

STRENGTHENING THE ROLE OF SUPREME AUDIT INSTITUTION IN LEBANON

RECOMMENDATIONS FOR
CIVIL SOCIETY ENGAGEMENT
AND ADVOCACY



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I-INTRODUCTION

A- Crafting the Toolkit: The INTOSAI Development Initiative (IDI) - CSO Synergy for SAI Empowerment

1- INTOSAI AS A PIVOTAL CO-PRODUCER OF THE MAIN CSO RESOURCE KIT

Why is INTOSAI considered a pivotal entity in public auditing?

Established in 1953, the International Organization of Supreme Audit Institutions (INTOSAI) serves as a global platform for Supreme Audit Institutions (SAIs) to collaborate and enhance public auditing standards internationally. Renowned for its commitment to transparency, accountability, and governance, INTOSAI is an intergovernmental organization and collaborates with seven Regional Organizations, including ARABOSAI. Additionally, the INTOSAI Development Initiative (IDI) functions as a not-for-profit, autonomous arm of INTOSAI.

How does the INTOSAI Development Initiative (IDI) support the independence of Supreme Audit Institutions (SAIs) worldwide?

IDI focuses on strengthening SAIs through specialized training, ensuring that they are well-equipped for their roles. They build bridges between SAIs and stakeholders like Civil Society Organizations to create a supportive environment.

Through in-depth research, IDI identifies threats to SAI independence and advocates for protective measures.

They also share tools, resources, and best practices with SAIs globally, drawing guidance from key INTOSAI documents like the Lima and Mexico Declarations. This holistic approach ensures SAIs can effectively oversee government actions without undue influence.

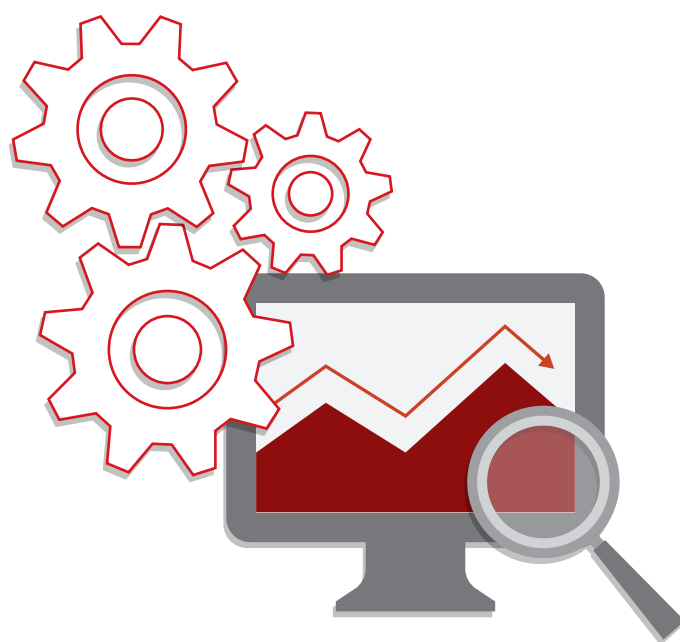
2- BRIEF ON THE TOOLKIT AND ITS COMPONENTS DESIGNED TO SUPPORT AND ENHANCE SAI INDEPENDENCE:

This toolkit provides a comprehensive guide to safeguarding the independence of Lebanon's Court of Accounts (COA), spanning an introduction on INTOSAI's role, an overview of the COA, exploring threats to its independence, advocacy strategies like the SAI Independence Rapid Advocacy Mechanism (SIRAM), recommendations for legal reforms and public engagement, and concluding with the importance of ensuring COA autonomy.

The core sections focus on diagnosing challenges to COA independence, equipping CSOs with tools to counter interference through legal mechanisms, collaborations, monitoring, and campaigns, and suggesting ways forward including coalition building, enhancing CSO capabilities, transparency protocols, and proactive public involvement.

What is the core purpose of the "Empowering Supreme Audit Institution in Lebanon" Toolkit?

This toolkit serves as a specialized collection of tools and guidelines crafted for safeguarding the independence of the COA in Lebanon. Rooted in the vision of fortifying SAI autonomy and ensuring impeccable governance, this comprehensive guide aims to provide the means for SAIs to operate seamlessly, emphasizing their pivotal role in fostering transparency and accountability in the use and management of public resources. It further underscores the significance of Civil Society Engagement and Advocacy in amplifying the impact and reach of SAIs within the Lebanese context.



B- Court of Accounts in Lebanon: A Comprehensive Look

In a democratic framework, transparency and accountability are not just catchphrases; they are crucial pillars that ensure governments act in the best interests of their citizens. One of the institutions at the forefront of enforcing this transparency in Lebanon is the Court of Accounts (COA).

The COA, Lebanon's Supreme or State Audit Institution (SAI), stands as a linchpin in the country's democratic balance of power. *But what is it, exactly?*

1- ITS MANDATE, ROLE, AND FUNCTIONS

The Core Essence of COA Historical Roots: What's the Origin Story?

The Court of Accounts (COA) in Lebanon, established in 1951 through the Public Accounting Law, serves as the supreme audit institution overseeing the government's finances and public expenditures. Its foundation was heavily influenced by the French Court des



Comptes model, which combines financial oversight with judicial powers. This European model is distinctive as it not only reviews financial matters but also has the authority to take legal actions based on its findings.

The COA's role is further solidified in Article 87 of the Lebanese Constitution, mandating all government financial accounts to be audited by the COA before submission to Parliament for approval. Over the decades, the functions of Lebanon's COA have been refined, integrating modern practices while retaining its traditional roles - some of which might warrant reconsideration and updates in light of contemporary challenges and needs.

What Does it Mainly Do?

COA acts as the fiscal guardian for the government. Its mission is to ensure every penny of public money is accounted for transparently and correctly.

Beyond Finances: What Else?

Apart from keeping tabs on the money, the COA is also tasked with assessing whether public institutions deliver efficiently from a financial perspective.



Decoding its Legal Powers

Where Does COA Get Its Authority?

The COA's main power comes from Article 87 of the Lebanese Constitution, which requires it to audit government financial accounts before they go to Parliament. Additionally, the Public Accounting Law of 1951 details its specific duties and roles. These two legal sources establish the COA's crucial role in monitoring Lebanon's finances and ensuring transparency.

What is its position within the Governmental Hierarchy?

Within Lebanon's governmental structure, the COA stands as an administrative financial tribunal, a role that marries financial oversight with judicial authority. Inspired by European models, especially evident in countries like France, the COA has the dual capability to preemptively assess the appropriateness of financial decisions and to review them post-execution. In simpler terms, it acts both as a financial watchdog, ensuring decisions align with regulations, and as a court, passing judgments on financial matters when needed. This combination offers a rigorous check and balance mechanism for the nation's finances.

Responsibilities: Can We List Them?



The COA primarily focuses on financial oversight within Lebanon's public sector. Key responsibilities include ensuring compliance with financial laws, examining the legality of financial transactions, taking action against financial irregularities, supervising the proper utilization of public funds, and conducting post-audit reviews for independent public bodies. The COA's mandate does not encompass all types of pursuits but is centered on upholding fiscal transparency and accountability in the public domain. *After the Audit: What Next?*

Once the audit is complete, the COA produces comprehensive reports. These range from annual summaries of the government's financial activities to specialized insights on particular topics, and even recommendations for improvements. These reports are critical for parliamentary oversight because they shed light on how the government managed and utilized public resources. They highlight areas of potential corruption or mismanagement of funds and suggest areas for enhancement. For the public, these documents ensure transparency, allowing citizens to understand and evaluate the government's fiscal behavior and accountability measures. *Peering Into Its Organizational Structure*

Who Drives the COA?

The COA, led by a president and supported by 49 judges across eight chambers, along with auditors and controllers, operates based on leadership appointments influenced by the Prime Minister's nominations and approval from the Council of Ministers. However, this appointment process faces scrutiny due to potential centralization of power with the Prime Minister, risk of political biases from the Council of Ministers, and a potential lack of transparency regarding the selection criteria. For the COA to retain its credibility, it is vital that its leadership appointments are transparent, unbiased, and devoid of undue political influences. *Job Stability: How Fluid is the Roster?*

At the COA, stability and continuity are paramount. Key positions, including that of the president, judges, and the Public Prosecutor, are permanently appointed, ensuring a consistent approach. Transfers or terminations aren't arbitrary; members can be transferred to another administration solely with the COA Council's consent. Furthermore, dismissals can only be sanctioned by the Disciplinary Council of the Court of Accounts, an internal body designated to oversee the conduct of its members. This structure robustly shields the COA from external influences, ensuring its integrity and autonomy.



2- THE SIGNIFICANCE OF ITS AUDITS AND INTERACTIONS WITH STAKEHOLDERS

To Whom Does the COA Answer?

In terms of its foundational legal framework stemming from the Constitution and the Public Accounting Law of 1951 as outlined earlier, the COA maintains a close relationship with the Prime Minister's office. Additionally, the COA reports both to the Parliament and the President of the Republic. This position enables the COA to serve dual roles - as a supervisory entity and an advisory organ, championing transparent and accountable financial practices across the government.

Who Are the Key Players in the COA's Network?

The COA constantly communicates with various governmental oversight entities within Lebanon's accountability framework. These entities include the following:

- **Parliament:**

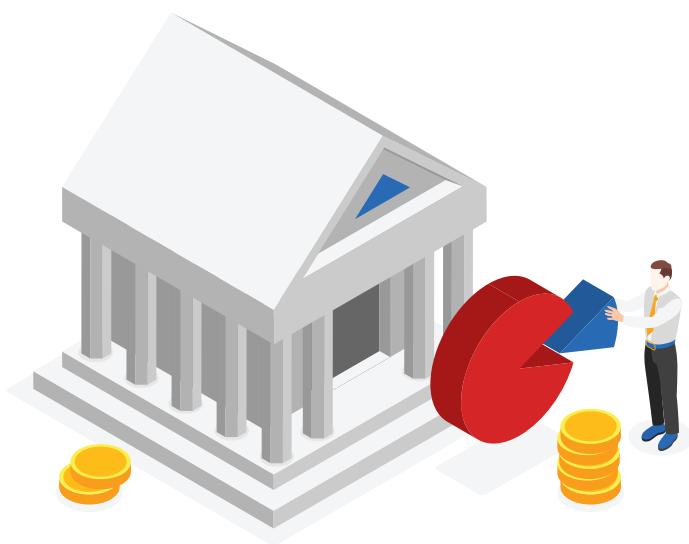
The COA submits its reports on budgetary execution and investigations to the Parliament. Furthermore, according to the Lebanese Constitution, the final financial accounts of the Administration for each year must be presented to the Chamber of Deputies for approval before the budget for the subsequent year is promulgated.

- **Central Inspection Board:**

The Central Inspection Board is an internal oversight body focused on potential corruption within the public sector. When the COA discovers suspicious activity during its audits, it is legally mandated to refer the case to the Central Inspection Board for a thorough investigation.

- **Public Procurement Authority:**

Oversight of public procurements is a collaborative effort between the COA and the Public Procurement Authority.



- **Ministry of Finance:**

The COA is required to collaborate with the Ministry of Finance due to the ministry's role in recording and managing government expenditures. Their interdependent relationship ensures accurate oversight, with the COA accessing the ministry's financial records for its audits. This mandatory collaboration, involving data sharing and joint discussions on fiscal matters, is instrumental in ensuring government financial accountability.

- **National Anti-Corruption Commission:**

As per Law No. 175/2020, which addresses combatting corruption in the public sector and established the National Anti-Corruption Commission, there's a distinct collaboration with the COA. While the Commission primarily delves into corruption allegations, cases that fall under the COA's mandate are required to be referred to it for a thorough examination.

- **Discriminatory Public Prosecution :**

The COA, upon identifying financial irregularities or crimes, has the mandate to forward these cases to the Discriminatory Public Prosecution. The Discriminatory Public Prosecution's primary role is to investigate and pursue legal actions related to financial malpractices within the public sector.

What's the Outcome of These Interactions?

Despite its numerous touchpoints with various accountability entities in Lebanon, there's room for the COA to amplify its engagement. For instance, while there are legal provisions for collaboration, in practice, joint investigations or shared audit findings between the COA and entities like the Discriminatory Public Prosecution or the National Anti-Corruption Commission are not frequently reported. This suggests a gap between policy and execution. To optimize the oversight of public resources, it's crucial that regular dialogues, data-sharing, and coordinated efforts between these entities be more than just policy – they need to be an active, regular practice.



On the other hand, the respective legal framework pertaining to the work of oversight institutions often creates a dual authority and/or overlap, specifically between COA and the Central Inspection. The example of referrals between the two regarding how disciplinary cases are managed and the criteria based on which a case is addressed by either the COA and the CIB is a case in point.



II- PART 1

EXPLORING THREATS TO SAI INDEPENDENCE IN LEBANON

A- Understanding SAI Independence

SAIs, such as the Court of Accounts, hold a pivotal role in ensuring public accountability. Their effectiveness and credibility hinge on their ability to operate independently.

1- WHAT IS THE IMPORTANCE AND MEANING OF SUPREME AUDIT INSTITUTION (SAI) INDEPENDENCE?

Supreme Audit Institutions (SAIs) like the Court of Accounts play a crucial role in holding governments accountable for the use of public resources. Their ability to effectively fulfill this oversight mandate rests on being independent from the executive branch they audit.

SAI independence refers to the ability to carry out work freely, without undue influence or interference from the audited entities. It is considered an

essential precondition for SAIs to accomplish their role objectively and credibly.

INTOSAI, the global body of SAIs, defines independence as consisting of suitable arrangements to guarantee a SAI's independence from the audited entity and freedom from external influence, along with unrestricted access to information.

An appropriate constitutional/legal framework forms the basis of SAI independence. But equal focus must be placed on achieving *de facto* independence in practice.



2- WHAT ARE THE COMMON THREATS AFFECTING SAI INDEPENDENCE WORLDWIDE AND SPECIFICALLY IN LEBANON?

Global Threats:

- 

Financial and Administrative Autonomy: One of the primary threats is the reliance of many SAIs on the executive for their budgets, which can drastically curtail their independence. This is further exacerbated when there's executive control over the SAI's human resources.
- 

Scope of Audits: The effectiveness of SAIs can be restricted due to limitations on the types of audits they can conduct. This is particularly challenging when there's political interference in the selection and scope of these audits.
- 

Executive Interference in Leadership Appointments: The integrity and objectivity of SAIs face threats when the executive has undue influence over processes surrounding the appointment or even the dismissal of the head of the SAI.
- 

Public Dissemination Restrictions: The transparency and impact of SAIs can be curtailed due to barriers in disseminating their audit findings. This encompasses both restrictions in accessing necessary information for their audits and subsequent limitations on the dissemination of their reports to the public.
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Legal or Non-Legal Threats Based on Audit Findings: SAIs can face threats, either within the legal framework or externally, arising from the findings of their audits. These threats could impede their operations and deter robust examinations in the future.
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Lack of Implementation Mechanisms: Without proper mechanisms to follow up and implement the recommendations of SAIs, their vital role in ensuring governmental accountability is diminished.



Challenges Faced by Lebanon's Court of Accounts:

- **Administrative Linkage:**

The COA direct connection to the Prime Minister's office poses inherent independence threats. Such close ties can potentially compromise the objectivity and impartiality of the SAI's audits, especially when examining financial activities or decisions associated with the Prime Minister's office. For instance, there might be hesitancy or undue pressure to avoid or downplay findings that portray the Prime Minister's administration in a negative light. In some cases, this linkage could also lead to delays or obstructions in the release of certain audit reports that might be politically sensitive. Such scenarios highlight the potential conflict of interest and underscore the need for a clear separation between SAIs and executive branches.

- **Executive Influence:**

The independence of the COA can be hampered when its budget allocations are influenced by the executive branch. A well-resourced institution is essential for effective audits and oversight. In some instances, like in certain years, the COA experienced reduced budget allocations, limiting its operational capacities. This can be seen as a tactic to curb its effectiveness. For example, consistent underfunding over consecutive years have hindered the COA from hiring necessary staff, procuring essential equipment, or conducting comprehensive audits.

- **Auditing Emphasis:**

The Court of Accounts in Lebanon heavily focuses on ex-ante audits, which evaluate transactions before they are finalized to ensure legality and compliance. While this proactive approach can prevent financial discrepancies, it might underemphasize ex-post audits, which assess the outcomes and impacts of financial decisions after their execution, potentially limiting comprehensive accountability and feedback.

- **Lack of Transparency:**

A significant challenge to the independence of Lebanon's COA is the restricted access to information from certain departments, notably the military, the central bank, and several independent institutions obligated to report to the COA. This lack of transparency hampers the ability of the COA to conduct thorough and independent audits. Moreover, delays in the publication of audit reports further impede accountability. For example, postponing the release of a critical audit can allow entities ample time to mask or mitigate discrepancies, rendering the eventual public disclosure less impactful. Economic

- **Crisis Impact:**

The ongoing economic crisis in Lebanon has further strained the CoA's oversight capabilities. With dwindling resources, tightened budgets, and the broader economic challenges faced by the country, the CoA struggles to maintain its operations at the desired levels, thereby affecting its efficiency and reach.

• Staffing Challenges:

Despite the expansive and critical role the COA plays in financial oversight, it grapples with a relatively small staff size. This limited workforce, when compared to the extensive work required, places immense pressure on the existing staff, leading to overburdening in maintaining the desired standards of audit and review. These challenges, exacerbated by the lack of access to information described earlier, accentuates the delays in the issuance of COA reports, limiting the opportunity for redressal and effective accountability.



B- Court of Accounts in Lebanon: A Comprehensive Look

1- THE IMPLICATIONS OF THE JUDICIAL MODEL ADOPTED BY THE COURT OF ACCOUNTS

How does the institutional framework impact the COA's operations?

Delving into the COA's structure, we find that it stands out due to its judicial model, granting it formidable powers such as the ability to impose administrative sanctions based on audit outcomes. Nevertheless, its dependency on the executive for financial resources casts shadows over its full autonomy, making it vulnerable to potential influences.

What challenges does the COA face due to the legal framework?

The COA operates under "Legislative Decree No. 82 dated 16/09/1983." This law outlines the COA's responsibilities but lacks clarity on its financial and operational independence. Emphasizing ex-ante audits (preliminary checks) over ex-post audits (after-the-fact reviews) means the COA often reviews plans more than actual outcomes. For example, if a government department planned to spend a specific amount on infrastructure but overspent, an ex-ante audit would miss this, whereas an ex-post audit would catch it. Such a constrained mandate can hinder the COA's independence, as it may not freely oversee and evaluate all financial operations comprehensively.

Are there concerns about executive interference in the COA due to its judicial model ?

Within the judicial framework of the COA in Lebanon, certain vulnerabilities emerge. Despite protective tenure provisions, concerns about undue political influence persist. Notably, there have been suggestions that political entities may have influenced key appointments within the COA, casting doubts on its neutrality.

Furthermore, the judicial model's unique culture has sometimes unintentionally created barriers for the COA. A case in point in Lebanon would be the COA's interactions with other oversight bodies such as the Parliamentary Finance and Budget Committee. Instead of a collaborative approach, the two entities have, at times, found themselves operating in parallel without adequate coordination, reducing the overall efficacy of governance checks and balances.

2- THE LEVEL OF AUTONOMY PERMITTED BY THE LEGAL FRAMEWORK

The legal structure gives the COA a lot of independence, especially with its judicial model that allows for imposing penalties. However, challenges arise in areas like budget decisions and senior staff appointments, which could affect its independence. Also, its strong focus on early evaluations might limit the depth of its oversight. Moreover, the pronounced emphasis on ex-ante evaluations paints an incomplete picture, often curtailing the COA's oversight depth.

3- POSSIBLE INFLUENCES, SUCH AS FROM THE MOF, THAT CAN AFFECT IMPARTIALITY

How can the MoF influence the COA's impartiality?

Peeling back the layers, one discerns the formidable sway the MoF holds over the COA's financial lifeline. This intricate financial interdependency opens doors to potential operational influences. Further complexities arise when the COA's role of auditing contracts and procurement decisions potentially collides with the very decisions set by the MoF, muddying the waters of impartiality.

Are there concerns regarding the scope of COA audits?

The COA in Lebanon faces challenges that can affect its oversight effectiveness. Ambiguous mandates lead to sectoral blind spots, resulting in potential oversight gaps. Coordination issues, especially with pivotal bodies like the Ministry of Finance (MoF), can arise from bottlenecks in information sharing, limiting audit comprehensiveness. As financial tools advance, the COA's methods need to adapt, ensuring that modern financial instruments are adequately scrutinized. Moreover, if the public sees the COA's audits as insufficient, their trust in the institution might drop.

C- Political, Economic, and Contextual Challenges

1- NAVIGATING LEBANON'S POLITICAL AND ECONOMIC LABYRINTH

How have Lebanon's ongoing political and economic tumults affected the Court of Accounts?

Lebanon's political and financial troubles, with political standoffs and a big financial crash, have affected many areas, including the Court of Accounts. These problems led to banking issues, high inflation, and a drop in the value of the Lebanese pound, making things expensive for people.

Beyond salary concerns, the Court's overall operational budget suffered. This meant fewer resources and staff to effectively perform their duties. Frequent strikes further delayed government functions, compounding the difficulties for the Court amidst these turbulent times.

Are these turbulent conditions fanning the flames of corruption?

The country has a lengthy record of corruption, evident through its consistent poor rankings in global assessments. In 2022, Transparency International placed Lebanon in the 150th position among 180 nations on its Corruption Perceptions Index, assigning a meager score of 24 out of 100. Consequently, the country stands prominently as one of the most corrupt nations worldwide. Amidst these challenges, the Court of Accounts' diminished oversight has allowed corruption to spread unchecked, further deteriorating public faith in governance.

Corruption exerts a profound and damaging influence on Lebanon, causing multifaceted harm. It erodes the foundations of the rule of law, while also corroding public confidence in governmental institutions. Moreover, it redirects crucial resources from their intended destinations, depriving vital services of necessary support.

2- PUBLIC VISIBILITY, REPORT TRANSPARENCY, AND THE ROLE OF CIVIL SOCIETY IN ENHANCING ACCOUNTABILITY.

What's the status quo regarding the transparency of the Court of Accounts' reports?

When it comes to the transparency of the Court of Accounts' reports, the current situation is somewhat limited. As per the COA Law, only a concise annual summary of its audit reports is made public, published in the Official Gazette and a newspaper. This not only restricts the public's insight into the full scope of the Court's findings but also hinders the COA's ability to widely share information from its work. This latter point raises concerns about the Court's independence and its capacity to operate without undue constraints.

How can civil society magnify the beacon of transparency and accountability?

Delving into the civil sector, we find Lebanese CSOs consistently advocating for the disclosure of COA's reports to clarify the use of public funds. It's crucial to mention that these reports were rarely published after 2005, causing concern among transparency advocates. These organizations not only demand access



but also push for comprehensive performance audits, inclusive reviews, and stronger civic platforms to oversee COA's findings. Together, CSOs and SAIs can enhance audit outcomes, improve report clarity, ensure recommendations are followed, and lead collaborative transparency initiatives.



III- PART 2 ADVOCACY TOOLS AND STRATEGIES

In a world of growing complexity, Civil Society Organizations (CSOs) require innovative tools and adaptive strategies to effectively champion their causes.

Understanding the complexities of ensuring institutional independence requires a detailed exploration of strategies and the integration of international standards. Below, we delve deep into two vital sections tailored to guide CSOs in the context of Lebanon's Court of Accounts (CoA).

A- Defending Independence through Advocacy



The heart of any oversight institution lies in its autonomy. Here we delve into the tools and tactics designed to shield such independence, ensuring robustness against undue influence and interference.

1- UNVEILING THE SIRAM PROCESS: A MODERN-DAY SHIELD FOR SAIS



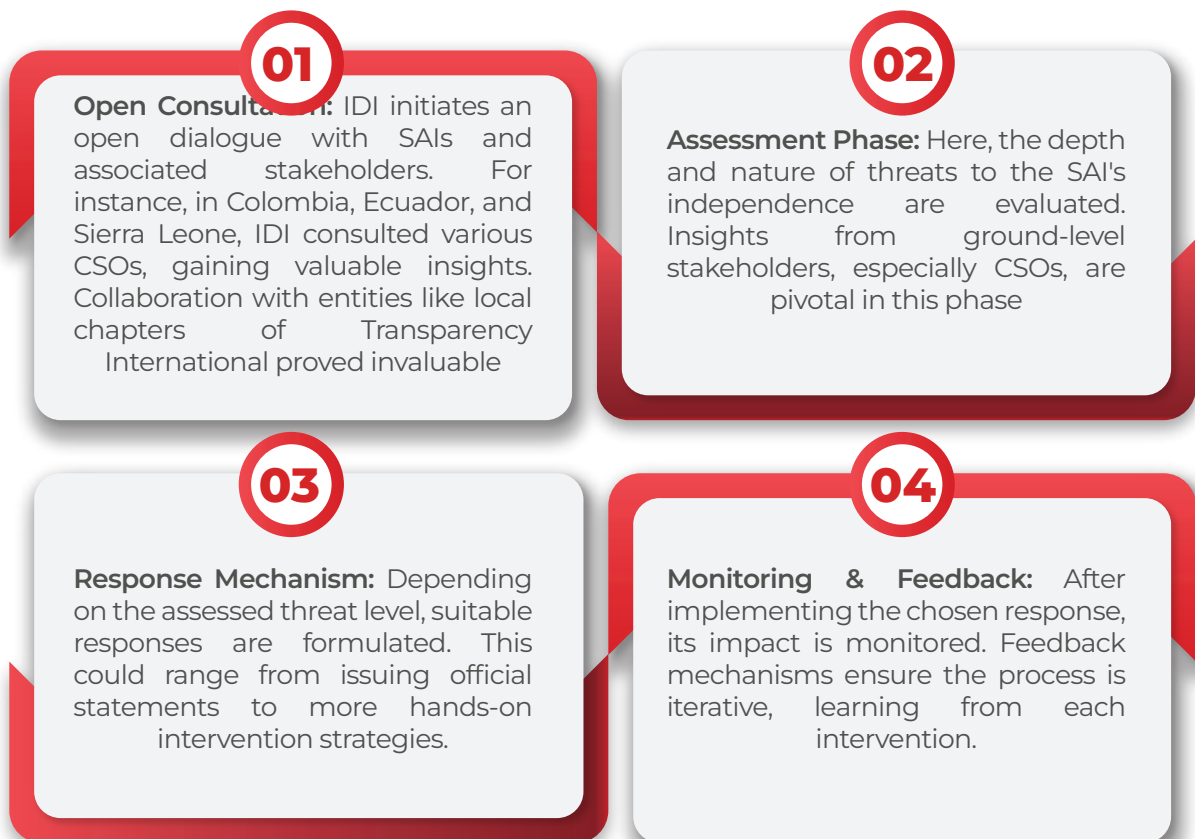
What exactly is the SIRAM process?

In the face of rising threats to Supreme Audit Institutions (SAIs) worldwide, IDI introduced the SAI Independence Rapid Advocacy Mechanism (SIRAM). This mechanism aids SAIs under threat, garnering support from various stakeholders, including CSOs and donors. While SAIs are the primary beneficiaries, CSOs and other stakeholders can also utilize SIRAM, provided they have the backing of the concerned SAI's head.

SIRAM's inception was in 2019, with pilot implementations in North Macedonia and Somalia. The positive impact led to its application in other countries, including Ghana in 2020 and multiple others like Cyprus, Colombia, and Sierra Leone in 2021. A recurrent response during these interventions has been the issuance of "Statements of Concern."

UNDERSTANDING THE SIRAM PROCESS:

The SIRAM process is comprehensive, ensuring thoroughness and credibility. It involves:



The success and importance of SIRAM lie in its collaborative nature, involving CSOs, INTOSAI, and the development community.

Can SIRAM make its mark in the Lebanese context?

In Lebanon, the Court of Accounts (COA) acts as a vital check against political interference. If, for example, there's an attempt by the executive to remove the COA's President without cause, the SIRAM mechanism could step in swiftly. Alerted by local CSOs, IDI can quickly initiate a response, which may include advocacy efforts, legal actions, and measures to maintain the COA's independence. For Lebanese CSOs, SIRAM is more than a tool; it's a robust safeguard, always ready to support the COA's essential oversight role.

2- MECHANISMS AND STRATEGIES TO COUNTER THREATS TO COA INDEPENDENCE

How can CSOs effectively counteract threats to the CoA's independence?

To robustly defend the independence of the CoA, CSOs can adopt a multi-faceted approach:

LEGAL MECHANISMS:

- **Litigation:**

CSOs can use the legal system to counter actions threatening the CoA's autonomy. However, due to high litigation costs, seeking assistance from organizations or law firms that offer pro bono support to public interest cases can be a viable strategy. A solution could be partnering with pro bono focused law institutions like Legal Agenda a Lebanese NGO that works on promoting the rule of law and social justice who have supported public interest cases. This can help offset the costs.

- **Legislative Reforms:**

Advocating for laws that cement the CoA's independence is essential. Currently, there's a draft law in the parliament that aspires to amend the legislative decree to fortify the CoA's structure. This aims to enhance its human and technical resources, ensuring it's well-equipped to meet its duties efficiently. This reform could be further promoted by CSOs.

COLLABORATIVE STRATEGIES:

- **Coalition Building:**

Teaming up with local media, other SAIs, and international organizations like INTOSAI, World Bank, and UNODC can create a potent alliance against potential threats.

Entities like the Arab Organization of Supreme Audit Institutions (ARABOSAI) could be leveraged as forums for gathering regional/international support.

- **International Engagement:**

CSOs can also use global platforms and mechanisms to draw attention to the challenges and threats facing the CoA in Lebanon, and to seek international solidarity and pressure. This can include participating in regional or global events, forums, or initiatives that focus on SAI independence and performance.

For example, CSOs can engage with the SIRAM process by IDI, which is a global initiative that aims to assess and support SAI independence through a participatory approach involving various stakeholders.

PUBLIC CAMPAIGNING:

• Digital Engagement:

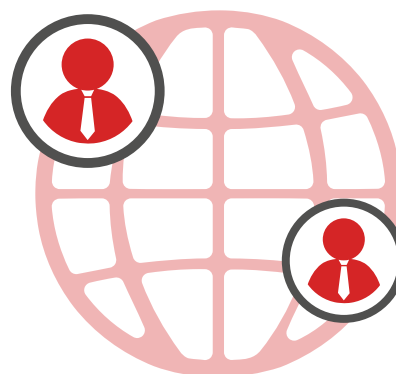
CSOs can use social media and online platforms to raise awareness among the Lebanese public about the importance of having an independent and effective CoA that can hold the government accountable and prevent corruption. This can include creating and sharing informative content, such as videos, infographics, podcasts, or blogs, that explain the CoA's role, mandate, achievements, and challenges.

For example, CSOs can use platforms such as Facebook, Twitter, Instagram, YouTube, or TikTok to reach different segments of the society, especially the youth who are more active online. CSOs can also use hashtags such as #SupportCoA or #CoAMatters to create online campaigns.

• On-ground Activism:

CSOs can also organize or join on-ground activities that express their support for the CoA's independence and demand its protection from any attacks. This can include petitions, protests, sit-ins, rallies, or public meetings that involve various civil society actors, such as activists, journalists, lawyers, academics, or professionals.

For example, CSOs can coordinate with the October 17 movement or other protest groups that have been calling for political reforms and accountability in Lebanon since 2019. CSOs can also hold public meetings with CoA members or representatives to discuss their concerns and demands.



MONITORING ROLE:

• Audit Integrity:

CSOs can play a role in ensuring that the CoA's audits are conducted in a transparent and professional manner according to international standards and best practices. This can include reviewing the CoA's audit reports and methodologies, providing feedback or recommendations for improvement, highlighting good practices or achievements, or exposing any flaws or irregularities.

• Oversight on Appointments & Budget:

Monitoring the appointment processes and budget allocations concerning the CoA, while factoring in Lebanon's specific circumstances, can keep any anomalies in check.

For example, CSOs can follow up on the status of appointing new members to fill vacant positions in the CoA. They can also advocate for increasing or securing the CoA's budget, especially in light of the economic crisis in Lebanon.





3- INCORPORATION OF INTERNATIONAL STANDARDS AND FRAMEWORKS BENEFICIAL TO SAIS

Which international standards and frameworks can the CoA adopt to bolster its independence and effectiveness?

Several international frameworks can significantly benefit the CoA:

INTERNATIONAL DECLARATIONS:

- **Lima and Mexico Declarations:**

These declarations, initiated by the International Organization of Supreme Audit Institutions, underscore the significance of Supreme Audit Institution independence. They provide a foundational roadmap, laying out principles that champion the establishment and preservation of this independence. By integrating these declarations, the Court of Accounts can align its functions with globally acknowledged guidelines.

INTERNATIONAL AUDITING STANDARDS OF SUPREME AUDIT INSTITUTIONS:

The International Standards of Supreme Audit Institutions (ISSAIs) provide comprehensive guidelines for Supreme Audit Institutions on conducting high-quality financial, compliance, and performance audits. Adopting ISSAIs enables the Court of Accounts to implement holistic auditing practices covering all aspects of public financial management, such as public revenues, expenditures, assets, liabilities, and policies.

For example, the Court of Accounts can use ISSAI 3000 to conduct performance audits that assess the economy, efficiency, and effectiveness of public programs and projects.

SUPREME AUDIT INSTITUTION PERFORMANCE MEASUREMENT FRAMEWORK:

Conducting an assessment using the SAI PMF can help the Court of Accounts and civil society identify strengths, weaknesses, and opportunities to enhance the COA's independence and performance. The comprehensive diagnostics can guide strategies for the COA and support from stakeholders, such as donors, parliament, media, and citizens. For example, the SAI PMF can measure the COA's compliance with ISSAIs, its audit quality and impact, its organizational capacity and governance, and its communication and engagement.

ABU DHABI DECLARATION:

This 2019 UNCAC resolution highlights the vital role Supreme Audit Institutions play in combatting corruption. It stresses the importance of safeguarding SAI independence from any undue influence or interference. The declaration's principles can guide the COA and civil society in enhancing the COA's anti-corruption role. For example, the declaration calls for strengthening the legal framework and institutional arrangements that protect the COA's mandate, autonomy, resources, and powers. It also urges enhancing the cooperation and coordination between the COA and other anti-corruption agencies, such as the Anti-Corruption Commission or the Special Investigation Commission.

B- Stakeholder Engagement and Collaboration

Building bridges between various stakeholders is crucial. With Lebanon's unique challenges, it's essential to understand how CSOs can effectively engage and influence the audit process, especially in the context of the Court of Accounts.

1- ADAPTING ENGAGEMENT MODELS CONSIDERING THE LEBANESE ENVIRONMENT GIVEN LEBANON'S DISTINCTIVE SOCIO-POLITICAL LANDSCAPE

How can engagement models between SAIs and CSOs be adapted effectively?

Recognizing Lebanon's unique challenges, such as socio-economic instability and limited public trust, is the first step towards effective SAI-CSO collaboration. The key lies in modifying global best practices to the local context:

Audit Report Translation:

Distilling complex audit findings into easily digestible summaries can be invaluable. For instance, given the complexities of the recent electricity deals in Lebanon, simplified audit reports can guide public discourse.

Community Engagement:

Gathering local insights is crucial. Townhall-style meetings in cities like Tripoli or Baalbek, focusing on specific regional concerns, can offer SAIs a more grassroots perspective.

Collaborative Advocacy:

CSOs and SAIs can collaborate to ensure government accountability. For instance, pushing for transparency regarding the reconstruction efforts post-Beirut explosion can be a joint effort.

Capacity Enhancement:

Empowering local civic groups, like the youth-led organizations that emerged during the October 2019 protests, to critically analyze audit outcomes will create a more informed populace.

Innovative Platforms:

Embracing platforms like Twitter or Clubhouse, popular during the 2019 protests, can foster open dialogues. Additionally, partnering with Lebanese universities to host seminars can further bridge the gap between SAIs and CSOs.

Strategically adapting these models will ensure that CSO engagement aligns well with Lebanon's socio-political realities, leading to more effective outcomes.



2- OPPORTUNITIES FOR CSOS TO ACTIVELY PARTICIPATE AND INFLUENCE THE AUDIT PROCESS, ENSURING TRANSPARENCY

How can CSOs in Lebanon proactively contribute to and shape the audit process to guarantee more transparency?

• Audit Planning:

Engage with local communities from areas like the Bekaa Valley, to determine the effectiveness of agricultural subsidies. Public forums can be held in local community centers, ensuring that the specific needs and concerns of farmers are addressed in annual audit priorities.

• Technical Aid:

Collaborate with well-followed Lebanese bloggers to disseminate simplified audit findings. For example, partnering with platforms like "Megaphone News" to highlight key takeaways from audit reports.

• Citizen Audits:

Initiate community-based audits in areas affected by infrastructural challenges, like the post-blast Beirut region, ensuring reconstruction funds are used efficiently and transparently.

• CSO Scorecards:

Launch a transparency index that assesses the performance of municipal councils across Lebanon. For example, examining the waste management practices in Bikfaya versus those in Tripoli to highlight best practices and areas needing improvement.

• Capacity Boosting:

Facilitate workshops with experts from Lebanese universities, like the Lebanese American University (LAU), focusing on emerging audit areas such as digital expenditure tracking or disaster relief auditing in light of recent crises.

• Guarding Autonomy:

Monitor appointments to the COA against any potential sectarian biases, drawing attention to any disproportionate representation given Lebanon's multi-confessional makeup.

• Information Access:

Use the right-to-information provisions to access audit reports on high-profile issues, such as the electricity crisis or the ongoing water scarcity, and then hosting debates on platforms like "Al Jadeed" TV or "LBCI" to engage the wider public.

With these strategies, CSOs can substantially augment the transparency and efficacy of Lebanon's audit process.

IV- PART 3

WAY FORWARD: ADDRESSING CHALLENGES AND HARNESSING OPPORTUNITIES



To overcome the unique challenges that CSOs face in Lebanon, and to capitalize on emerging opportunities, it is paramount to explore potential legal reforms, strengthen CSO capabilities, and encourage proactive public involvement.

A- Potential legal reforms and the essence of coalition-building

What legal reforms could bolster the independence of Lebanon's Court of Accounts, and why is coalition-building essential in this regard?

True reform stems from a two-pronged approach: first, enacting targeted legal changes to enhance the independence of the Court of Accounts, and second, fostering powerful coalitions to back these reforms. Some pivotal legal shifts include:

- **Financial Autonomy:**

Secure a separate budget for the COA, minimizing its dependence on the executive branch. For example, the COA could receive a fixed percentage of the state budget, or have its own revenue sources, such as fees or fines.

- **Audit Focus:**

Limit preemptive audits to emphasize post-event financial, compliance, and performance audits. For example, the COA could focus more on auditing the spending of public funds after they are disbursed, rather than before they are allocated.

- **Transparency Protocols:**

Ensure all audit outcomes are promptly shared with the Parliament and uploaded online. For example, the COA could publish its audit reports on its website within a specified time frame, and present them to the relevant parliamentary committees for discussion and follow-up.

- **Selection Processes:**

Introduce transparent methods that diminish executive influence over COA leadership appointments. For example, the COA members could be selected by an independent committee that includes representatives from civil society, academia, and the judiciary.

COALITION-BUILDING ACTS AS THE BACKBONE OF THESE REFORMS:

Collaborative Campaigns:

1

Forge alliances with media, other CSOs, and oversight bodies for united advocacy drives. For example, CSOs could partner with local newspapers or TV channels to expose cases of corruption or mismanagement revealed by the COA's audits. They could also coordinate with other watchdogs, such as the Anti-Corruption Commission or the Special Investigation Commission, to demand accountability and action from the authorities.

Parliamentary Advocates:

3

Nurture allies within the Parliament to vouch for and drive legislative amendments. For example, CSOs could lobby or persuade MPs who are members of the Finance and Budget Committee or the Public Administration Committee to support the draft law that aims to reform the COA's structure and functions. They could also monitor and report on the progress and challenges of this law in the parliament.

Global Affiliations:

2

Engage with international SAI entities like INTOSAI's IDI for best practices and global models. For example, CSOs could participate in regional or global initiatives that support SAI independence and performance, such as the SIRAM process or the Abu Dhabi Declaration. They could also seek technical assistance or capacity building from these entities to enhance their own skills and knowledge.

Public Consciousness:

4

Boost public awareness, highlighting the importance of an autonomous audit institution. For example, CSOs could organize public events or campaigns that educate citizens about the role and mandate of the COA, and how it can protect their rights and interests. They could also solicit public feedback or input on the COA's audit priorities or recommendations.

B- Approaches to build and strengthen CSO capabilities

How can CSOs be better equipped to engage effectively with Lebanon's Court of Accounts?

For CSOs to act as potent players in the auditing landscape, they need to be endowed with the right tools and knowledge:

- **Audit Literacy:**

Organize training on the essentials of public auditing. For example, CSOs could partner with Lebanese universities or professional associations to offer workshops or courses on understanding audit types, standards, and deciphering reports.

- **Knowledge Transfer:**

Institute mentorship avenues where seasoned auditors relay expertise to CSO representatives. For instance, retired auditors or members of the Lebanese Association of Certified Public Accountants could serve as mentors or advisors for CSOs.

- **Monitoring Tools:**

Develop comprehensive guides for evaluating SAI independence and its potential threats. For example, CSOs could use the SAI Independence Rapid Assessment Tool (SIRAT) developed by INTOSAI's Development Initiative (IDI), and adapt it to the Lebanese context.

- **Data Proficiency:**

Foster public data literacy, empowering CSOs to access, interpret, and simplify complex audit data. For instance, CSOs could organize data analysis

training sessions using real-world examples from Lebanon's public sector.

- **Innovative Collaborations:**

Facilitate hackathons that amalgamate data professionals and civic bodies to ideate audit oversight solutions. For example, CSOs could collaborate with tech companies or startups in Beirut's digital district to organize hackathons focused on creating innovative tools or apps for audit oversight.

- **Advocacy Bodies:**

Establish CSO advisory entities centered on SAI advocacy strategies and legal battles. For instance, a coalition of Lebanese CSOs could form a joint task force or committee that focuses on advocating for the Court of Accounts' independence and effectiveness.

- **Academic Alliances:**

Form ties with universities to harness their research prowess in dissecting audit results. For example, CSOs could collaborate with research centers or departments in universities like the American University of Beirut or the Lebanese American University to conduct studies or analyses on the Court of Accounts' audits.

C- Encouraging proactive public involvement and ensuring report accessibility

What strategies can be employed to invigorate public interaction with the Court of Accounts and guarantee that audit reports are easily accessible?

Public engagement amplifies the transparency and impact of the audit process. Several measures can be adopted to kindle this engagement:

- **Demanding Transparency:**

Spearhead petitions insisting on the prompt digital publication of complete COA reports. For example, CSOs could launch online campaigns or platforms, such as Change.org or Avaaz, to collect signatures and pressure the government to publish the COA's reports on its website or on the Official Gazette.

- **Citizen Feedback Platforms:**

Design crowdsourcing tools where the public can relay their experiences with public services. For instance, CSOs could create mobile apps or websites, such as Baladiyati where citizens can report problems or complaints about public services in their municipalities or regions, and share them with the COA.

- **Engaging the Youth:**

Launch contests encouraging youngsters to craft data visualizations based on COA's findings. For example, CSOs could partner with schools or youth organizations, such as Youth Against Corruption or Youth for Change, to organize competitions or hackathons where students or young activists can create infographics, charts, maps, or dashboards that illustrate the COA's audit results and recommendations.

- **Creative Communication:**

Transform intricate audit reports into easily digestible formats like comics or animated videos. For example, CSOs could collaborate with local artists or media outlets, such as Samandal Comics, to produce creative content that simplifies and explains the COA's audit findings and their implications for the public.



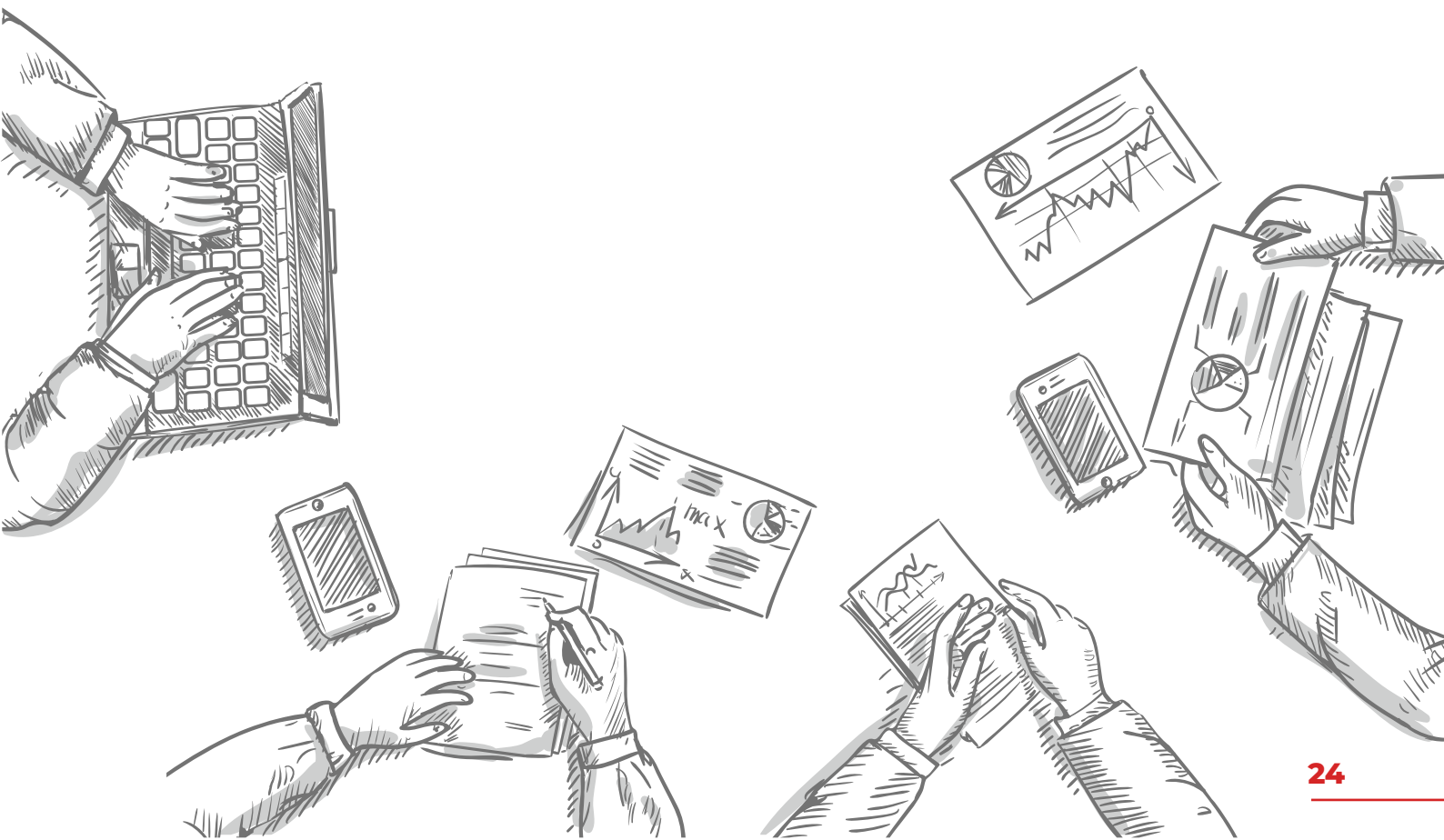
- **Empowerment Kits:**

Devise social media toolkits that allow citizens to track and oversee regional budget practices. For example, CSOs could develop guides or templates that help citizens access and analyze budget data and documents related to their governorates or districts, and share them on social media platforms like Facebook or Twitter.

- **Public Dialogues:**

Host debates and community meetings on audit results to heighten media coverage. For example, CSOs could organize public events or forums, such as TEDx Beirut or Beirut Debates, where they invite experts, journalists, activists, or COA representatives to discuss the COA's audit findings and their impact on governance and accountability in Lebanon.

Harnessing these methods can not only spike public interaction with the COA but also ensure that their findings remain transparent and accessible to all.





V- CONCLUSION

A- Reiteration of the paramount importance of maintaining the autonomy of the Court of Accounts

Why is the autonomy of the Court of Accounts essential for Lebanon's democratic governance?

The autonomy of Lebanon's Court of Accounts (COA) is foundational for ensuring that not just taxpayers' money, but also the crucial international aid that Lebanon heavily relies on, is used efficiently, ethically, and effectively. If the COA's independence is compromised, it can lead to unchecked misuse of public funds and erode public trust in governance. Ensuring that the COA can act without political interference guarantees the impartiality and effectiveness of its audits, building public trust in state financial management. CSOs have a pivotal role in supporting this autonomy by pushing for legal reforms, raising public awareness, and establishing coalitions that ensure the COA's independence remains unviolated.

B- Implications of an independent SAI on the broader governance landscape in Lebanon

How does an independent COA influence Lebanon's broader governance?

An independent COA has extensive positive implications for the entirety of Lebanon's governance landscape. Operating free from external pressures, the COA creates an environment where transparency, integrity, and accountability thrive in all sectors of governance. The COA's work, when carried out autonomously, acts as a deterrent to corruption, enhances public service delivery, and fosters an informed citizenry. Its reports can drive reform and create more transparent government operations. An empowered COA sets a high benchmark for oversight, inspiring other institutions, like the Central Inspection Board and the National Anti-Corruption Authority to uphold similar standards of independence and integrity.

C- A Final Rally for Continued Effort from All Stakeholders in Safeguarding Transparency and Impartiality

What is the collective role of stakeholders in upholding the COA's independence, and why is it crucial?

Securing the COA's independence is a journey that demands dedication, collective responsibility, and constant vigilance. Though the challenges are considerable, they are not unconquerable. Every stakeholder, from CSOs to the media and from policymakers to the public, has a role to play in ensuring the COA remains a symbol of transparency and impartiality. The COA must uphold its mandate, while external stakeholders, especially CSOs, ensure its autonomy is protected. The public, when informed and engaged, becomes the sentinel that monitors, supports, and defends the COA's processes and independence. In essence, the fight for the COA's independence transcends institutional reform; it embodies Lebanon's dedication to democratic values, transparency, and accountability. With unity and a shared vision, a transparent and accountable Lebanon is within reach.





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A: Sodeco Square Center, Bloc B, 4th Floor, Ashrafieh, Beirut - Lebanon
T: +961 1 616 001/2/3 | M: +961 70 035 777
E: transparency@transparency-lebanon.org

WWW.TRANSPARENCY-LEBANON.ORG



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