Date: 05/03/2019

Finance Minister Ali Hassan Khalil held a press conference about the report on public sector spending from 1993 until 2017 included. Khalil declared:

Lately, there were many talks about the State’s public accounts and these discussions were not based on accurate and real facts. Some people or concerned parties drew conclusions from the climate surrounding the preparation of the report requested from the Ministry of Finance. Today, away from all this political debate, I would like to briefly say that, as per our commitment in accordance with the law issued by the Parliament and compelling the Ministry of Finance to prepare, review and reconstitute the accounts for the period between 1993 and 2017, we were able to achieve this straining work after years of auditing and accounts reconstitution, in addition to undertaking a comprehensive and accurate review of all relevant details and figures from 1993 until this second.

This was achieved through tremendous efforts from the Ministry of Finance, the Directorate General of Finance, the different directorates and the efforts of a large number of persons working behind the scenes and informed staff from the Directorate of Public Accounting at the Ministry who were transferred from their positions for 3, 4 or 5 years in order to accomplish this mission. These employees have been, without exaggeration, seriously drowning under tons of documents, invoices and worn-out or damaged book, undertaking lengthy reviewers with instances and BDL and carrying out painstaking work with cash desks and proximity counters. Indeed, many have deployed incredible energy. Thanks to all these efforts, I would like today to declare that we have transferred the reconstituted accounts for the mentioned years, with the relevant documentation, to the Court of Accounts so they take proper action. We have also transferred the draft final accounts for the mentioned years to both the Court of Accounts and the General Secretariat of the Council of Ministers, with the detailed analysis and documents including tens of thousands of pages in dozens of boxes and computers that will be at the disposal of the Court, and later on in the
Council of Ministers and the Parliament, in preparation for the endorsement of the final accounts, in parallel with or maybe prior to the adoption of the 2019 State Budget which cannot be issued unless 2017 final accounts are approved.
These accounts reflect in detail the results of audit and accounting operations, all the amendments and clarifications related to transactions that took place, their nature and the problems that emerged along with the consultation of the Court of Accounts. All the documents pertaining to these transactions include draft public accounts and final accounts, which means that the ministry is committed to its duties and won’t back up. The Ministry does not want to join the political fray and is committed to pursue this file to the end without any omissions or cover-ups or attempts to hide relevant technical details.
This matter is now in the hands of the Court of Accounts and the Council of Ministers will discuss this account and submit it with draft laws to the Parliament for adoption after concertation, audit and clarification.
We have duly transferred draft final accounts for all the years to the Court of Accounts with their rationale, including briefs and details that clarify what the Ministry of Finance has done. We have also transferred the final accounts to the Court of Accounts for auditing. When the Council of Ministers and Parliament will discuss them, we shall be ready.

Q: Has the time for accountability arrived? Will the accounts that you will submit be based on the report of the Court of Accounts or is the report of the Ministry of Finance solely concerned?

A: First, the information about the accounts is now between the hands of the Court of Accounts and the Council of Ministers. The documents we have submitted do not restrict the work of the Court at all. In our case, there won’t be any cover up or concealment of any fact or information. Those who are making accusations and those ruling on this matter shall abide by the laws, respect the work performed and issue their judgment and report in accordance with the laws and required scientific standards and regulations.

Q: MP Hassan Fadlallah has accused former PM Fouad Siniora of wasting money and raised the issue of the USD 11 Billion. Does your report show that former PM Siniora is involved?
A: All the details related to the mentioned accounts are revealed in this report within the final accounts. When we say we have transferred the final accounts you might think it is a piece of paper, but you will see the boxes of documents concerning past years.
I do not want to mention a number. I do not want to point fingers to anyone. All the facts are now at the disposal of the Court of Accounts, the Council of Ministers and the Parliament for auditing. The results shall concern everyone and no one shall have immunity.

As the Minister of Finance, this is my opinion and decision. This is also my stance as a member of a parliamentary and political block, as well as a member of a political movement. No one is immune and I would lie to assure that Speaker Nabih Berri has not requested anything personal. No one has discussed this issue with me. Everything I am doing emanates from my own convictions and commitment and I shall pursue it to the end.

Q: Former PM Siniora accused the DG of Finance, any response or clarification? What happened after resetting 1993 accounts?
First, concerning the Ministry of Finance, I specifically thanked the Directorate General of Finance and the efforts deployed. I personally do not accept any accusation unduly made against one of the employees. The DG has fulfilled his duties and done his job. In case of shortfalls, there are inspection bodies following up on this matter and we do not tolerate accusations in this sense. As for the resetting of 1993 accounts, if there were no problems we would not have reconstituted them and examined them.

Initially, the idea of reconstituting and auditing the accounts is based on several factors that disrupted the accounting order in the Ministry, rendering it inaccurate and underperforming. This why we reconstituted the accounts according to international scientific standards with various methods leading to the results that were submitted to the Court of Accounts that will rule out.

Q: Did the accounts reveal that funds were lost over the years?
A: If I speak, the oversight bodies will not have a role to play anymore. While we were reconstituting the accounts, it was clear that there were huge gaps during the different periods and years. These were handled at the level of accounting entries and calculations. Solutions were proposed and the way to move them from a location to another, and from a number to another without concealing this operation, was clarified.

Q: Are there ministries with the same political line as you that have lost funds?
A: I have never mentioned lost funds when it comes to the documents issue. Yes, there is a problem with the documents and it happened during a certain period in the past, but it is not related to any of our ministries. We all know that a fire broke out at the Ministry of Finance in the early 1990s and affected some things, which made us work hard to establish 1997 opening balance, but we did in the end. I do not want to talk about the technical aspect.
Q: Was the report leaked?
A: I assure you that no one in the country has the report.
I have submitted two years ago a brief about the stages we had passed when we were discussing 2017 and 2018 budgets. Some benefited from it maybe, but the summary of the report on these accounts is here now and there is no copy of it. It includes 490 pages with annexes. This is the summary of the years and the audit of the 13 years on which the accounting team worked. It summarizes many issues that were discussed and I assure you that this report has not reached anyone yet.

Q: Who will receive this report?
A: There is a report with reversed entries for those who want to audit with the annexed documents sent to the Court of Accounts, the Council of Ministers and the Parliament. People think they will have to run after the report. I assure you that for each word in this report there are dozens of documents annexed to the final accounts. The final accounts and the reconstituted accounts will reflect all these relevant details.
I heard someone today on social media saying that the report is an internal matter. Not at all. This report summarizes the work done on all these documents that you will see now and that will be transferred to the competent bodies and institutions.

Q: You have mentioned gaps; when did they happen and what are they?
A: Our work in the accounts revealed that there is a lack in the registration, review and matching of accounting entries. This is an accounting issue and it was discovered. A detailed report covering many years was developed and I do not want to mention each year. For us, there are no lost financial accounts. There are financial accounts revealed in documents and reports. These accounts shall be the bases for the work of the Court of Accounts as a competent body and the Council of Ministers as an oversight body on the governmental work. They shall determine their stance toward these accounts.

Q: What are the mistakes? There is a donation worth USD 2.4 Billion that is not registered for instance.
A: I do not want to talk about detailed numbers. If we want to respect the efforts deployed, the oversight bodies, the competent judiciary and the Court of Accounts, the Parliament should not retract from holding accountable any person found guilty of a violation or an offence as a result of this report or these accounts.

Q: In 2010, Speaker Nabih Berri mentioned this USD 11 Billion story issue
A: I have been clear. Our political orientation and leadership won’t cover anyone who is found guilty of any neglect, conspiracy or offence. They shall be held accountable as per the law.

Q: Fighting corruption? Will the Court of Accounts accuse anyone?
A: This report, these clarifications, these suggestions and mistakes are obviously not the work of someone unknown. These mistakes were made by someone known.