

## Law of the Bureau of Financial and Administrative Control No. 15 of 2004

### The President of the Palestinian National Authority,

Having reviewed the Amended Basic Law,  
Having reviewed the Law of the Commission on Public Control No. 17 of 1995,  
Having reviewed the Decision No. 22 of 1994 Concerning the Establishment of the Public Commission on Control,  
Having reviewed the Decision No. 301 of 1995 Concerning the Appointment of a Chairman of the Public Commission on Control, and  
Based upon the approval of the Legislative Council during its session of 14 April, 2004,

**I hereby promulgate the following law:**

### Chapter I. Definitions and General Provisions

#### Article 1

In applying the provisions of this law, the following terms and expressions shall have the meanings specified below, unless the context determines otherwise:

<b>National Authority:</b>	The Palestinian National Authority.
<b>President of the National Authority:</b>	The President of the Palestinian National Authority.
<b>Council of Ministers:</b>	The Council of Ministers of the National Authority.
<b>Legislative Council:</b>	The Palestinian Legislative Council.
<b>Absolute majority of the Council:</b>	One (1) more than fifty (50%) percent of all members of the Legislative Council.
<b>Bureau:</b>	The Bureau of Financial and Administrative Control.
<b>Chairman of the Bureau:</b>	The Chairman of the Bureau of Financial and Administrative Control.
<b>The Deputy-Chairman:</b>	The Deputy-Chairman of the Bureau of Financial and Administrative Control.
<b>The Director-General:</b>	The Director-General of the Bureau of Financial and Administrative Control.

#### Article 2

Pursuant to the provisions of this law, a public bureau called the 'Bureau of Financial and Administrative Control' is hereby established. It shall have a special budget within the General Budget of the National Authority and shall enjoy independent juridical personality, as well as full legal authority to perform all functions and activities in fulfillment of the duties to which it is established.

#### Article 3

'Control' shall refer to control procedures and acts which aim to:

1. Ensure financial activity and the good use of public funds for the purposes for which they are allocated.
2. Administrative inspection to ensure good performance and good use of authority and to detect irregularities.

3. Ensure the conformity of financial and administrative activities with the laws, bylaws, regulations and decisions in force.
4. Ensure transparency, integrity and clarity in the public performance and promote credibility and confidence in the financial, administrative and economic policies of the National Authority.

#### **Article 4**

1. The Chairman of the Bureau shall be appointed by decision of the President of the National Authority, based upon the nomination of the Council of Ministers and with the approval of the Legislative Council by absolute majority.
2. The Deputy-Chairman of the Bureau shall be appointed by decision of the Council of Ministers, based upon the nomination of the Chairman of the Bureau.
3. The Director-General shall be appointed by decision of the Council of Ministers, based upon the nomination of the Chairman of the Bureau.
4. The Chairman of the Bureau shall appoint a sufficient number of employees at the Bureau to perform its duties.

#### **Article 5**

The President of the National Authority shall present to the Legislative Council a replacement for the Chairman of the Bureau within a period not to exceed two (2) weeks from the date on which the Legislative Council refuses to approve the candidate nominated for the position of the Chairman of the Bureau.

#### **Article 6**

The person to be appointed as Chairman of the Bureau or Deputy-Chairman of the Bureau shall meet the following requirements:

1. Be Palestinian.
2. Be an experienced and specialised person.
3. Be attested for his integrity and good reputation.
4. Be at least forty (40) years of age.
5. Not have been convicted by a competent court of any financial crime or of any felony or misdemeanour involving moral or trust violations.

#### **Article 7**

The Bureau shall be accountable to the President of the National Authority and to the Legislative Council and shall assume the duties and powers assigned to it pursuant to the provisions of the law.

#### **Article 8**

The Chairman of the Bureau shall submit to the President of the National Authority, the Legislative Council, and the Council of Ministers a report on an annual basis or upon request about his functions and remarks. He shall also provide the President of the National Authority, the Legislative Council and the Council of Ministers with all data, information, studies or research papers which they may request, as well as conduct all other functions to which he may be assigned by any of them. Each such annual report shall be published in the Official Gazette.

#### **Article 9**

The main office of the Bureau shall be in Jerusalem. It shall have a provisional office in Gaza and another in Ramallah.

### **Article 10**

1. The Chairman of the Bureau shall serve one (1) non-renewable term of seven (7) years.
2. The Chairman of the Bureau may not be deposed for any reason whatsoever except by decision of the absolute majority of the Council.
3. The salary and other financial entitlements of the Chairman of the Bureau shall be regulated by a decision of the President of the National Authority as approved by the Legislative Council; they shall be published in the Official Gazette.

### **Article 11**

Pursuant to the provisions of this law, the Chairman of the Bureau, the Deputy-Chairman, the Director-General, and the employees of the Bureau shall enjoy immunity for all of the functions which they perform with regard to their duties.

### **Article 12**

Intervention in any function of the Bureau shall be prohibited. All parties which are subject to the control of the Bureau shall cooperate fully and completely with all requests of the Bureau.

## **Chapter II. Formation of the Bureau**

### **Article 13**

1. The Bureau shall consist of the Chairman of the Bureau, the Deputy-Chairman, the Director-General, and a number of directors, consultants, experts, inspectors, technicians, and employees in accordance with the organisational structure and the list of functions approved by the Legislative Council.
2. The Chairman of the Bureau shall have the rank of a minister, and the Deputy-Chairman shall have the rank of a deputy-minister.

### **Article 14**

The position of the Chairman of the Bureau shall be deemed vacant in any of the following cases:

1. Death.
2. Resignation.
3. Deposition.

### **Article 15**

1. If the position of the Chairman of the Bureau becomes vacant, the President of the National Authority shall appoint a replacement in his place within a period not to exceed one (1) month from the date of vacancy, pursuant to the provisions of this law.
2. The Deputy-Chairman shall perform the duties of the Chairman of the Bureau during the period of time set forth under paragraph 1 above until a new Chairman of the Bureau is duly appointed.

### **Article 16**

The Chairman of the Bureau shall appoint the executive directors, inspectors, consultants, experts, technicians and employees of the Bureau pursuant to the provisions of this law and the Law of Civil Service.

### **Article 17**

The Chairman of the Bureau, the Deputy-Chairman and the Director-General, during their tenure, may not:

1. Assume any other function.
2. Purchase or rent property belonging to the National Authority or a public juridical person even in an indirect manner or by means of an auction or lease, or sell to the National Authority any properties or make bargains thereof.
3. Take part in obligations concluded by the National Authority, public institutions or bodies.
4. Combine their function at the Bureau with the membership on the board of directors of any governmental or non-governmental company, institution or body.

### **Article 18**

Necessary departments and administrative sections shall be established at the Bureau for the management of its financial, administrative and legal affairs, as well as for monitoring, studies, research, development, and planning required for the performance of its duties, in accordance with the instructions which the Chairman of the Bureau shall issue.

### **Article 19**

The Bureau may seek assistance from specialised persons and experts regarding matters and issues presented to it and regarding the examination and expression of opinion which require special qualifications and expertise. Financial remunerations shall be awarded in return for their services pursuant to the relevant bylaws.

### **Article 20**

The Chairman of the Bureau may establish temporary committees for control, inspection, investigation, examination and fact-finding under an inspector, as well as authorise them to perform particular duties that fall within the duties and powers of the Bureau. Such committees shall submit the results of their work to the Chairman of the Bureau.

### **Article 21**

Nobody may be appointed to the position of an inspector at the Bureau or delegated to perform his functions unless he holds a first university degree in his field of specialisation.

### **Article 22**

The Deputy-Chairman shall exercise the duties and responsibilities of the Chairman of the Bureau in his absence, along with all functions which the Deputy-Chairman is authorised to perform pursuant to the provisions of this law.

## **Chapter III. The Mandate of the Bureau**

### **Article 23**

The Bureau shall ensure the smooth functioning and the financial and administrative stability of the National Authority, including its executive, legislative and judicial authorities; reveal all financial and administrative irregularities and violations, including misfeasance and misuse of public functions; and ensure that public performance conforms with laws, bylaws, regulations, decisions and instructions in force, is restricted to their limits, and is exercised in the best manner and at the least possible costs. In implementing the above, the Bureau shall perform the following in accordance with the law:

1. Propose bylaws, regulations and policies pertaining to the function of the Bureau and submit them to the Council of Ministers for approval.
2. Develop plans and programmes to enable the Bureau to perform its duties.
3. Set forth special programmes and courses for the qualification and training of the employees of the Bureau.
4. Prepare a draft annual budget for the Bureau and submit it to the Council of Ministers for approval within the annual General Budget of the National Authority.
5. Ensure that the internal bodies of control, inspection and monitoring in all financial units of the National Authority perform their duties in a correct and efficient manner, as well as examine the procedures which regulate their functions to ensure their competence and accuracy in the implementation of their functions.
6. Control the expenditures of the National Authority and its revenues, loans, advances, storehouses and warehouses, in the manner set forth in this law.
7. Implement policies pertaining to control and inspection in a manner that guarantees the promotion of transparency, credibility and clarity in the work of the Government, public institutions and bodies, and those alike.
8. Investigate work and performance failures, including, but not limited to, financial, administrative and technical defects which obstruct the work of the Government and public institutions and bodies, as well as propose methods to avoid and correct them.
9. Reveal financial, administrative and legal contraventions made by public employees during or by virtue of their functions.
10. Reveal contraventions by persons other than public employees that aim to violate the smooth performance of the public service.
11. Discuss citizen complaints relating to contraventions or negligence in the performance of public functions and obligations and study them or report them to media outlets which may address aspects of negligence, malfeasance, malpractice, or mismanagement.
12. With regard to public revenues, the Bureau shall be responsible for:
  - a) Auditing the collection of taxes, fees and returns to ensure that their estimation and collection are made pursuant to the laws and regulations in force.
  - b) Auditing transactions relating to the sale of governmental lands and real estate belonging to the National Authority and their management and lease.
  - c) Auditing the collection of all types of revenues to ensure that the collection takes place during the times set forth in the laws and regulations in force.
13. With regard to public expenditures, the Bureau shall be responsible for:
  - d) Auditing expenditures to ensure that they are disbursed for the purposes for which they are appropriated and that disbursement is made pursuant to the laws and regulations in force.
  - e) Auditing instruments and documents relating to disbursements to ensure that they are correct and that their value is identical to what is documented in the registers.
  - f) Ensuring that the issuing of disbursement orders is made in due form and by the competent authorities.
  - g) Ensuring that the provisions of the Budget Law and the annual budget are implemented and that the respective financial orders and drafts are made pursuant to its provisions.
14. With regard to accounts of deposits, imprests, loans or settlements, the Bureau shall be responsible for the verification of all such accounts to ensure that the operations pertaining thereto are correct and identical to what is documented in the registers. The Bureau shall also ensure that they are supported with necessary instruments and documents and that imprests and loans are redeemed on their due dates with due interests for the General Treasury.

15. Control and review all decisions pertaining to the affairs of public employees regarding appointments, salaries, wages, promotions, increments, leaves and any other allowances, as well as ensure the extent to which they conform to the laws and regulations on the one hand and to the General Budget on the other.
16. Audit grants, gifts and donations to administrative parties and their disbursement, as well as control the extent to which they conform to the laws and regulations in force.
17. Examine as required each issue, case or report referred to the Bureau by the President of the National Authority, the Legislative Council and its ad hoc-committees, the Council of Ministers or the competent minister, if such issue falls within the scope of the duties and powers of the Bureau, including, but not limited to, the investigation of administrative and financial contraventions which employees of administrative authorities may commit.

#### **Article 24**

The Bureau may audit the accounts, documents, instruments and supplies of any department. The employees of such department must facilitate the Bureau's duties and submit to it all information which it demands. The Bureau may also investigate reports submitted to it and ask employees for clarification about the reasons for delays in completing transactions.

#### **Article 25**

The Bureau may review all reports, information and data received from employees, as well as investigation reports on financial and administrative contraventions. It may request to be provided with all necessary documents, including, but not limited to, information and clarifications from all governmental departments regarding their functions.

#### **Article 26**

The Chairman of the Bureau shall submit quarterly or upon request reports that include investigation reports, studies, research work, proposals, contraventions, administrative responsibility for the contraventions, and respective remarks and recommendations to the President of the National Authority, the Legislative Council, and the Council of Ministers, to take such measures as it may deem necessary.

#### **Article 27**

1. Administrative control activities shall be conducted to ensure the implementation of the rules and procedures of governmental accountability and the adherence of administrative parties to the General Budget of the National Authority as well as the registration and classification of financial transactions.
2. Financial control over disbursement and systems of internal control shall ensure the audit of reports and statements submitted by financial parties and their final accounts, so that they are in accordance with the actual transactions.

#### **Article 28**

The Bureau shall submit special reports on important issues requiring quick examination to the President of the National Authority, the Legislative Council, the Council of Ministers, and the competent minister.

#### **Article 29**

Pursuant to the provisions of the law, the Bureau may request, review or keep any files, data, papers, documents or information or obtain copies thereof from the party possessing such files, data, papers, documents or information, including the parties which deem them confidential. The Bureau may summon individuals for hearing their statements.



### **Article 30**

Pursuant to the provisions of the law, the Bureau may request a competent authority to suspend an employee from his duties or dismiss him temporarily if his presence on duty damages the procedures of the investigation.

## **Chapter IV. The Parties Subject to the Control of the Bureau**

### **Article 31**

Pursuant to the provisions of the law, the following parties shall be subject to the control of the Bureau:

1. The Presidency of the National Authority and affiliated institutions.
2. The Prime Minister and members of the Council of Ministers and those alike.
3. The Legislative Council, including its administrations and subordinate bodies.
4. The Judicial Authority and the Public Prosecution, as well as their members and employees.
5. The ministries and agencies of the National Authority.
6. The Security Forces, the Police, and all security and military agencies.
7. Public and civil society bodies and institutions, as well as syndicates, associations and unions of all types and levels and those alike.
8. Associations and companies which the National Authority owns or finances, or from which it receives aid, as well as parties offering donations to the National Authority.
9. Institutions and companies licensed to use or manage a public facility.
10. Local bodies and those alike.
11. The provisions of this law shall apply to those parties not explicitly mentioned herein, who are given special functions by laws, bylaws, decisions and regulations.
12. The bodies, departments and units on which the provisions of this law apply shall be called 'administrative parties.'

## **Chapter V. Obligations of the Parties Subject to the Control of the Bureau**

### **Article 32**

The Ministry of Finance shall submit to the Bureau at the end of each quarter a report that details and analyses the status of the General Budget. The report shall also include financial developments and trends of revenue turnover and expenditures in comparison with the estimates, as well as interpretations of significant deviations, and analysis of the cash flow and the effects of such developments on the general financial situation of the National Authority. In addition, the report shall include proposals on the appropriate correctional measures to recover the financial balance.

### **Article 33**

The Ministry of Finance shall prepare preliminary unified accounts of public transactions and submit them to the Bureau no later than six (6) months before the end of the fiscal year. The accounts shall show inter alia the opening and closing balances of the unified fund and each special fund, along with details of financial operations conducted to correct the financial deficit, if available, and the net general local and foreign debt. In addition, the accounts shall state the loans given during the fiscal year and the resulting liabilities.

### **Article 34**

On the basis of the preliminary accounts set forth in Article 33, the Ministry of Finance shall prepare the draft of the final account and submit it to the Bureau within one (1) year from the end of the fiscal year, for examination and submission of the Bureau's remarks thereon to the Legislative Council.

### **Article 35**

Each financial auditor in a financial unit must notify the Bureau of all cases of financial contraventions related to disbursements within a period not to exceed two (2) weeks from the date of their occurrence.

### **Article 36**

Each commissioner of disbursement in a financial unit, as well as all other parties subject to the control of the Bureau, must notify the Bureau of each incident of embezzlement, theft, dissipation, damage, fire or negligence and those alike on the day on which each is discovered. They must also provide the Bureau with the decision issued with regard to each such incident immediately upon release of such decision, in addition to:

- a) Providing the Bureau with data and evidence necessary to follow up with the implementation of the planned correctional measures pursuant to the regulations and instructions which are set forth by the Bureau.
- b) Responding to the remarks of the Bureau within one (1) month from the date of the notification thereof.
- c) Providing the Bureau with all laws, bylaws, decisions, regulations, and instructions which such parties may issue.

### **Article 37**

The parties which implement investment projects to which the National Authority is a party or a partner must provide the Bureau with copies of the contracts, agreements and tenders of each such project, in addition to all modifications during the implementation of each such project.

### **Article 38**

Employees of the Bureau shall perform their functions in their offices, in the offices of the competent parties, or through field work. The parties subject to the control of the Bureau must provide in their offices a work place for employees of the Bureau upon request.

### **Article 39**

The parties set forth under paragraphs 7 and 8 of Article 31 above must submit the reports of the Bureau to their boards of directors within one (1) month from the date of their notification, as well as to the general assemblies upon their convention.

## **Chapter VI. Financial and Administrative Contraventions**

### *First. Financial Contraventions*

### **Article 40**

Pursuant to the provisions of this law, the following shall be deemed a financial contravention:

1. Contravention of financial rules and procedures set forth in the relevant laws, bylaws or regulations in force.



2. Contravention of rules and procedures relating to the implementation of the General Budget Law of the National Authority.
3. Contravention of rules and procedures pertaining to purchases, sales and management of warehouses, including, but not limited to, the applicable financial and accounting regulations.
4. An action resulting in illegal disbursement of funds belonging to the National Authority or misuse of financial entitlements of the National Authority or of the parties subject to the control of the Bureau.
5. Not providing the Bureau with copies of contracts, agreements and tenders as the provisions of this law require.
6. Not providing the Bureau on the due dates with accounts and supporting documents or other requested information, including, but not limited to, papers, data, decisions, protocols of sessions, and documents or which the Bureau is entitled to examine or view pursuant to the provisions of the law.

### *Second. Administrative Contraventions*

#### **Article 41**

Pursuant to the provisions of this law, the following shall be deemed an administrative contravention:

1. Not responding to the remarks or correspondences of the Bureau, delaying the response without acceptable excuse beyond the dates set forth in this law, or answering in a manner the aim of which is procrastination or postponement.
2. Concealing data requested by the Bureau, refraining from submitting them, or refusing to inform regardless of the nature of such data, in addition to abstaining from the implementation of the request.
3. Delaying without justification the notification of the Bureau within the periods of time set forth in this law of correctional measures taken by the competent party with regard to a contravention.
4. Failure in administrative work or in the management of a public facility.
5. Poor performance or negligence in the performance of a function.
6. Contravention of relevant decisions or instructions issued by the Bureau.

#### **Article 42: Disciplinary Penalties**

1. Pursuant to the provisions of the law, an employee who commits a financial or administrative contravention, knowingly contributes to committing it, or knowingly facilitates its occurrence, conceals its perpetrators or fails to report them, shall be disciplined pursuant to the provisions of the law, without prejudice to further civil and criminal action.
2. The competent authorities shall take the necessary measures to redeem the amounts disbursed in an illegal manner.
3. Each contravener is obliged to return the embezzled or lost amounts pertaining to the Treasury of the National Authority or any other party which is subject to the control of the Bureau.

#### **Article 43**

An employee shall not be exempted from disciplinary penalty based upon the order of his manager, unless it is proven that he committed the contravention while implementing a written order by the manager and after warning the manager in writing about the contravention. In such case, the responsibility shall lie on the person who issued the order.

#### **Article 44**

All parties subject to the control of the Bureau must inform the Bureau immediately upon uncovering any financial or administrative contravention, any incident which may result in a financial loss on the part of the National Authority or the loss of an entitlement thereof, or which may cause loss or damage to its movable or immovable assets, or both, in any form whatsoever, in order to take the necessary measures pursuant to this law and without prejudice to other measures which the concerned parties must take.

### **Chapter VII. Employees of the Bureau**

#### **Article 45**

To be appointed as an employee of the Bureau, every person shall meet the following requirements:

1. Be Palestinian.
2. Be a competent and specialised person.
3. Be attested for his integrity and good reputation.
4. Not have been convicted by a competent court of a financial crime or any felony or misdemeanour involving moral or trust violations.

#### **Article 46**

The Chairman of the Bureau may delegate any employee of the Bureau to perform, on a temporary or permanent basis, a particular function at the behest of any governmental or non-governmental party.

#### **Article 47**

Persons so authorised by the Chairman of the Bureau shall have the capacity of the Judicial Police with regard to the performance of the duties of their function pursuant to the provisions of this law.

#### **Article 48**

The Chairman of the Bureau shall supervise all actions of the Bureau and issue the decisions and instructions which the progress of the work may require.

#### **Article 49**

Appraisal reports for employees shall be written pursuant to a bylaw or regulation to be issued in a decision by the Chairman of the Bureau.

#### **Article 50**

An employee of the Bureau who neglects or deviates from the duties required by his function or who appears in a manner that violates the honour of the function shall be disciplined, without prejudice to further civil and criminal action. Such an employee shall not be exempted from disciplinary penalty based upon the order of his manager unless it is proven that he committed the contravention while implementing a written order by the manager and after warning the manager in writing about the contravention. In such case, the responsibility shall lie on the person who issued the order.

#### **Article 51**

Information, data and documents which employees of the Bureau review by virtue of their functions and in the context of performing acts of financial and administrative control shall be confidential and be dealt with on such basis. No such information, data and

documents may be shown to or reviewed by a third party except for the Judiciary. This prohibition applies to every action resulting from financial or administrative control activities of the Bureau or the official jurisdiction to which the Bureau submits its reports, recommendations and results pursuant to provisions of this law under disciplinary and criminal liability.

#### **Article 52**

No disciplinary penalty may be imposed without hearing the employee of the Bureau and his defense. The decision of the Chairman of the Bureau thereon shall be in writing, justified, and based upon the formation of an investigation committee.

#### **Article 53**

The provisions of the Law of Civil Service shall apply to the employees of the Bureau with regard to matters not regulated in this law.

#### **Article 54**

1. The Chairman of the Bureau and the Deputy-Chairman shall swear the following legal oath before the President of the National Authority and the Legislative Council:

‘I hereby swear by the Almighty God to perform my work in a sincere and trustworthy manner and to serve my homeland in honour and not to contravene the laws and regulations of the National Authority.’

2. Employees of the Bureau shall also swear the above legal oath before the Chairman of the Bureau.

#### **Article 55**

The Chairman of the Bureau shall submit a declaration of his financial liabilities and those of his spouse and minor children. He shall declare to the High Court all that they own, including, but not limited to, real estate, movable property, stocks, bonds and cash money inside of Palestine and abroad, as well as the debts which they may owe. The High Court shall set forth the arrangements necessary to keep such information confidential. Such information shall remain confidential and may not be viewed except by permission of the High Court if necessary.

### **Chapter VIII. Transitional and Concluding Provisions**

#### **Article 56**

The properties of the Public Commission on Control established pursuant to the Law No. 17 of 1995 and its employees shall be transferred to the Bureau, which shall be established pursuant to the provisions of this law.

#### **Article 57**

Other laws of the National Authority shall apply to the duties and other matters that fall within the capacities of the Bureau and that are not regulated in this law.

#### **Article 58**

The Law of the Public Commission on Control No. 17 of 1995 and the Decision No. 22a of 1994 Concerning the Establishment of Public Commission on Control are hereby repealed.

In addition, each provision, if any, that contradicts the provisions of this law is hereby repealed.

#### **Article 59**

Based upon a proposal of the Bureau and following coordination with the Budget and Financial Affairs Committee of the Legislative Council, the Council of Ministers shall issue the bylaws and regulations necessary for the enforcement of the provisions of this law.

#### **Article 60**

All competent authorities, each within its sphere of jurisdiction, shall implement the provisions of this law, which shall enter into force thirty (30) days after the date of its publication in the Official Gazette.

**Issued in the city of Ramallah on 27 December, 2004 AD, corresponding to 15 Al-Qi'da 1425 AH.**

**Rawhi Fattouh**

**President of the Palestinian National Authority**