

# **Strengthening Accountability Networks among Civil Society**

**Performance measurement report of the Court of  
Accounts, Lebanon's Supreme Audit Institution**



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## **BACKGROUND**

Strengthening Accountability Networks among Civil Society is a project implemented by Transparency International in order to advance democratic accountability worldwide. Funded by the European Union, the project is being executed in 26 national chapters including Lebanon. Focusing on political integrity as an area of priority, the projects engage with civil society organizations and supreme audit institutions as main target stakeholders.

In Lebanon, the democratic accountability problem is identified by the opacity and lack of accountability in budget formulation, execution, and oversight. This is deeply rooted by the absence of robust national budgeting process coupled with weak vertical horizontal oversight of public funds (by citizens and civil society vertically, and institutional checks and balances horizontally) and lack of transparency, enhancing risks of embezzlement, bribery and personal profit. This exacerbates the growing citizen mistrust in the Lebanese state, particularly in sectors mostly affected by poor budgeting and corruption such as energy and social affairs for example.

In an attempt to address this problem, Transparency International-Lebanon (TI-Lebanon) designed its intervention to improve the responsiveness of duty bearers by pushing for reform in the energy and social sectors, as well as encouraging greater participation in budgetary processes.

Under such efforts, TI-Lebanon has recruited an Expert to develop the present performance measurement report of the Court of Accounts (COA), Lebanon's Supreme Audit Institution (SAI). The report will take as a reference point the comprehensive Performance Measurement Framework (PMF) developed by the International Organization of Supreme Audit Institutions (INTOSAI).

This framework focuses on 6 domains, including Independence and Legal Framework, Internal Governance and Ethics, Audit Quality and Reporting, Financial Management, Assets and Support Services, Human Resources and Training, and Communication and Stakeholder Management.

Given the focus of TI-Lebanon on expanding the civic space for accountability throughout the implementation of the SANCUS project, this report solely focuses on two out of the six indicators, i.e. Independence and Legal Framework and Communication and Stakeholder Management.

## INTRODUCTION

Securing financial integrity and the responsible management of public funds calls for adequate mechanisms at the national level. Among the vital institutions States have established holding oversight prerogatives, Courts of Accounts (CoA) play a crucial role in ensuring transparency, accountability, and the proper management of public funds within a country's governance framework.

Considered as independent Supreme Audit Institutions (SAI), the CoA is tasked with the critical responsibility of auditing government accounts, evaluating financial transactions, and assessing the efficiency and effectiveness of public sector operations. Its overarching goal is to safeguard the public interest by preventing financial mismanagement, corruption, and the misuse of public funds. According to prominent French CoA Counselor in the previous century, M. De Marcé, *“the set of rules of public accounting has a special character that requires them to be placed in a special place in the whole of administrative law. They are constitutional in nature”*.<sup>1</sup>

Hence, such institutions functioning constitute the cornerstone of the national financial control system, the Court of Accounts serves as a key mechanism for upholding the principles of good governance and reinforcing the rule of law. It operates with the mandate to examine the legality, regularity, and soundness of public financial activities, ensuring that public resources are utilized in line with established laws, regulations, and ethical standards. Former CoA President in France Jean Prada highlights how *“these rules, which govern the voting, execution and control of published budgets, are the very essence of the political organization of the Nation”*.<sup>2</sup>

Thus, through its rigorous audit processes and investigative procedures, the CoA identifies potential irregularities, financial discrepancies, and instances of malfeasance, thereby promoting accountability and fostering a culture of fiscal responsibility within the public sector.

Furthermore, the CoA acts as a guardian of public trust, contributing to the enhancement of public confidence in the government's financial management practices. By issuing audit reports and recommendations, the institution facilitates informed decision-making among policymakers and government authorities, encouraging the implementation of necessary reforms and corrective actions to improve financial governance and mitigate risks. Its reports also serve as a crucial tool for promoting transparency and accountability to the general public, allowing citizens to monitor the use of public funds and hold government institutions and officials accountable for their financial stewardship.

As such, the CoA assumes a pivotal role in the oversight and scrutiny of public finances, serving as a cornerstone of democratic governance and contributing to the sustainable development and stability of the nation's economy. Its institutional presence signifies a commitment to upholding the highest standards of financial integrity and ethical conduct, thereby fostering public trust and confidence in the responsible management of State resources.

### The Lebanese Context

In Lebanon, the importance of oversight over public financial accounts is acknowledged under its Constitution, specifically mentioned in article 87, which outlines that *“the final financial accounts of the Administration for each year must be submitted to the Chamber for approval before the promulgation of the budget of the second year”*. The article also stipulates for legislators to issue a *“special law [...] for the setting up of an Audit office”*, also called in Lebanon the Audit Court or Court of Accounts.

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<sup>1</sup> Victor De Marcé (1928). Le contrôle des finances en France et à l'étranger, Félix Alcan.

<sup>2</sup> Jean Prada (1995). L'évolution du rôle de la Cour des comptes dans ses relations avec le pouvoir législatif. La Revue administrative, Jan./Feb. 1995, No. 283.

That specific legislation was first enacted in 1951 through the first public accounting law. It is currently governed by Decree-Law No. 82 of 16/9/1983 which underwent several amendments in 1985, 1992 and 2012. Composed of magistrates, assessors and accountants, the CoA constitutes an administrative and financial court with an autonomous public prosecutor's office, institutionally attached to the Office of the Presidency of the Council of Ministers. It is headed by a President who is a Magistrate and supported by the Audit Council. The current legislation grants the President a number of prerogatives:

- organizing the internal administration flow of work entrusted to the CoA (art. 18);
- corresponding with all public administrations directly (art. 18);
- organizing the different Audit Chambers and assignment distribution upon the approval of the Audi Board (art. 18);
- drafting CoA expenses sheets and coordinating its adoption with Minister of Finance and the Council of Ministers (art. 19);
- setting the CoA by-laws, upon the approval of the Audi Board (art. 23);
- submitting CoA annual report to the President of the Republic (art. 49);
- briefing specialized parliamentary committees when relevant (art. 51);

Article 1 of Decree-Law no. 82 stipulates that the CoA *“is an administrative court with financial jurisdiction. Its task is to oversee the management of public funds and the Treasury funds by:*

- *monitoring their use and their compliance with the laws and regulations in force.*
- *ruling on the validity and regularity of transactions and accounts.*
- *prosecuting those responsible for violations of laws and regulations relating to the management of public funds”.*

Its main mission revolves around two functions: administrative and judicial. According to article 30 of the Decree-Law no.82, the *“administrative function is exercised by its prior control over the implementation of the budget, by reports it organizes on the history of pre- and post-approval supervision, and by expressing an opinion on financial matters. The judicial function is exercised by controlling public accounts and over any agent who is responsible for the use or management of public funds and funds deposited with the treasury”.*

Hence, the court has a dual function of administrative control, approving public spendings a priori (art. 37-44 of the Decree-Law no. 82) and exercising its supervision in controlling the spending a posteriori (art. 45-51). The transactions subject to prior administrative control are those which procurement value exceeds 75,000,000 Lebanese pounds. The amount used to be equivalent to 50,000 USD before the acute devaluation of the national currency. At the moment of conducting this report, the value of this amount has decreased to less than 843 USD and will require urgent amendment to avoid clogging the CoA's mandate and mission.

Furthermore, the CoA ensures the role of judicial control over two separate fields: control of public accounts, which list is designated under art. 57, and supervision over civil servants.

Mostly viewed as a technical institution, the CoA enjoys little visibility among civil society and relevant stakeholders, despite holding a sharp expertise on the country's financial challenges. In August 2019, just two months before the start of the greatest banking crisis of the history of Lebanon, the Head of the CoA back then Judge Radwan Akil was analyzing how the *“past national budgets have brought us to the brink of chaos”*<sup>3</sup>, pointing to the *“hot potato’ of random contracting as a result of legal violations by dozens of ministries and departments”*.<sup>4</sup>

The budgetary shortcomings of the Lebanese State and various accounts of rampant corruption are no real secret. Moreover, Lebanon's political leadership has showed little regard in the past decades as to their constitutional obligations in terms of budget deadlines and the submission of the corresponding public accounting balancing sheets that are due every year.

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<sup>3</sup> Interview with General Security Magazine, no. 71, 6 August 2019.

<sup>4</sup> Idem.

As specified by the 1963 Lebanese Public Accounting Law, the government is to present to the Parliament the bill relating to the closure of the budget accounts before the first of November following the budgetary year in question (Art. 197). However, the legislation does not describe how the closure act needs to be presented, but on the other hand, specifies the documents to be submitted to the CoA, such as the closing of the budget accounts and the general revenue and expenditure account (art. 195).

As such, these closure sheets are a crucial validation tool indicating that the adopted budget has been well executed, listing all government expenditures that were spent during the fiscal year against budget revenues collected. The Lebanese authorities “stopped transmitting budget’s yearly balancing sheets in 2003” and those submitted to the CoA between 2004 and 2008 were “deeply flawed”, as pointed out by Amin Saleh, the former Director of Public Accounting Department at the Lebanese Ministry of Finance.<sup>5</sup> For years, the country had to function without a formally adopted budget due to political disputes, hence relying on the provisional twelfth rule spending. Furthermore, experts regularly point to the tightness of the public auditing supervision calendar, which is deemed unreasonable, as “the procedures set out by the public accounting act monitoring the implementation of the budget pose a problem of timing feasibility”.<sup>6</sup>

With the current financial and economic meltdown, Lebanese have paid a tremendous toll due to the lack of proper oversight mechanisms over treasury practices and the handling of public funds. The latest budgetary exercise submitted by the caretaker government is yet to address such structural issues seriously, as pointed out by the Policy Initiative in a paper in September 2023: “Four years into the crisis, Lebanon’s political elites have not only refused to adopt substantive reforms but have also wasted the state’s dwindling resources. They approached the 2023 budget in an ad-hoc manner absent a medium-term fiscal framework and slashed social services funding without concern for its impact on citizens. Instead of expediting reforms and activating accountability and budgetary institutions, elites seem content to hollow out the state, and by extension, the economy and society”.<sup>7</sup>

Under such duress, the Lebanese CoA lies far behind in its oversight efforts. In July 2020, it had only finalized its review of the 1997 accounting balance sheet of the corresponding budget, after having started with the 2017 budgetary sheet in July 2019. In its findings, the CoA pointed to multiple accounts of overspending, embezzlement and misplaced figures.<sup>8</sup>

That said, the CoA action continues to be relevant and regarded as highly pertinent, even gathering some media coverage when high visibility stakeholders are concerned. Recently, the CoA issued a decision voiding the Lebanese Casino agreement with a company to launch an online gambling platform, due to its violation of the new Public Procurement Law.<sup>9</sup> In May 2023, the CoA reported wrongdoings from six different ministers who were in charge of the Telecom sector since 2011. It issued decisions in two cases of squandering and misappropriation of public funds in the Telecommunications Ministry, giving the six successive telecoms ministers the legally prescribed 60 days to defend themselves on the presumed violations.<sup>10</sup>

At the same time, the CoA is undergoing harsh conditions, like all public institutions in Lebanon, due to the steep devaluation of the national currency which dramatically shrunk the income of civil servants.

<sup>5</sup> Elaph Beirut (2019). These are the repercussions of the absence of accounting balancing sheets on the budget in Lebanon [in Arabic], 12 June 2019.

<sup>6</sup> Dominique Bouley (2018). La clôture des comptes au Liban, Institut des Finances, Ministère Libanais des Finances, 6 August 2018, p. 23.

<sup>7</sup> Sami Atallah, Wassim Maktabi, Sami Zoughaib (2023). Lebanon’s 2023 Draft Budget: Aimless Expenditure, The Policy Initiative, 15 September 2023.

<sup>8</sup> ايلي فرزلي، ديوان المحاسبة ينجز قطع حساب ١٩٩٧: إكراميات واختلاسات وتجاوز للإففاق! الأخبار، ٢٠٢٠/٧/٢٥

<sup>9</sup> ندى أيوب، ديوان المحاسبة يحسم: لا يحق للكارزينو تنظيم القمار "أونلاين"، الأخبار، ١١/٢٣/٢٠٢٣

<sup>10</sup> L’Orient-Today (2023). Telecoms Corruption: The Court of Audit report nails six ministers, 15 May 2023.

Under such crisis, the opportunity of looking into some of the CoA performance indicators is timely, especially under the two areas highlighted in this report: the independence of the CoA and its communication management. The assessment is based on thorough desk review on SAls frameworks and practices, the Lebanese CoA history, role and record and various resources from international stakeholders such as the International Organization of Supreme Audit Institutions (INTOSAI). Due to limited time resources allocated for this assessment, only a few Key Informant Interviews were conducted, one anonymously with a sitting CoA Judge in order to avoid any long authorization process to be able to speak on the record, and another with a CSO representative, Assaad Thebian, the executive director of the Gherbal Initiative. Although these challenges may have limited the depth and scope of the performance assessment, and its undertaking during an unfolding security crisis in the country and the region hampering the breadth of participation of relevant officials, the present report constitutes an important cornerstone for further strengthening the mandate of the COA, particularly through enhancing its collaboration with CSOs in a systematic fashion.

## **EXISTING SUPREME AUDIT INSTITUTIONS' FRAMEWORKS FOR CIVIL SOCIETY ENGAGEMENT**

SAls often engage with CSOs to enhance transparency, accountability, and good governance. Several frameworks and guidelines exist to facilitate and promote this engagement. On this level, many existing frameworks can be found in relevance to the SAls-civil society nexus.

*INTOSAI Framework of Professional Pronouncements:*

The International Organization of Supreme Audit Institutions (INTOSAI) provides a framework for SAls that includes guidelines for engaging with civil society and promoting public participation in audit processes. It will represent the main reference for this performance report.

The INTOSAI adopted the Lima Declaration in 1977, emphasizing the importance of SAls promoting transparency, accountability, and the active involvement of citizens and civil society in audit activities. It represented the first INTOSAI document to “*comprehensively set out the importance of SAI independence, by reminding INTOSAI members that SAls can only be objective and effective if they are independent from the audited entity and are protected from outside influence*”.<sup>11</sup>

From the Lima declaration emerged core 8 principles governing SAls work and mission:

- The existence of an appropriate and effective constitutional/statutory/legal framework and of de facto application provisions of this framework;
- The independence of SAI heads and members (of collegial institutions), including
- security of tenure and legal immunity in the normal discharge of their duties;
- A sufficiently broad mandate and full discretion, in the discharge of SAI functions;
- Unrestricted access to information;
- The right and obligation to report on their work;
- The freedom to decide the content and timing of audit reports and to publish and disseminate them;
- The existence of effective follow-up mechanisms on SAI recommendations;
- Financial and managerial/administrative autonomy and the availability of
- appropriate human, material, and monetary resources.

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<sup>11</sup> INTOSAI (2019). INTOSAI-P10, Mexico Declaration on SAI Independence, p. 3



In October 2016, it published a Performance Measurement Framework (PMF), which object is to support SAIs in their endeavors to:

- “strengthen the accountability, transparency and integrity of government and public sector entities;
- demonstrate ongoing relevance to citizens, Parliament and other stakeholders; and
- being a model organization through leading by example”.<sup>12</sup>

Other frameworks can also be mentioned such as:

*IDB-OECD Guidance for Effective Public Investment Across Levels of Government:*

The Inter-American Development Bank (IDB) and the Organization for Economic Co-operation and Development (OECD) offer guidance on involving civil society in the audit of public investment projects.

*EUROSAI's Guidelines for Engaging with Civil Society in Public Sector Audit:*

The European Organization of Supreme Audit Institutions (EUROSAI) provides guidelines for SAIs in Europe to engage with civil society in public sector audit, fostering transparency and accountability.

*AFROSAI-E's Framework for Engagement with Civil Society Organizations:*

The African Organization of Supreme Audit Institutions in English-speaking Africa (AFROSAI-E) has developed a framework to guide SAIs in engaging with CSOs, recognizing the importance of civil society in strengthening governance.

*The World Bank's Toolkit on Citizen Engagement in Public Financial Management:*

The World Bank offers a toolkit that includes resources and guidelines for SAIs and governments to engage with civil society in public financial management, including audit processes.

*UNDP's Guidelines for Strengthening Civil Society Participation in Public Audit:*

The United Nations Development Programme (UNDP) provides guidelines for SAIs and civil society organizations to work together effectively in public audit processes.

*The Global Initiative for Fiscal Transparency (GIFT):*

GIFT offers resources and best practices for SAIs and civil society organizations interested in collaborating to enhance fiscal transparency and accountability.

*Open Government Partnership (OGP):*

OGP encourages SAIs to work with civil society to improve government accountability and transparency. OGP provides a platform for governments and CSOs to collaborate on open government initiatives.

These frameworks and guidelines provide valuable insights and resources for SAIs looking to engage with civil society organizations to promote good governance, transparency, and accountability in the public sector. SAIs can adapt and implement these frameworks according to their specific contexts and needs.

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<sup>12</sup> IINTOSAI (2016). Supreme Audit Institutions Performance Measurement Framework, October 2016, p. 6.

## ASSESSING COA'S INDEPENDENCE AND LEGAL FRAMEWORK

### Degrading work conditions

Presently, the CoA cadre is set, as a matter of regulation, at 227 staffers, among which 115 are vacant. As such, 112 civil servants work at the Lebanese CoA, supported by a couple of dozens private servicemen.<sup>13</sup> This confirms the declarations of the interviewed CoA Judge mentioning how understaffed the institution is: “since 2019 to today, we are in crisis mode, close to paralysis like the rest of the State institutions due to the loss in our salaries worth, degradation of our work conditions, the Port blast impacts to our offices, issues of electricity”.

Thanks to the quick repairs through various donors after the Port blast, the CoA was able, “much before other public entities” to be operational again. Given the new terrible work conditions, the president of the CoA, in agreement with the CoA Board, have set a new prioritization for their office and workers, focusing on more urgent matters and concentrating on issuing targeted reports on specific crucial sectors.

In the recent years, the CoA hence published so far five reports addressing public accounting wrongdoings that were highly picked up the media. All of them were unfavorable to the governing bodies, past or present, which shows the CoA can work independently from the government, should its leadership choose to carry the prerogatives of their office.

### Unfavorable structural framework

The issue of the CoA independence is a “*historic issue*”, as mentioned by the interviewed judge, namely due to the institutional design of the SAI in Lebanon which was attached directly under the Presidency of Council of Ministers. In terms of image, this statutory situation brings many issues and challenges, because of the unfavorable structure of the CoA which might suggest hierarchical weights. In reality, the CoA “*can work independently and there exist no hierarchy with the presidency of the council of ministers*” explains the respondent judge, which is a fact enacted under its legal framework as the CoA does not answer in any way whatsoever to the Council of Ministers nor any other chief of executive branch.

That said, this doesn't mean that pressuring attempts cannot be made against the SAI, given how vulnerable it is from a structural perspective in at least two areas: its budget and the nomination processes. First, the financial resources of the CoA are dependent upon the administration it is attached, i.e. the Presidency of the Council of Ministers, as its budget needs to be validated by the Minister of Finance and ultimately by the Council of Ministers. Second, CoA nominations are done by the Council of Ministers and, as in all public administrations in Lebanon, the sectarian balance is applied in all appointments, which is mostly done against the benefits of meritocracy. Usually, CoA appointees come from the highly respected Institute of Judicial Affairs which has developed a public finances component starting 1992, and this limits the maneuvers from the political class as to possible nominees, even if sectarian and political considerations continue to be a rooted practice under the Lebanese context.

Moreover, CoA judges are not protected from removal nor abusive transfers (only the president is). That said, the fact that a previous CoA president, Judge Ahmad Hamdan, was demoted by the Council of Ministers in September 2019, a few months before the end of his term can be an indication as to the vulnerability of these key positions in oversight institutions in highly corrupt countries.

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<sup>13</sup> طوني كرم، الانهيار يفتت الادارات الرسمية: من يراقب من؟ نداء الوطن، ٢٠٢٣/٢/٢

Yet, the situation is very different today. With its financial collapse, State authorities have little leeway and political consensus against oversight institutions, which are more openly supported by local and international stakeholders. Judge Mohammad Badran, the current President of the CoA, has clearly shaped his current mandate around the need to confront the very roots that led to the dramatic situation of the public treasury today. Quoted recently by the Legal Agenda, Judge Badran asserted the importance of *“high oversight standards and levels of responsibility because a minister is not only supposed to be held accountable should he misplaces public funds, but also when he fails to carry out his duties, on the premise that a ministry is not only a prestige, but comes with it a responsibility first”*.<sup>14</sup> Therefore, the CoA tendency for the present period is to turn to evidence-built reports in order to influence the policy cycle in some way, despite the difficult task this represents in a country undergoing a multidimensional crisis such as Lebanon. As such, the CoA is being much more solicited by the government than in previous periods, gaining more autonomy and independence thanks to its valuable expertise in such difficult times for the country.

However, under the present display infrastructure, there can be no guarantee of oversight independence for future CoA tenures. Our interviewed judge acknowledges the issue as he calls for a *“larger judicial reform to ensure total independence with no attachment to any ministry or executive branch, as the CoA should be part of a larger judicial power which is guaranteed total independence”*.

## **ASSESSING COA'S COMMUNICATION AND STAKEHOLDER MANAGEMENT**

### **Insufficiently institutionalized relations among State institutions.**

The CoA has a working relationship with other State institutions, whether stipulated by law or not. For instance, the CoA needs to submit its public budget to the Minister of Finance and in case amendments are suggested, they need to be validated by the Council of Ministers after hearing from the Head of the CoA (art. 19). Decisions related to pre-approval of public expenditure are also transferred to the Council of Ministers which will need to arbitrate the matter after listening to the Head of CoA.

The CoA also submits its annual report to the President of the Republic (art. 49), in addition to the Parliament and the Civil Service Board and the Central Inspection.

The CoA can also submit special reports to all levels of the Republic, whether the Presidency or the Council of Ministers or any other public administrations or public entities (art. 52), holding specific sectorial conclusions and recommendations.

The CoA is also to inform the Parliament of any wrongdoing it would have uncovered by Ministers (art. 64).

As to the Judiciary branch, the legal framework is well clarified between the CoA Prosecutor and the Public Prosecutor per the Cassation Court, mainly when dealing with criminal breaches of public funds (art. 27).

That said, the level of institutionalization of these relations is deemed low when compared to the working parameters of other CoAs around the world. However, the lack of specific processes in the Lebanese regulations has not barred the CoA from enacting a series of good practices in terms of building institutional relations with a number of key stakeholders.

For instance, CoA judges are regularly invited to parliamentary committees at the request of MPs, wanting to benefit from the CoA expertise in terms of public accounting and its shortcomings. These are spaces in which CoA judges or auditors can be very influential in terms of policymaking and debates over potential reforms. This is particularly relevant in very technical committees such as the Telecoms, which is presently undergoing a deep crisis as the CoA has pointed to a number of wrongdoings since 2011 raising suspicions against 6 successive ministers, as mentioned earlier in the report.

### **Lack of institutionalized relations outside State institutions**

Since July 2011 and its biennial symposium held in Vienna, the INTOSAI has been focusing on "Effective practices of cooperation between Supreme Audit Institutions (SAIs) and citizens to enhance public accountability". The role played by CSOs and citizens communities in public transparency and accountability is today deeply anchored in the basic working standards for any oversight agency.

Yet, in Lebanon, the outreach efforts outside State institutions are not mentioned by law: *“despite the existence of legal provisions detailing the CoA function and relation with the relevant authorities, there aren’t any provisions which stipulates for the CoA to publish formally around these issues”* to a wider public<sup>15</sup>. In such terms, experts agree of the absence of provisions in the Lebanese regulations on the necessity of targeting the CoA publications outside the realm of State administrations. Since it is the guardian of taxpayers’ money, the CoA needs to engage more strongly with citizens communities, CSOs and NGOs specialized in transparency and accountability in the management of public funds.

It has been the CoA experience to function in “a traditional way” in terms of public communication, as per the CoA judge interviewed. Their reports are usually shared with the media and the press, which in their turn decide, or not, to grant it coverage based on their interest in the story and the content of the reports or communications. This one-way transmission process doesn’t allow for the CoA to better explicit its positions, answer questions, address clarifications and ensure that the larger public be aware of its decisions.

As such, there is no specialized ‘Outreach and Communication’ unit among the CoA to spread the content of their work in a wider sense. According to our judge respondent, *“this would need new specific regulations to create such a unit, but more importantly, at the CoA level, it would need a formal acknowledgement which is not present in the mindset of its present leadership”*. However, some practices have started to emerge with the CoA answering more and more favorably solicitations to awareness sessions and meetings outside the realm of State institutions.

Moreover, the fact that the CoA findings and conclusions are rarely quoted among civil society reports and campaigns are an important indication as to the missing link under such a large potential of collaboration in the path to greater transparency and accountability in the field of public accounting.

This is why, according to the CoA judge we interviewed, the *“CoA president has given clear instructions to show greater transparency with the media, but also with CSOs. But this is mainly restricted to the initiatives around personal relations or private solicitations. There is no formal communication strategy”*.

As such, the interviewed judge expressed how the CoA understands that *“fostering influence carries higher probability of political decisions”*, as it is in its *“interest to boost financial literacy and support the spreading of its oversight work and findings”*. For example, the CoA has issued in the recent period many recommendations to the government around the need of cutting rental costs of public institutions, an issue which can be of interest for the Lebanese NGOs and public opinion generally, when the political class is aiming at raising taxes due to the financial collapse of the treasury.

In this sense, some movement can be observed based on the openness of the CoA in its present tenure. As such, we can see CoA judges participating to CSOs workshops and events on public transparency, sometimes based on reports picking up on CoA findings. Assaad Thebian, head of the Gherbal Initiative, one of the few organizations referring to the CoA works, wishes however a more *“consolidated cooperation channel to better exchange information”* with the CoA.

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<sup>15</sup> Mohamad Ali Al Moghabbat (2022). Transparency and Accountability Principles Governing the Court of Accounts under the INTOSAI principles [in Arabic], Transparency International, Lebanese Transparency Association, March 2022, p. 5

So far, these relations are happening under ad hoc premises, like when Gherbal Initiative launched its fifth annual report on “Transparency in Public Administrations for 2022” in March 2023, which tackled the issue of loans and grants handed to the Lebanese State in the past decades. This was an opportunity for the CoA to present the findings which constituted a centerpiece of Gherbal’s conclusions, since they are the product of CoA’s earlier report published earlier in the year.<sup>16</sup> During the conference, the president of the CoA’s Fourth Chamber of the CoA, Judge Nelly Abi Younes, presented the SAI’s “State’s public donations and loans (1993-2022)” report and the three stages the oversight body had identified and the specific challenges attached to each period. She insisted on how national authorities “violated many of the public accounting mechanisms for recording donations”.<sup>17</sup> Judge Abi Younes also reminded the audience of the extraordinary amounts of public money (\$25 billion) handed to Electricité du Liban outside any proper regulatory and budgetary process.

These public appearances are a glimpse of the potential influence CoA officers can have in the public arena should the SAI decides to institutionalize its working relationship with the civil society and citizens community. One positive note is that nothing in the legal framework bars the CoA of engaging with public audiences, however under such configuration, they would depend on the will of the sitting CoA President. If the present president has a progressist vision of the CoA engagement with outside institutions, this does not represent a sufficient guarantee for the future tenures among the CoA.

Presently, the CoA is interested in pushing for reforms, but in a “traditional sense” says the interviewed judge, meaning in rendering the Lebanese SAI more efficient in terms of public accountability. From an internal perspective, the CoA would need to decrease the pre-approval supervision loads by dramatically increasing the thresholds to up to 300.000US\$, in addition to relying more on digital tools, social media and better communication prospects.

That said, the CoA in its present tenure does not appear ready to further steer policy reforms in terms of key priorities that would enhance for instance green economy or sustainable goal developments<sup>18</sup> or potentially beneficial areas for the way public money is spent in the country. For instance, the CoA in France played a significant role in policy reforms related to social security.<sup>19</sup> The Lebanese SAI could take a step further the important evidence-based accomplishments in several sectors to be involved and influence the policy cycle, possible in the Electricity, Telecoms or Grants sectors.

As such, as brought forward by INTOSAI’s capacity-building committee, “a regular, transparent and open-minded engagements with civil society will result in greater knowledge and understanding by civil society of the essential role of the SAI within the accountability ecosystem, generating overall public trust. Not only will this enhance the SAI’s reputation among a wider group of civil society stakeholders, but also translate into enhanced public support for the SAI”.<sup>20</sup>

<sup>15</sup> ٢٠٢٣/٢/٢٧. الأخبار، من دون رقابة، الهيئات منذ ١٩٩٧ صُرفت من دون رقابة، الأخبار، ٢٠٢٣/٢/٢٧

<sup>16</sup> نداء الوطن، “غربال” تطلق تقريرها السنوي عن الشفافية في الإدارات العامة: مخالفات وشبهات في القروض والمنح... والمساعدات، ٢٠٢٣/٣/٢٣

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## RECOMMENDATIONS

SAls hold a wealth of experience in providing recommendations for improving the efficiency of public funds management. This role can find a gratifying support through establishing stronger channels of communication with CSOs and, largely speaking, stakeholders outside the realm of State institutions.

### **To the Court of Accounts:**

- Establish good relationships and engage in two-way communication, which includes constructive and open dialogue with CSOs, NGOs and specialized journalists;
- Implement coordinated monitoring over public administrations' implementation of CoA directives and recommendations;
- Raise awareness and be proactive in educating stakeholders about the role and responsibilities of SAls;
- Provide easy-to-understand, practical, visual reports and recommendations and build a presence on social media;
- Develop digital tools for a better rendering and display of presence, role, publications and decisions;
- Open greater channels with experts and academia, through working partnerships and open collaboration.

### **To the Council of Ministers:**

- Address reforming the CoA structure by detaching it from the Presidency of the Council of Ministers to strengthen its administrative and budgetary independence;
- Address the structural needs of the CoA in terms of staff, offices, supplies, energy and internet access;
- Refrain from any political interference into CoA action and respect the function and role of its presidency.

### **To CSOs:**

- Follow-up and support CoA efforts in its oversight mission over management of public funds;
- When applicable, refer to CoA findings in public transparency activities, monitoring and reporting activities;
- When applicable, involve and invite CoA judges and staffers in public transparency events and campaigns;
- If needed, defend and speak up for CoA independence and integrity when targeted by political interference or sectarian considerations.

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