility of financial/administrative actions with effective laws, regulations, codes and resolutions.
4. Guarantee transparent, honest and clear public performance, and support credibility and trust of PNA financial/administrative policies.

# **Distinctiveness of national development in the State of Palestine**

The State of Palestine, praising the resolution A/66/209 dated December 22, 2011 adopted by the UN General Assembly like all states participating in this important conference, reiterates special interest in this resolution as its legal status acquired on November 29, 2012 as a non-member observer state to the UN has been originated by the very same prestigious body that issued the resolution.

The State of Palestine does not wish to address its political status. However, it should be mentioned that any serious research about the Palestinian experience in national development could not be kept away from the political arena, whether in terms of reality or ambitious, as this concept has an exceptional importance and special connotation in light of the Israeli occupation and settlement building movement, and the disastrous outcomes they brought to both development and environment.

# Impact of auditing on national development–SAACB experience

1. Bringing trust and credibility to the Palestinian public administration, being one of the good governance pillars and a professional objective source of reporting to reflect the state's democratic systems.
2. Playing an important social role by means of interest and interaction with the public, whether directly or through the parliament that represents the people. This would enhance participation and interaction as a basic part of human rights matrix and good governance (political development).
3. Guaranteeing accountability transparency, proper use of public funds and influential anticorruption effort, since the latter is a problem threatening public funds, public order and social prosperity, and undermines state's social security (economic and social development).

4. Laying down grounds for trust in the financial system of the Palestinian administration, which increases financial support provided by donors to the State of Palestine (Russia, for instance) (education sector grants).
5. Taking stakeholders into account (public administration and the public) through receiving public complaints and following up of what is being published by the media about shortcomings and misuse of public posts. Bureau's reports should be published in the official gazette and on the Bureau's website (oversight from the people and the right to access information by the public) due to the intuitive relationship between citizens (as taxpayers) and state's public spending (article 23/11).
6. The Bureau has taken a corrective method, so it no longer undertakes old-fashioned auditing (clutching mistakes) but it looks for reasons of shortcoming in operations and production, administrative and technical systems, and suggest and precautionary methods (SAACB law – article 23/8).

7. Presenting methods that guarantee improvement of clerical procedures and actions at state bodies which help realizing job satisfaction for public servants, as human capitals is the most important sustainable development factor.
8. Winning trust of the Palestinian public sector, since it is the most significant foundation for economy and development, and through auditing public procurement (tenders and auctions).
9. Enhancing the actual involvement of civil society organizations in efforts to support good governance and rule of law, as they are integrated parts of governance system and main partner in public action.

# Role of SAACB in National Development - Environmental Auditing Perspective

## Introduction

- Environment issues are the key problems that face the world, and they hit both developed and developing countries. Local and international administrations enacted many laws and regulations on environment protection, and the Bureau has shown concern in the environment issues, as clean environment has great influence on development issues in total.
- Based on the Bureau's responsibilities and the belief in role it plays (to perform environmental auditing for all issues that affect sustainable development system and protect environment), the Bureau has adopted environmental auditing and looks always for benefiting from the best international practices in the field, as the Bureau believes that environment protection means Planet Earth must be preserved for the upcoming generations.



# Relation between environment & development – SAACB perspective

The supreme audit institution of Palestine depends in defining the relationship between environment and development on what have been determined in UN conference on development and environment held in Rio De Janeiro, Brazil (1992). They are as follows:

1. Development process that takes into account right of upcoming generations in natural resources of planet earth.
2. Development process that puts basic needs of individuals before anything else, and everything that has to do with improving quality of material and social life.
3. Development process that considers preservation of biosphere in natural environment (air, water, natural resources and power resources).
4. Balanced and integrated development that coordinates between resource using policies, investment trends and technology option.

# SAACB methodology for Environmental Auditing

- Set objectives and area of environment performance auditing (preparation).
- Form audit team.
- Set audit plan (planning).
- Implement audit mission according to plan (implementation).
- Feedback received by the audited body.
- Publish the report (legal requirement) in the official gazette and on [www.saacb.ps](http://www.saacb.ps).
- Follow up implementing recommendations by administration.

# Environmental Auditing carried out by SAACB – Case studies

The Bureau conducts Environmental Auditing on basis of provisions of SAACB law 15/2004 (financial audit, performance audit, legal audit)

It should be emphasized that Palestinian Basic Law –as Palestine’s constitution- considers the clean and balanced environment among human rights (article 33). It also stipulates that environment preservation and protection are national responsibilities.

## Case study

### Report on conditions of wastewater in Palestine

# Report outcomes

1. Absence of an approved general policy and priorities, and no wastewater and sanitation projects have been adopted.
2. There is not national strategic plan to manage the sanitation system nationwide.
3. Weak and insufficient existing sanitation infrastructure.
4. Problematic designation of powers and distribution of responsibilities, as well as granting licenses necessary for projects that bring environmental impacts (weak legal and regulatory framework).
5. Weak legal measures taken and set in wastewater law, especially fines and financial/non-financial penalties.
6. Absence of approved standards that could be used for environmental auditing, where this process is risky.
7. Challenging financial and quantitative measurement of various harmful impacts, and difficulty to hold responsibility about them and treatment methods.

8. Absence of modern equipment to examine composition and features of wastewater.
9. Industrial companies, state hospitals and pharmaceutical plants do not observe environment requirements and specifications while operating when it comes to preliminary treatment of wastewater.
10. Private sector is not encouraged to invest in this field in cooperation with the public sector.
11. Absence of dams to collect rainwater used for agricultural purposes, with the exception of al-Auja Reservoir.
12. There are about 550,000 acres of lands fit for cultivation but unexploited due to shortage of water needed for irrigation, where wastewater steps in as a renewable source.
13. Sanitation networks do not cover all built-up areas (only %30 is served).

# Impact of Israeli settlements on the Palestinian environment

- There are roughly 189 Israeli settlements and more than 258 outposts in the West Bank.
- Israeli settlements are built on elevated areas and near slopes that feed wells and springs. Wastewater produced in settlements is dumped randomly without treatment to nearby areas.
- Volume of wastewater flowing in the West Bank from Israeli settlements is estimated at 40 million m<sup>3</sup> per annum. Each litre of wastewater can contaminate 40-60 cubic meters of freshwater.
- There are factories (iron, aluminium, batteries, leather and others) within settlements built in the West Bank (20) that do not meet environment requirements, and they dump wastewater without preliminary treatment.
- Wastewater is drained from Israeli settlements into valleys and cultivated lands and penetrates through earth layers to groundwater, which bring disastrous effects on farmers and environment.

# Difficulties & impediments the Bureau faces upon practicing Environmental Auditing

1. Multitude in administrative/economic policies of the Palestinian administration, which ignores the environmental aspect. These policies are not related to each other, and sometimes disagree, so it would be difficult to determine legal responsibilities.
2. Lack of environmental indicators and standards that should be observed when evaluating performance to check implementation of environmental programs.
3. Failure to determine performance targeted by some government environmental policies, and it was difficult to compare actual performance with targeted performance to figure out deviations.
4. Difficulty to measure economic value of losses incurred by the state as a result of negative environmental impacts brought by some projects.
5. Absence of integrated and comprehensive systems for environmental information, which impedes the Bureau's ability to implement successful supervisory programs.
6. Absence of an environmental accounting system and information regarding environmental cost/benefit and appraisal of environmental project outcomes.
7. Lack of the Bureau's advanced financial and technological capabilities.
8. Continued Israeli occupation and colonial movement, added to Palestinian's inability to practice tangible sovereignty on the Palestinian territories; the subject matter of Environmental Auditing.

# The Bureau's Recommendations on Environmental Auditing

1. *Modus operandi* for SAIs should be developed, and methodologies should be updated, and cooperation with public administration bodies should be supported.
2. Qualified and well-trained auditors should be selected and well-trained to be part of the environmental auditing team.
3. Cooperation and coordination among SAIs in different countries should be supported (regionally and internationally).
4. Joint database should be developed for SAIs according to environmental requirements and regional/international treaties.
5. Audited bodies with environmental impact should be required to disclose environmental performance in their financial statements.
6. Accepted environmental standards and principles should be prepared and be adhered to.
7. Environmental awareness should be raised among businessmen and owners of industrial enterprises.
8. Internal control in Environmental Auditing field at audited bodies should be highlighted.
9. Audited bodies that have harmful impact on environment should be required to establish their own environment management systems within organizational structures, so they help set environmental objectives and determine negative impacts.



**Thanks for  
Listening**

**State Audit & Administrative  
Control Bureau  
State of Palestine**