



Our journey towards performance audit

A success story

State of Palestine

State Audit & Administrative Control Bureau

SAACB is the supreme audit institution of Palestine, that releases reports about the public sector audits (financial, compliance, performance). These reports include enforceable observations and recommendations to improve performance and help decision makers take proper corrective action, in order to:

1. Ensure sound financial action and the well use of public funds in designated purposes.
2. Inspect the management to ensure efficient performance and the well use of powers, and to disclose deviations, if any.
3. Ensure that the financial and administrative action complies with effective laws, regulations and decisions.
4. Ensure transparent and honest public performance, and enhance credible, financial management and economic policies of the state.

SAACB has been doing compliance and financial audit reports in a professional manner, but was **unable** to do performance audit reports. Performance audits are part of the Bureau's vision to audit the quality of service to citizens.

The **challenge** was the inability to do performance audit due to the following reasons:

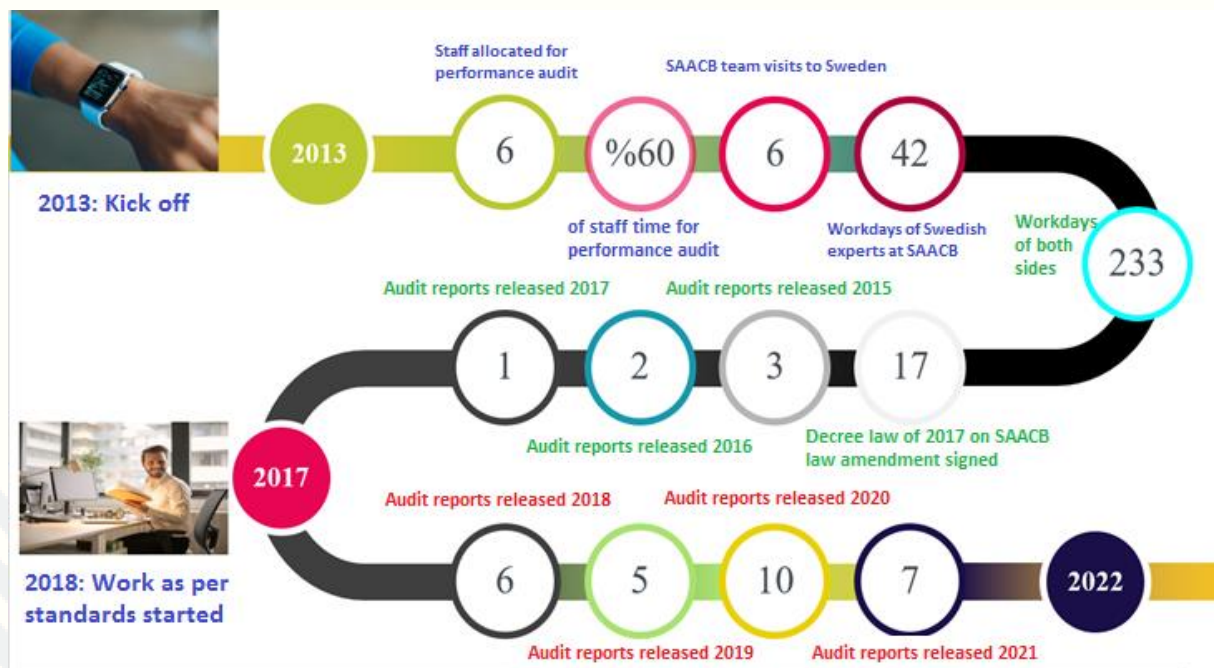
- **Lack of trained and experienced staff in performance audit.**
- **The Bureau did not have legislative mandate to do performance audits.**

The starting point was to look for a professional and quick solution; to find a partner from peer SAIs with long experience in performance audit to help the Bureau set up performance audit at professional and institutional levels, through:

- **Help the Bureau build and practice performance audit.**
- **Help staff of the Bureau set report as per INTOSAI performance audit standards.**
- **Set up the core for the performance audit department in the Bureau.**

Performance audit targets policies, goals and findings of the government to realize vision of the Bureau (make a difference to lives of citizens).

It all started in cooperation with the **Swedish National Audit Office**, by means of a long-term cooperation in the field of institutional and professional capacity strengthening at the Bureau, in order to release performance audit reports as per ISSAIs.



Initially, cooperation activities included:

- **Effective audits**
- **High quality reports that make a difference to lives of citizens**
- **Effective relations with stakeholders**

During phase 1 of the cooperation, the Bureau released 6 performance audit reports and amended its law in 2017, so performance audit is now one of the official audit forms, alongside financial and compliance audits, as per law.

Phase 2 of the cooperation started by focusing on:

- **Institutionalize performance audit in the Bureau.**

- **Introduce a new department for performance audit.**
- **Improve reporting quality by enhancing technical skills of performance auditors.**
- **Include performance audit in the strategic plan of the Bureau (2017-2021).**

The goal was to improve capacity of the Bureau to do performance audits in a more organized fashion, by planning and carrying out activities that focus on the performance audit strategy, besides planning and following up audit reports. The performance audit strategy was meant to help the Bureau identify priorities, what is to be audited and when. Staff of the Bureau (all auditors, managers) received preliminary courses to raise awareness about performance audit, and a performance audit manual with worksheets were released. Meetings were held about performance audit reports reviewing for quality assurance, in addition to communication about understanding findings in reports. The new performance audit department has been institutionalized, it is now part of the Bureau's organizational structure, and has at least eight auditors.

As at 2021 end, the Bureau released 34 performance audit reports that cover all fields. External stakeholders described performance audit reports of high quality with relevant recommendations as 'important tool to develop and improve performance'. The Bureau is now able to release high quality and relevant performance audit reports, which could be used by the government, auditors and the public to improve living conditions of the Palestinian citizens. The general knowledge about performance audit has increased among auditors, intermediate management, part of the top management and the review committee.

Performance audit reports were immensely important to improve conditions of some matters. For example, they helped reduce waiting time at emergency rooms in hospitals, and set consolidated regulations to track down the status of health care equipment. Council of ministers also released decisions based on recommendations of performance audit reports.

Impact of performance audit reports (Number of people who viewed reports online)

