



GENERAL DIRECTORATE OF PUBLIC  
ACCOUNTING AND TREASURY

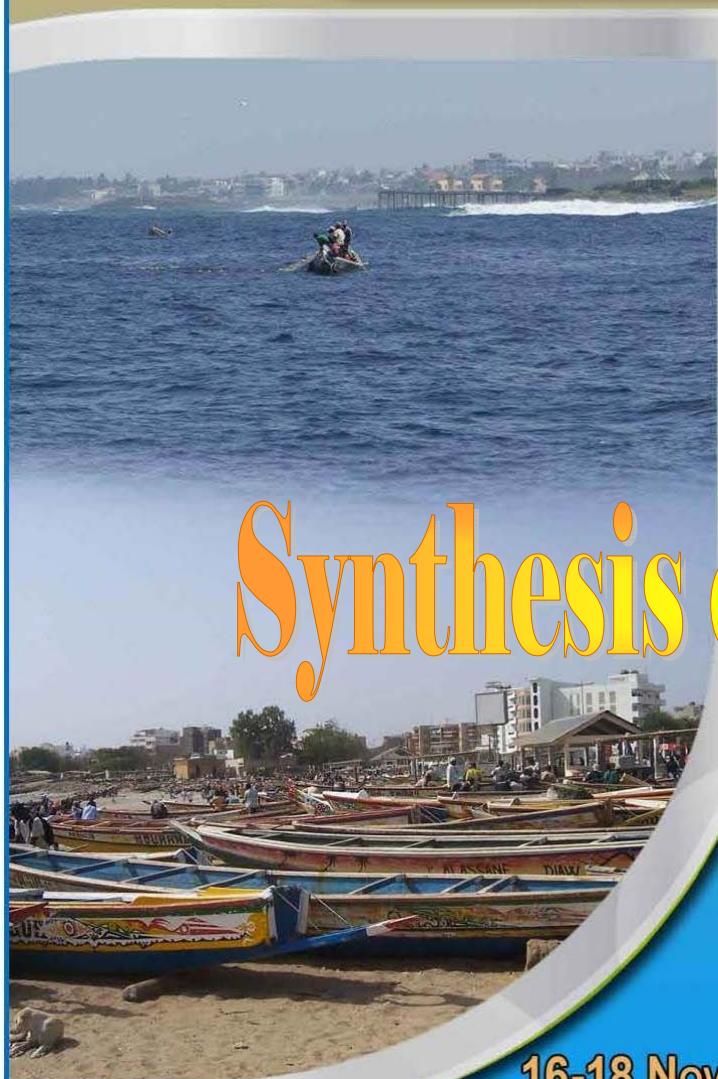
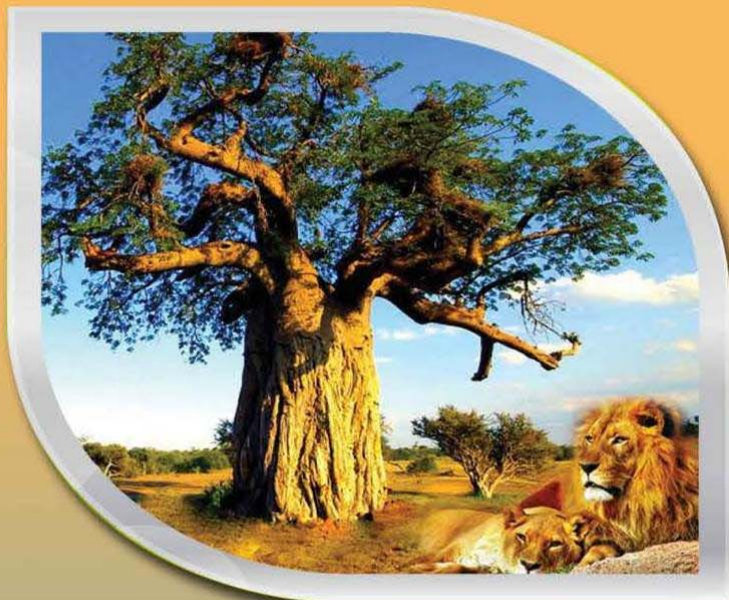


RÉPUBLIQUE DU SÉNÉGAL  
UN PEUPLE - UN BUT - UNE FOI



**IX**<sup>th</sup>  
Annual  
Symposium

# International Association of Treasury Services



## Synthesis of the works

« Public expenditure  
management process »

16-18 NOVEMBER 2015 KING FAHD PALACE / DAKAR

# Opening Ceremony

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*Address of Mr. Daouda SEMBENE, President of AIST  
General Director of Public Accounting and Treasury (Senegal)*



**Mr. Minister in charge of the Budget,  
Mr. Secretary General of the Ministry of the Economy of Finances and the Plan,  
Mr. Secretary General of the International Association of Treasury Services (AIST),  
Gentlemen the Heads of Delegation,  
Mr. Coordinator of the General Inspection of Finances,  
Ladies, Gentlemen the technical advisors to the Minister of the Economy of Finances  
and the Plan,**

**Excellencies Ladies, Gentlemen the ambassadors,**

**Distinguished guests, Ladies, Gentlemen in your credentials and qualifications,**

**Mr. Minister of the Budget and dear Colleagues,**

*It is with immense pleasure that the Public Treasury of Senegal welcomes all these sister administrations, within the 9<sup>th</sup> edition of the yearly symposium of the International Association of Treasury services around the topic: "Processes of Public Expenditure Management."*

*As current President of the Association, I wish to express my deep thanks for having accepted Senegal's invitation. The organization of this 9<sup>th</sup> symposium grants me the extreme privilege of wishing you all a fraternal welcome and a pleasant stay on Senegalese land.*

*In the name of his Excellency, Mr. Macky SALL, President of the Republic, as well as the entire government, and in the name of Mr. Minister of the Economy, Finances and the Plan, in the name of all DGCPT (General Directorate of Public Accounting and the Treasury) agents of Senegal, I would like to thank you for the trust you place in the public Treasury of Senegal. Beyond our institution, I thank the entire financial Senegalese administration, fortunately led Mr. Amadou BA, Minister of the Economy of Finances and the Plan, here represented by Mr. Minister of the Budget.*

*Our country has been honored to chair this Association for a year: firstly, through Mr. Abdoulaye DIENG, the previous General Director of Public Accounting and the Treasury, whose presence I should be acknowledging. Unfortunately, Mr. Dieng is held outside of Senegal, but we thank him for his fortunate initiative of proposing Senegal's candidacy in Madagascar, to organize this symposium, and for the praiseworthy efforts he made prior to and during the preparatory works for its success.*

**Ladies and Gentlemen,**

**Distinguished Guests,**

*Let me express my deepest gratitude, as well as my frank satisfaction to the entire organization Committee of this symposium. At its head, I would like to name Mr. Serigne Amadou SEYE, a committed, indefatigable and efficient executive, the current Director of internal audit at the DGCPT, and the rest of the members for their sense of duty and abnegation which they have shown throughout the preparatory works for this meeting, since now over seven months.*

*Please find in these few words, Ladies, Gentlemen the members of the Committee, the expression of our deep gratitude.*

*I also include in this tribute my illustrious predecessors here today: the ministers Aïssatou NIANG NDIAYE, Mamadou Abdoulaye SOW and Mr. Director of the Minister's Cabinet in charge of the Budget, Mamadou SARR. The many paths they have created have cleared the ground and paved the way which has led us today to an important meeting in the land of Teranga.*

*Please receive, Ladies, Gentlemen, the expression of my respect.*

*In this line of praise, I cannot fail to omit Mr. Didier CORNILLET, the Secretary General of AIST, as well as the rest of the members of the Secretariat General in Paris, whose commitment has never been wanting in the preparation of this meeting. Secretary General, I believe this is your third trip to Dakar in the preparation of this symposium, and I express my thanks to you.*

**Mr. Minister,**

**Ladies, Gentlemen,**

**Distinguished guests,**

*Discussing the process of public expenditure management, instead of debating on procedures of public expenditure management, amounts to targeting systemically, beyond simple regulatory issues, multiple stakeholders in the implementation of public expenditure: they may be managers, authorizing officers, public accountants, controllers, auditors, economic operators or citizens.*

*Hence the topic which brings us here today goes beyond the simple frame of administrative procedures of public expenditure implementation, which we know well. It includes that, more general, of the post-implementation phase of spending, meaning its economic effect as well as the controls (parliamentary, judicial and civilian) exerted on it.*

**Ladies and gentlemen,**

*In a world which is losing its points of reference, where certainties are shaken, a rigorous reflection is necessary due to the global impact and the complexity of the chosen topic. This reflection may be oriented on the one hand towards the cyclical and structural issues of the process of public expenditure management, and towards its socio-economic consequences. On the other hand, it may be oriented towards national Treasuries, public Treasuries, defined here as institutions, notably regarding the means of expenditure management facing citizens' high expectations of efficient public policies and reporting, of the constraints of economic decision-makers in terms of expenditure efficiency due to the scarcity of budgetary resources; finally, regarding the legitimate expectations of economic stakeholders facing public orders, a source for business opportunities.*

*These issues are, to my mind, challenges that our respective structures must face.*

*The diversity and quality of the speakers leave no room for doubt regarding the fruitfulness of the debates that we await around these topics. The roundtables that will follow will reflect the great productivity of the chosen topic to offer a setting for our symposium.*

**Mr. Minister,**

**Ladies and Gentlemen,**

**Dear colleagues,**

*Facing these challenges, Senegal's DGCPPT has committed to profound changes, of a functional and organizational nature. These changes were imposed also by the necessity of facing the structural transformations of the Senegalese economy, led by the highest authority of the State of Senegal, which I have named His Excellency the President of the Republic Mr. Macky SALL. His ambition in the Plan Senegal Emergent (PSE) is to set up an emerging Senegal by 2035, through a welfare society under the rule of law. It is in this context that, under the direction of the Minister of the Economy of Finances and the Plan, Mr. Amadou BA, a number of objectives were identified through the Plan of Strategic Development of the Treasury Administration (horizon 2016-2018, PDSA 2016-2018) which has just been validated. The goals in this setting are, among others:*

- *improving accounting quality,*
- *improving the quality of public services,*
- *promoting new professions at the Treasury and for the instruments of savings collection,*
- *improving human resources management.*

*You will have noticed, Ladies and Gentlemen, that the 2<sup>nd</sup> point mentioned, namely improving the quality of public services, is structured essentially around the fundamental objective of improving the process of public expenditure management. It may be defined as users' rights, as well as imperatives for the public Treasury.*

*The objective of improving the quality of public services in terms of spending is oriented namely on:*

- *transparency in procedures,*
- *diligent treatment of expenditure records,*
- *supervising the outstanding amounts of payment instances,*
- *developing the function reception-information-orientation.*

*To this effect, the Senegalese Treasury has committed to respecting control deadlines, deadlines to review expenditure records, to reducing the duration of payment of State expenditures, and to improving the IT monitoring of payment instances, for the creditors of public orders, decision-makers and other technical and financial State partners. Through the alignment of accounting acts with the generation of new rights for the State's creditors, the organization of patrimonial accounting also constitutes an extra guarantee in the process of public expenditure management. The Senegalese Public Treasury is also resolutely committed in this path of patrimonial accounting which enjoys an excellent beginning to its implementation within our services.*

**Ladies, Gentlemen,**

**Distinguished guests,**

*On an institutional level, the urgency and the necessity of reforming the process of public expenditure management were grasped by the Directorate of Public Accounting, who has already begun its change by creating the Directorate of the local public Sector, an IT Directorate, and the Accounting Agency for Great Projects.*

*The creation of an IT Directorate is globally justified by the necessity of giving IT its proper role, notably in the improvement of the means and procedures of cash management, by setting up platforms, namely that relative to new payment systems of our Economic and Monetary Union (SICA and STAR).*

*With the Directorate of the local public Sector, the Senegalese Treasury seeks efficiency and performance in public expenditure, in the financial support and follow-up of local authorities.*

*The creation of the Accounting Agency of Great Projects within the DGCPT is lastly a major innovation in the financing of certain investment programs, financed by internal resources as well as projects and investment programs financed by external resources.*

*To these initiatives we may add the more efficient management of the Treasury's bank functions with the ongoing modernization of deposit account management and cash operations.*

**Ladies and Gentlemen,**

*In a world where transparency has become a dogma, with the reimbursing in time of financial statement summaries of public accountants, of the General Account of the Finances Administration (CGAF), of regulation rules and the effectiveness of our accountants' asset declaration, the Senegalese Public Treasury has done its part in this important transparency endeavor.*

**Ladies, Gentlemen,**

**Distinguished Guests,**

*As President of AIST, I wish to close this speech by reaffirming my gratitude to all the delegations for accepting to participate actively to this 9<sup>th</sup> AIST symposium.*

*Let this symposium, Treasury Senegal 2015, fulfill the expectations and the hopes at the basis of its organization. I thank you for your very kind attention.*

*Address of Mr. Didier CORNILLET  
AIST Secretary-General (France)*



***Mr. Minister, delegate to the Ministry of the Economy of Finances and the Plan in charge of the Budget, Ms. and Gentlemen the Ministers,***

***Mr. Secretary General of the Ministry of Economy of Finances and the Plan,  
Excellencies the Ambassadors,***

***Mr. General Director of the Public Accounting and the Treasury, President of AIST,***

***Ladies and Gentlemen the General Directors,***

***Ladies and Gentlemen the Directors,***

***Ladies and Gentlemen the delegates of AIST member states,***

***Ladies and Gentlemen the representatives of international organizations and institutions,***

***Distinguished guests,***

***Ladies and Gentlemen in your credentials and qualifications,***

*Allow me first of all to express my deepest emotion after the tragic events which have hit one of our member states, France, in the heart of its capital. I wished to express how the French delegation and myself have been deeply touched by the many marks of affection and fraternal testimonies of sympathy and solidarity, of the great human warmth which you have shown; in particular the authorities of our host country, Senegal, towards the victims of the barbarism which has hit our country.*

*The transition after such an event is not easy, but life must go on. Hence please allow me to share with you my great pleasure in standing before you in Dakar for the 9<sup>th</sup> symposium of the International Treasury Services Association.*

*Since 2006, Senegal has not ceased to be one of the most active members and a loyal supporter of our association, contributing to its activities so that it may live up to its members' expectations.*

*Mr. Minister, I wish to thank you particularly very warmly, in the name of all AIST delegates, to honor our association with your presence at this opening ceremony. It is, no doubt, the proof of the particular attachment of yourself and your country to our association, and it attests to Senegal's interest in the issues we are about to discuss.*

*AIST's vocation is to be an international area of exchange for Treasury leaders, to pool the best practices from each country.*

*We are united here today to discuss an ambitious topic: processes of the management of public expenditures. Public expenditures include all operation expenditures, investment, and the State's, local authorities', and public establishments' (national and local) interventions.*

*The subject of this symposium is to enhance reflection, debates and exchanges on experience on the challenges of ongoing reforms and State choices in terms of public finances, in searching mechanisms to optimize the efficiency and security of their management.*

*Public expenditure represents a huge stake for the future of countries faced with population growth, notably in terms of public action efficiency. It shall not be our duty here to discuss strategic orientations, as this is the responsibility of political authorities.*

*Nevertheless, we shall debate some selected strategic choices to best manage public expenditures. Better spending implies setting up control procedures, internal as well as external, to ensure that public funds are employed to a defined purpose and according to the current rules.*

*The methods and principles governing the processes of public expenditure management have a direct impact on its efficiency and its efficacy.*

*This is an important reflection on our administrations and our professions, which requires a change in our relations with the players within the sector. The international context, the requirement for countries to be financially credible to the economic and financial world, imply that a profound discussion is required to modernize and redefine the framework of public finance management, and to satisfy State financing needs optimally.*

*I hope that the reflection we will lead together on such topics will allow us to mutualize best practices, and to define suggestions for reform, to build a financial administration which is capable of responding efficiently to the challenges we face.*

*To enhance reflection and exchange on such issues, we have organized this two-day symposium around four roundtables, in which several AIST member states and representatives from international organizations will present their real-life experience. I would like to thank the 16 speakers from countries and international organizations who agreed to take an active part in these exchanges by moderating a session or by giving a speech.*

*Participation in this symposium, which unites representatives from 24 countries and 3 international organizations, confirms the topic's importance for our members, although many were not able to join us due to the budgetary calendar, particularly busy this time of year, or to difficult political situations.*

*The choice of such topics reveals members' willingness to enhance the framework of public finances, to modernize it, in a constrained and evolving international context. The goal is to respond to strong democratic demands, to ensure that public funds are put to good use, but also to ensure that the State may finance its public policies.*

*On this matter, this symposium echoes last year's, held in Madagascar on "The role of treasury services for better governance" and during which the topics of good governance, transparency, and optimizing departments' roles were discussed to imagine new approaches to faithfully account for public action.*

*Allow me, Mr. Minister and Mr. General Director, to thank you very warmly once again, in the name of all our participants, for having agreed to host our international symposium on Senegalese soil and to manifest thus your strong ties to AIST.*

*We all know the extent of the effort required to prepare such an event; hence I heartily thank all those who were deeply invested to make this seminar a success. The symposium which brings us together is indeed the conclusion of a long effort led for nearly a year with Mr. General Director, Mr. Daouda SEMBENE, to whom I add Mr. Abdoulaye DIENG, his predecessors. Let them be heartily thanked for having spared no effort in supporting our association throughout its preparation.*

*I do not forget the members on the organizing committee, and I would like to underline the quality of their welcome towards the delegates and the AIST team, as well as their high-class professionalism. Their actions were commendable on all accounts. I may testify that Senegal did everything to contribute to the success of this 9<sup>th</sup> symposium. I can testify that our host country is sparing no effort to make delegates discover the cultural and human wealth of Senegal.*

*I hope that this symposium will be fruitful, and that each participant's knowledge will be enriched by the discussions and the experiences of others. It is through cooperation, and the unique role played by AIST, that we can enhance this exchange on good practices on the subject that is ours: public finances management.*

*Allow me, in the name of all participants, to renew my deepest and warmest thanks for the quality of your welcome and Senegal's contribution to the achievement of AIST objectives.*

*I wish an excellent symposium to all participants, let your stay in Dakar be as pleasant as it is studious! I am certain that the debates, the sharing and confrontation of ideas that will occur today and tomorrow will be fruitful and will enhance our respective experiences.*

*I thank you for your kind attention.*





*Address of Mr. Birima Mangara  
Delegate Minister for the Minister of the Economy, Finances and the Plan in charge of the Budget*



***Excellencies Ladies and Gentlemen the ambassadors,  
Mr. Secretary General of the Ministry of the Economy, Finances and the Plan,  
Mr. Secretary General and the members of the bureau of the International Association  
of Treasury Services,  
The representatives of the President of the Economic, Social and Environmental  
Council, of the first President of the Court of Auditors, and of the General Auditor of  
Senegal,  
Mr. Coordinator of the General Tax Inspection,  
Mr. General Director of Public Accounting and the Senegalese Treasury,  
The technical advisors to the Ministry of the Economy, Finances and the Plan,  
The General Directors,  
The Technical Advisors to the General Director of Public Accounting and the Treasury,  
Honorable guests,***

*Among which I would like to distinguish Mrs. Aïssatou NDIAYE, Mr. Mamadou Abdoulaye SOW and Mr. Abdou Bam GAYE for everything they have done and continue to do for our nation.*

*Ladies and Gentlemen in your credentials and qualifications,*

*I am happy to preside the opening ceremony of the 9<sup>th</sup> yearly symposium of the International Association of Treasury Services.*

*In the name of Mr. Minister of the Economy, Finances and the Plan, I give a warm welcome to our illustrious hosts on African soil in Senegal, country of the Teranga.*

*Allow me first of all to give the thanks of the President of the Republic, his Excellency Mr. Macky SALL, and of his government to the International Association of Treasury Services, for choosing Senegal as the place to host this symposium on the processes of managing public spending.*

*In a context where our public policies' orientations are turned towards emergence with a strong background citizen demand for public services, notably of quality and of a financial kind, the reform of public management appears as a necessity.*

*Hence the new credo of public management is to give new efficiency to administrative action, in order to satisfy the legitimate expectations of our citizens, better informed and hence more demanding.*

*That is to say, to use the phrase coined by Michel CROZIET: "Only a modest State can truly be considered active, as only then is it able to listen to its society, to understand citizens and therefore to serve them by helping them achieve their objectives by themselves."*

**Ladies and Gentlemen,**

*Senegal, like other countries of the Western African Economic and Monetary Union, has begun a process of in-depth reform of its public finances. The ambition of reform is making the budgetary program coherent with public policies in the medium-term.*

*The goal is to promote a budgetary program which sufficiently reflects the overall choices and focus of our public policies.*

*To do so, it will be necessary to end the dictatorship of annuality, and to engage with the paradigm of multi-annuality. The goal in this perspective will be to align the Senegalese strategy of social and economic development, the emerging "Senegal Plan", with its budget.*

*It is along these lines that we design the multi-year document of the budgetary program, as well as the multi-year documents of expenditure programming.*

*The production of these documents annexed to the year's draft law of finances has been effective for two years. These tools allow for a better determination of the socio-economic orientations of our country.*

*In the global challenge presented by the reform of our public finances, the necessary modernization of management processes of public spending (the topic gathering us here today) is of momentous importance.*

*For countries seeking a better economic and social future, as ours, increasing the efficacy and efficiency of the processes of public spending management is a necessary step. Performing well in this area implies that a framework of public policy evaluation must be set up, as well as a mechanism for targeting vulnerable groups in the allocation of public resources, and requires giving more responsibility to the entire expenditure chain.*

*Budgetary transparency is also a major axis of reform for public finances. In this principle, the Parliament's powers were strengthened in the phases of preparation, adoption and implementation control of the law of finances.*

*The judges from the Court of Auditors, whose representatives I salute now, were involved in the recent legislative reform of its actions. They were reassured regarding the status of their independence, as well as regarding its means and procedures of intervention. This work is formative and was completed in the spirit of mutual collaboration which has also characterized our relations with the watchman of our public finances, the Court of Auditors.*

**Ladies and Gentlemen,**

*The dynamics of history are led by great gatherings. The organization of our public finances does not escape this global change. The reforms around our public finances are more and more often communal productions. Aligning this communal corpus with our national financial law is a challenge which concerns States engaged in such gatherings, most notably the Treasury's administrations.*

*In Senegal, which successfully transposed the directives of the harmonized framework of public finance management, departments must move on to implementing this reform. In this perspective, several measures were set up:*

- the reform of the scheduling process will be devolved to the profit of spending Ministries and the great republican institutions,*
- a posteriori audits of public spending will be strengthened,*
- public managers enjoy greater flexibility,*
- budgetary allocations will be available shortly in the format of a program.*

*On an organizational level, Senegal has undertaken the reform of structures intervening in the management of public finances. The last institutional reform of the Ministry of the Economy, Finances and the Plan proceeds from this resolution. It has given a greater basis to the departments charged with budgetary programming, executing and controlling public spending.*

*On a technical level, the computerization of budgetary implementation procedures, with an integrated management device is a pre-requisite for successful public finance reforms. It is in this setting that a new integrated management tool is being set up, which I will name CIGIF.*

*The performance of public finance management processes is also appreciated in the light of their impact on economic growth. Therefore, there is a requirement for speed in the implementation of a public order and the necessity for making investments secure, as well as a rigorous ex-ante and ex-post evaluation of their impact.*

*These strategic orientations can only be materialized through a rationalization of spending in the added value to growth, and the well-being of target populations is not straightforward.*

*The processes of re-profiling the investment budget and rationalizing operation expenses that the Ministry of Finances has undertaken in the past two periods follows that idea, accordingly with the orientations of His Excellency Mr. President of the Republic.*

***Ladies and Gentlemen,***

*In the light of the described challenges, reflection on the processes of public spending management is an ideal setting to determine the role for Treasury services as an economic agent. Implementing public spending through the transfer of important resources, to benefit households and companies, is an important lever for economic policy.*

*I am hence happy with the chosen topic, which reflects some of my concerns embodied by the government in the Emerging Senegal Plan, namely the creation of an Emerging Senegal by 2035 with a welfare society under the rule of law. This vision emphasizes the quality of public spending, which represents a great share of GDP (27% on average between 2005 and 2012 and with a progression of 10% on average along this period). The diversity of experiences, a reflection of the different nationalities represented today, leads me to believe that the different roundtables examining the challenges and stakes of public spending, legislation on spending, the efficiency of the expenditure chain, as well as internal and external audits, will bring significant contributions to these concerns.*

*I do not doubt that your debates' conclusions will broaden our reflection in areas such as the organization of Treasury services, in the context of public finances reform oriented towards result-based management.*

*Functional relations with authorizing departments, the efficacy and efficiency of public orders, modernizing the means of payment to simplify procedure, simplifying users' access to public Treasury services, limiting disbursement deadlines, efficient and proactive cash management, achieving controls, and finally the obligation of the presentation of the accounts: such are the concerns which represent significant stakes to modernize an administration such as the Public Treasury. Such is the meaning of the plan of strategic development of the Treasury administration, for the period 2013-2016-2018, just approved by the Minister.*

*The perspectives outlined in his speech, by Mr. General Director of Public Accounting and the Treasury, support these ambitions. Mr. General Director, you may be assured of our support and our availability as the reform continues.*

*It is with pleasure that I wish you a pleasant stay in Senegal and full success to your work.*

*I do not doubt of the quality and the relevance of the recommendations which will emerge for a better approach to our processes of public expenditure.*

*In the name of His Excellency, Mr. The President of the Republic, of Mr. The Prime Minister and the government, I declare that the 9<sup>th</sup> yearly symposium of the International Association for Treasury Services is open. I thank you for your kind attention.*



# Roundtable 1: Challenges and stakes of public expenditure

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## Moderator:

Mr. Daouda SEMBENE, General Director of Public Accounting and Treasury (Senegal)

## Panelists:

- 1.- Dr. Jozsef DANCSO, President of the Treasury (Hungary)
- 2.- Mr. Lotfi MISSOUM, Head of Control, Auditing and Inspection (Morocco)
- 3.- Mrs. Sylvie STUREL, Head of the International Cooperation Department (France)



**Jozsef DANCSO, President of the Treasury (Hungary)**, proposes to examine the ways public funds are used in Hungary. Hungary has experienced very important transformations in the latter years and is confronted to high public deficits, to inflation and unemployment. Since the world financial crisis in 2008, Hungary has also been confronted with a very strong budgetary crisis. This has notably revealed itself through falling fiscal revenues, likewise for investment expenditures. Consequently, Hungary had to proceed to very important budgetary reforms.

In 2012, a new constitution was promulgated in Hungary and this constitution notably contains dispositions regarding the use of public funds. It provides a disposition forbidding that the budgetary debt go beyond 50% of the GDP, and budgetary deficit beyond 3%. This objective is set so that year after year, the State's debt should decrease.

From a methodological point of view, this is set within a 30-year plan structure, including the annual budget. Mr. Cornillet has told us about the difficult period that we are currently going through at the end of the year to vote on next year's budgets. Yet, Hungary has already voted its 2016 budget last spring. This is what allows operators, as well as other investors, to gain a perspective on the Hungarian economy's evolution.

Since 2010, public debt has fallen, from around 10% of GDP (going from an indebtedness rate of 85 to 70%). Hungary has also transformed all compulsory levies and all the charges supported by economic stakeholders.

Businesses and companies who had contributed the least to the national effort must contribute much more from now on. Concretely, specific taxes were set up, notably regarding multinationals (banks, commercial companies, distribution companies, energy sector companies and the financial sector). These provisions will decrease and be removed ultimately, as the Hungarian population will eventually bear the biggest part of public debt financing.

In this context, the Hungarian Public Treasury is one of the main protagonists in contributing to the State's financing. Hungary is thus in a situation where its budgetary deficit is now under control. It would seem that in 2015, it is possible to reach an objective of 2% budgetary deficit. This is added to 3% of economic growth, 0% of inflation, and falling unemployment.

**Jozsef DANCZO** then indicates that it was very important to introduce an electronic invoice system in businesses and companies, even for small businesses. These electronic registers are directly linked to tax administrations, allowing for a reduction of activities on the black market.

The public Treasury has had to conform to the Hungarian economic context. The Hungarian Public Treasury will henceforth be responsible for the liquidation of the entire country's public employees. Hungary has 10 million inhabitants, of which 900 000 make up the public sector. The public Treasury will set up a system which will ensure that all 900 000 employees' pay be managed by a single IT tool.

He adds that this requires a database with high IT performance and that this application was developed by the public Treasury itself. This tool is important, because around 60% of expenditures made by various public establishments are salary payments.

An account management system was also set up by the Treasury for quite some time, to manage the accounts of around 12 000 operators or establishments.

In Hungary, local authorities are not required to have an account at the Hungarian Public Treasury. It has been so till today, but we are encouraging them to follow our model.

To achieve this, the Treasury uses the precious tool "SAP" nationally, in the hands of local authorities when they establish their reports, results and accounts, as well as for local taxation and for harmonized and uniform accounting throughout the country. This is particularly important, because all the citizens of a country are in direct contact with local authorities, be it under a taxation format or the management of a local authority's patrimony.

**Jozsef DANCZO** indicates that throughout the past five years, very important reforms in public expenditures took place in Hungary, that the State's role was confirmed and even strengthened. Hungary is convinced of the need for a State that centralizes economic activities in terms of public expenditure, and that allows for efficacy, efficiency, and transparency such as we wish for the management of public expenditures.

He adds that the Hungarian constitution contains a precise point on the importance of transparency in the area of public funds. Notably, in terms of data centralization, the public Treasury plays such an important part that it is the Hungarian Public Treasury that allows international instances to obtain economic data.



**Lotfi MISSOUM, Head of Control, Auditing and Inspection (Morocco)**, proposes to display the experience of the ongoing reform project in Morocco about reducing payment periods on State markets, and more generally, of public orders.

To begin with, he reminds us that procurements are an economic and financial stake of primal importance for the private sector and the national economy (they represent 17% of the Moroccan GDP).

He adds that the project of finance laws for the year 2016 assigns an amount of 189 billion dirhams to public investments (which corresponds to around 18 billion Euros), 61 billion dirhams for the State's general budget, 108 billion dirhams for public investments, and 20 billion dirhams for regions.

He reminds us that late payments on procurements impact the company victim of the payment failure, which generates a chain reaction throughout all suppliers. These late payments have a direct and substantial impact on companies' cash, generate additional financing costs, and compromise their ability to invest and to hire.

Regarding the State and its administrations, consequences are even more harmful: a grave deterioration of the brand image of the administration and a loss of credibility; a lengthening of the deadlines for projects, generating additional costs and default interests which are borne by the state.

Conscious of the disadvantage borne by the Moroccan economy as a whole, the Moroccan administration – most notably the general cash management of the Kingdom, who spearheaded the modernization project – very recently, began a global and voluntary approach aiming at drastically reducing payment deadlines, from January 2016 onwards. This approach has not been unilateral, but it was founded on dialog, consultation, participation, with the General Confederation of Moroccan Companies (CGEM), with the federations of public works, as well as with authorizing officers and their subordinates.

He adds that in Morocco, the payment period for state markets is the delay between the date that the service is certified by the authorizing officer, and the date of payment for this expenditure by the public accountant. Since Morocco has a separation system between authorizing officers and public accountants, authorizing officers engage, liquidate and authorize the public expenditure, while accountants engage, liquidate and settle the expenditure. The regulatory deadline fixed by current regulation is 75 days, of which 60 are given to the authorizing officer (starting from the date of service certification), and 15 given to the public accountant.

The regulation relative to payment deadlines and default interest (which prevailed till now) foresees that the deadline for the authorization and payments due by the State should not exceed 90 days; since from the 91<sup>st</sup> day, default interest is exerted in its full rights and without prior formalities.

In reality, average deadlines during the last three years in Morocco (2012-15) exceed by far the regulatory deadline, varying between 138 and 156 days (noting that for certain ministerial departments, delays sometimes exceed 220 days).

Concerning the public accountant, the regulatory deadline given is 15 days and, in reality, the execution deadline by the accountant is on average 120 days.

The device of systematic application of default interest in Morocco, set out in the 2003 decree, is not operational because companies are reluctant to ask for default interest, and because the Moroccan administration does not systematically authorize default interest to the advantage of companies charged with public orders, in the case of late payments.

He specifies that, in order to face such malfunctions and to offer adequate solutions, a commission of internal experts was created at the General Treasury and has undertaken large consultations with the CGEM, the building federation, etc., leading to this reform.

This reform is made up of two main components, one legal, and another purely technical:

Legally, it was set out to extend the field of application of default interest to local authorities and public companies, as well as to other kinds of expenditures (the 2003 decree did not solely concern State markets). Then, the future decree will harmonize authorizing and payment deadlines, to be fixed at 60 days for State markets and local authorities, 45 days for the authorizing officers and 15 for the public accountant.

Concerning the earlier phase of authorization, the date of recognition of the service done was defined: it is the date that attachments are signed by the agent in charge of monitoring the settlements on markets (which had been imprecisely defined in previous decrees).

For the procurement holder, the mandatory regulatory deadline was also set at a maximum of 30 days for signing attachments or certifying the invoice (while there had been no deadline previously), as well as the harmonization and the establishment of a maximum deadline of 15 days, for accepting changes made by the project owner.

Concerning the payment phase for default interests, their rate was incremented by 1 percentage point (which is now determined on the basis of the weighted average rate of 3-month Treasury bills, underwritten through tender in the previous trimester; previously, the simple weighted average rate of Treasury bills was used).

Other mechanisms were instituted to ensure an effective payment of default interest rates:

- informing the authorizing officer, by the accountant, of the payment date of the expenditure, on the 5<sup>th</sup> day following the payment at the latest;
- fixing a deadline of 30 days to the authorizing officer to proceed to the authorization of interest on arrears when it is due. Failing that, no new offers of expenditure commitments can be made on the budget concerned by the payment of aforementioned interest costs.

Regarding the technical aspect of the reform, the General Treasury has always used a management system included in the expenditures to the authorizing officer and the public accountant. This system, which has displayed its efficiency on the ground, will be developed and ensure, from January 1 2016, the traceability of the process of public expenditure (previously, the date on which the invoice was filed was not recorded).

This traceability, regarding the entire public expenditure process, will be strengthened by an alerting device aimed at mastering the risk of exceeding payment deadlines and generating default interest. It will bear on informing the authorizing officer regarding the risk of exceeding deadlines: the 30-day deadline for certifying the service done, the 15-day deadline for rectifying documents requested by the authorizing officer to the owner of the public order, the 45-day deadline for authorizing expenditures and the 30-day deadline for mandating default interest. The accountant is also informed regarding the 15-day deadline for paying the expenditure and, lastly, both the authorizing officer and the accountant are informed regarding the risk of exceeding the overall 60-day payment deadline.

Parallel to this alerting device, the General Treasury of the Kingdom has developed the system "GID Provider," allowing each provider of a public order (with an access code) to know the situation of its payment authorizations (have they been verified? Have they been settled? Etc.), allowing economic stakeholders to better forecast their cash management.

What are the lessons to draw from the Moroccan experience? Awareness actions (punctually led by public accountants to bring authorizing officers to mandate default interests) have not shown to be efficient. Experience reveals that, despite a regulatory device which plans for the automatic payment of default interest to the advantage of companies in case of late payments, authorizing officers are reluctant to pay, simply because the negotiating positions of companies and officers is asymmetrical.



Only a coercive regulatory device versus authorizing officers could make the system more efficient. The device to be set up from January onwards reveals a vigorous approach aiming that all stakeholders concerned are implicated in the success of this new reform, to retrace all acts or settlement procedures of the public order within the IT system.

There are also preconditions relating to the redesign of regulation and the setting-up of ad hoc technical tools, and finally of the effective (not sporadic) set-up of the device on default interest.

He ends with four recommendations drawn from this experience:

1-The routine evaluation of all public policies, and the daily regular updating of its intervention instruments which are key to the efficiency and efficacy of State action.

2-Optimizing IT systems and bringing out their full potential, allowing for substantial gains for all economic stakeholders, in an era of global competitiveness, where no country or economy can minimize such gains.

3-Implicating the stakeholders concerned and persevering in bringing about their change are indispensable conditions for the success of any reform.

4-Openness on foreign experiences, an inexhaustible source of lessons. The TGR departments have always closely followed the best practices throughout the world which may contribute to a reduction in payment deadlines.

#### **Sylvie STUREL, Head of the International Cooperation Department (France):**



First of all, I will speak on behalf of Mr. Vincent MAZURIC (Deputy General Director), held up in Paris on account of the traumatic events on Friday night, to tell you how important it was to show through our symposium that dialogue and fraternity will always overcome barbarity. We have been working together for many years, and shall continue to do so, for the improvement of our States and their citizens. France is mourning today but the country is at work, and we will do likewise, sharing, exchanging, and testifying on our experiences to help our administrations advance.

It is therefore my duty to expose briefly the results of the work led by France these past few years to better manage our public expenditures.

#### **I The search for a better efficiency of public expenditure**

##### **➤ A requirement made indispensable by a necessary return to balanced public finances**

Why is it so important to control public expenditure?

- First, because spending does not always rime with efficiency. For thirty years, public expenses have not ceased to rise in France: doubling of State expenditures, holding Euros constant; local expenditures multiplied fivefold; social security expenditures multiplied eightfold. It is yet not certain that public cash is spent in the best way possible, and this despite the controls exerted by Parliament, the Court of Auditors or by inspection bodies. Each year, the Court of Auditors denounces a waste that may be avoided.

- Because controlling expenditure is a necessary step to control the public deficit and to reach stabilization and a decrease of the share of debt in GDP.

- Because it is also the condition for the success of the Responsibility and Solidarity Pact which lowers the labor cost for companies (9bn Euro decrease in tax receipts for the 2016 budget) and lightly lowers taxes for low-income households (by 2bn).

- Finally, despite this drop in revenue, to find flexibility to finance the government's priorities: security, justice, education and employment, which are merely today's main priorities, and namely to preserve the social and republican French model.

➤ **A requirement that implies having a “performing” public expenditure**

The French state is committed to a voluntary approach to reducing its payment deadlines.

This approach has a main goal: avoiding that the cash situation of companies – notably that of SMEs – does not lose out because the State is “a bad payer.” Consistently with that objective, the government has in its “National Pact for Growth, Competitiveness and Employment,” committed to reducing the State’s payment periods to pay its providers in 20 days in 2017, compared to 36 in 2011. This goal was more than achieved in 2014 as the period reached a mere 18 days!

The global payment period to providers is constantly improving: it was halved as it fell from 36 to 18 days between 2011 and 2014.

The global payment period of “public orders” followed the same curve: it fell from 45 days in 2011 to 31 days in 2012, 26 in 2013, and 25 in 2014.

This good performance is the joint result of several reforms:

- setting up billing services (centralizing invoices at the public accountant’s). The public order is settled through an “invoice mode” in 19 instead of 27 days in the “classical” mode;
- dematerialization of invoices (which will become progressively mandatory from 2017 onwards), to make global flows more fluid;
- modernization of the treatment chain of public expenditures, of which the 2012 CHORUS generalization (State budgetary and accounting information system) was one of its main axes;
- implementing simplification measures (immediate payment of invoices lower than 5.000€).

➤ **A requirement which requires transparency in financial and accounting information**

The transparency and quality of public accounts are constitutional objectives.

Strengthening transparency must allow citizens to access the following information: whether taxes recovered are wisely employed; expenditures of public stakeholders; commitments of the State, etc.

This objective requires respecting several preconditions: legibility of accounts, multi-annuality, auditability and the sincerity of public accounts (certification).

The DGFIP is mobilized to achieve this objective:

- it is cautious to guarantee the sincerity, regularity and faithfulness of the accounts it holds;
- it subjects these accounts (the State’s, public establishments’, social security, hospitals’) to certification, pioneering this in the EU;
- it evaluates the value of accounts.

## **II This quest for efficiency relies on a wholly new modernization of the way public expenditure is organized.**

Modernizing the chain of expenditures relies on the entire renovation of tools, methods and organizations given to it.

### **➤ The complete reform of expenditure tools and methods**

Deploying CHORUS had a direct and powerful effect on the efficiency of public expenditure.

First, it necessitated the important prior task of reviewing procedures, then optimizing organizations. All budgetary and accounting management processes were thus entirely reviewed.

Management systems were clarified, simplified and harmonized so as to rationalize our processes and achieve efficiency gains.

CHORUS has mainly let us industrialize processes: the tool is shared live by all expenditure stakeholders, and covers all areas of activity, which previously required several applications and dominated the majority of controls.

It allowed for a significant enrichment of restitutions given to the spending stakeholders, notably authorizing officers, for better steering of their credits and of budgetary and accounting quality.

Parallel to this, our methods of expenditure control have made significant progress these past years: selectiveness of controls (prioritized expenditure control based on priorities, eased control in partnerships, adaptation of different control periods with the setting up of “a posteriori” controls), introduction of techniques inspired from “data mining” to fight fraud (social security bodies), strengthening the internal control, suppression of redundancies (invoice mode), etc.

### **➤ The large dematerialization of processes**

In terms of budgetary and public accounting management, CHORUS has allowed to generate several transactions and dematerialized procedures (commitments, requests for payment, services achieved, procurement building blocks, managing travel expenses, etc.).

It still had to reach the next level as in 2013, only 10% of State invoices were dematerialized.

Generalizing dematerialization of invoices addressed to public buyers (State, public establishments, local authorities) will become progressively mandatory from 2017 onwards.

A mutualized solution, offering companies a single window for depositing their invoices, is currently under examination to facilitate enrolment to the system. In the local public sector, change has gone even further: as of 1 January 2016, all accounting and supporting documents (orders and money orders) will henceforth be exchanged by two financial stakeholders under electronic format. The objective is to ultimately reach the total dematerialization of the public financial accounting chain, linking the authorizing officer, the accountant, and the accounting judge to who are produced the yearly financial reports, and the accounting and supporting documents.

### **➤ Optimizing our organization**

An unprecedented effort of mutualization was achieved: service centers were shared, as were invoicing services, inter-ministry platforms, etc.

The regional scale was progressively established as the reference scale for executing certain operations, notably in terms of expenditures.

Invoicing services (centralizing invoices by the public accountant) are progressively becoming the organization of reference. Devolved invoicing services allow for faster payments to State creditors. The Prime Minister has therefore decided to generalize this mode of functioning. We are working on it determinedly. Prefectures have achieved the switch to “invoice mode” this year, education boards will achieve the switch in 2017 and experimentation has begun with ministries which do not yet have invoicing services (defense, ecology and agriculture). The possible transposition of this model within the local public service is under examination.

This modernization was favored by the renovation of the legal framework of public management, under the effect of the LOLF and the 7 November 2012 decree relative to public budgetary and accounting management.

This decree, called “GBCP”, makes the rules of budgetary and accounting management more coherent with the evolution of the public finance management framework following the LOLF, and with the requirements of multi-annual control over public accounts.

It established the basis for strengthening public finance governance, through applying budgetary and accounting management to all public bodies.

It gave public management stakeholders new levers to strengthen the quality of public accounts (internal audit and control), and made secure practices and new organizational means (selective controls, billing services, dematerialization, lower control in partnerships, etc.)

These efforts have shown in statistics relative to public payment deadlines, and to performance indicators which measure this activity (reviewing rate after 30 days, level of default interest, etc.)

To keep pace with these major reforms, one had to “impose” on an inter-ministry level tools and organizational means, to convince everyone to abandon “local” solutions, and to legislate, whenever needed, to make change mandatory. As much as possible, partnerships were encouraged. I thank you for your attention.

## Debates with Delegates

### First round of questions

**Daouda SEMBENE (Senegal)** asks from what date runs France’s 20-day deadline.

He then notes the relevance of default interest displayed by Morocco, and the relevance of public debt management displayed by Hungary.

**Mohamed Larbi GHANEM, General Head of Accounting (Algeria)**, asks Hungary’s representative about the crisis’ impact on social transfers, and indirectly on public policies. When social transfers were affected, other resources must automatically be sought. He asks about the impact on tax expenditure; the support to firms’ production to gain more tax revenues; the relation between the crisis and public policies themselves, as well as the means to regulate production and best satisfy social demands.

He notes that, in the process of expenditure settlement, there remains the problem of financial responsibility, borne only by the treasurer. He asks if it would be possible to share this responsibility by locating it where the problem takes place. If a project is badly prepared, or if it faces repeated rejection, or if it engenders additional costs, should the authorizing officer not pay for his responsibility?

Therefore, in the framework of a market board, if regulation and current legislation is respected (transparency, seniority of whoever takes up an investment...), but that, on the technical level, there are no specialists to study quantitative points: there can be for instance 1% in the landscaping budget heading. If this position is tripled, who is responsible for the extra cost? The authorizing officer or the board of experts, who followed the matter?

There is a problem of responsibility-sharing.

**Mohamed El Mokhtar BALLATY, Paymaster General to the Treasury (Mauritania)**, asks the Moroccan representative if the Moroccan Treasury administration, although it does not apply the clause on default interest, applies the clause concerning State penalties on market settlements.

**A representative from Madagascar** underlines that, when it is a question of reducing payment periods, this necessarily implies daily treasury management. He asks how this obligation to pay providers within a deadline, whilst not putting the State in a critical position of default interest, can be conciliated considering the day-to-day situation of the State's cash flow.

**Job OLOU, General Director of the Treasury and Public Accounting (Benin)**, asks the Hungary representative how the single account principle works, seeing as local authorities are not required to have an account within the public Treasury. He therefore asks how the single account works in Hungary. He then asks France if dematerialization does not create issues relative to the State's accounts production, and the justification of expenditures given to the Court of Auditors before the Supreme Court.

## Answers

**Jozsef DANCSO, President of the Treasury (Hungary)**, answers Algeria's question indicating that in 2014 Hungary has been confronted to a major problem: a lack of tax revenues combined with an increase in public expenditures. In that situation, persisting since 2008, the issue concerned how to maintain the fiscal balance. In a traditional fiscal policy stance, it would have been proposed to cut government spending and to raise taxes, but this is not the path that Hungary decided to follow.

On the one hand, Hungary broadened the level of compulsory levies in several sectors. Small business owners, MNEs, the energy sector and the financial and banking sector saw their taxes go up in order to expand fiscal revenues. But all this was combined with a single income tax rate of 16% for people as well as for companies on certain types of taxes. Therefore, efforts were made to diminish this taxation which, from 2016 onwards, will further fall by 1% compared to today's figure. As a result, the population as a whole has not been more strained by a higher tax burden, on the contrary. This decision gained the population's support because it was not private individuals who had to bear the cost of the crisis, but certain companies.

The fight against the informal sector also made impressive progress. Now, small business owners from around the street or from the most remote places in the country have their cash registers directly connected to the fiscal administration. To complete the picture, concerning freight transport on public roads an information system has been set up, allowing us to monitor the flow of goods in Hungary. As a consequence, tax revenues built up year after year, allowing for a better financing of the social expenditures you were mentioning before. In that particular case, let me mention a very concrete measure that will serve as example. Namely, if you have three children in a family, no taxation is charged to that family. Moreover, for households with two children, some important tax reliefs are also granted. On the other hand, regarding undue payments, Hungary implemented very strict legislation, in particular for sickness allowances: the volume of that type of expenditure almost fell by 50%. With respect to unemployment, a system has been put in place so that unemployment benefits go hand in hand with compulsory community service. This system proves to be effective as the State burden in terms of unemployment benefits has been reduced whilst the amount of people doing community service has gone up.

Regarding local communities, some must keep a special account at the Public Treasury. But the vast majority have their accounts in one of the numerous commercial banks. However, they are only allowed to open an account at one bank, not two different commercial banks. In the case of a bankruptcy, the situation is imaginable. The banks' bankruptcy will make it impossible not only to invest, but also to pay the salaries of the local community's employees.

As a matter of consequence, the government decided to react. During the last three years, the State took over all the debt of local communities. Henceforth, the local public sector can only take on debt with the prior consent of the government. And in order to keep expenditures and deficits under control, the idea emerged that the Public Treasury be the one to hold the accounts of the local public sector – as it is already the case in many countries present today. When it will be the case, this will have major impacts on the State's funding capacity.

First, with the single account system, liquidities will be abundant for the State. Secondly, the management of the national debt will be more efficient by ensuring that there is no extra debt incurred by local communities which would encumber the State with additional charges.

Concerning the acceleration of payments, it will be made possible thanks to that system.

He adds that in Hungary a 15-day payment would be considered extremely long, barely acceptable, and by allowing for an additional time, this would generate a debt domino effect, unmanageable for the economy.

**Lotfi MISSOUM, Head of Control, Auditing and Inspection (Morocco)**, first answers the Algerian representative's question concerning the implementation of expenditures, and personal and pecuniary liability.

He points out that in Morocco, this problem was solved by a decree in 2003 which settles the liability held by each stakeholder. Thus, the authorizing officer is only responsible for sentences that directly concern him, and the public accountant is responsible for controlling expenditures (budgetary allocation, payment as discharge of the debt, justification for services rendered, and existence of the supporting documents necessary for the control of public spending). He indicates that, this decree also empowered authorizing officers in terms of procurement, engagement and concerning the validation of payment.

He adds that a decree relative to the Court of Auditors also exists, which deleted the term of management account for the public accountant and replaced it by a single account: the account of State services. Therefore, the public accountant fulfils the accountability for the entire ministerial department. It is not the accountant's account but the one of the ministerial department.

To answer Mauritania's question, "why is it that the default interests do not apply, or why don't we apply the clause of late penalties?" The State did not systematically apply the default interest for late payment. There are cases where default interests were paid to the supplier, but not always – as was stipulated by the 2003 decree on default interests. Concerning late penalties, they are paid by the administration for procurement contracts.

To answer Madagascar's question: how to conciliate supplier payments with cash management? He argues that it must be avoided to regulate the public treasury by paying suppliers with a delay because it has no logic. Besides, we have insisted that the default interest rate be increased by one percentage point in order to make the State finance itself by resorting to market and to pay the company concerned by a higher cost than with Treasury funding.. "If the default interests correspond to the weighted average rate of Treasury bonds at which I finance myself, instead of relying on the markets, I will leave the companies aside and not pay them". To avoid this, the default interest has been augmented by one percentage point to penalise the State when it does not pay its suppliers of a public procurement.

**Daouda SEMBENE, General Director of Public Accounting and Treasury (Senegal)**, states that the regulatory payment terms in Senegal are fixed by the ECOWAS/UEMOA at 90 days, and that the performance consists in reducing these terms step by step. To do so, it is essential to adopt an optimal cash management and the goal is to conciliate the debt management in connection to that objective of term reduction.

The first mechanism set up aimed at paying for minor expenses on a continuous basis. So, every day the Paymaster General and the Treasury General hold a meeting to proceed to the systematic payment of these little amounts. Currently, the payment period is of 60 days and reforms still have to be enforced in order to shorten these periods to a minimum.

**Sylvie STUREL, Head of the International Cooperation Mission (France)**, answers the questions related to the fields of dematerialisation and the judges of accounts.

She outlines that the simplest form of dematerialisation we started with concerned orders and money orders, and that the supporting documents were scanned. This means that the original version keeps existing beside the “GDIsed” version in the applicative expenses. In the first place, the judge of accounts gave the order to “rematerialize” them on demand. After several years of negotiations, it became possible to keep the supporting documents either at the authorizing authority’s office, or at the level where the management account is kept. May it be in an electronic or paper version. There is no more need to “GDIsed” them. This implies that it is no longer possible to advance on dematerialisation without consulting the judge of accounts.

Further, she indicates that a whole world of sophisticated dematerialisation exists: native dematerialisation, i.e. at no point in time the receipt is materialized. Big suppliers or big companies from the outset edit electronic receipts thanks to computerized data exchanges. So, no paper is ever issued, the electronic signatures are certified beforehand and all this is done in accordance with the Court of Auditors. For the moment, only a few invoices are edited in the digital native mode, but the objective is to reach a 100% dematerialisation.

There are several steps: orders and money orders, receipts followed in digital ways (like in the PSV2 Hélios protocol and with local communities). In CHORUS, all the accounting documents are digital (as the markets are digital). We still have, in the first instance, the paper version but, in the end, the objective is to reach the digital native mode, so as to rely no more on paper versions. To do so, a partnership with the account judge is required but without questioning his responsibility. For the biller service or services in shared mode, responsibility holders change a little. But for now, the rules separating the authorizing officers from the accountants imply that the accountant’s liability remains unchanged. If only that the authorizing officers are required to respect an audit and an internal ministerial control, so as to improve the spending at the source. One of the major modernization changes of the Public and Budgetary Accounting Management (GBCP) is to force all authorizing officer services to adopt an internal control and a ministerial auditing. France is looking at the performance of the expenditure chain as a whole, the accountant helping to make that circle virtuous. As a conclusion, today the Court of Auditors ensures that no re-materialisation is undergone, unless in the case of embezzlement, in which case the original document would need to be searched in the authorizing authority’s files.

## Second round of questions

**Noufou ABARCHI, Central Accountant Agent (Niger)**, makes a reservation with respect to the implementation of default interests as he deems that the State remains almighty before its suppliers, even if the default interest is paid. What are the measures available for the creditor to force the State to pay its default interests?

**Jean-Claude THURIES, Accountant at the French Embassy in Dakar**, gives a concrete example of dematerialisation as Dakar's Treasury is the only experimenter in place abroad, in charge of dematerialising the expenditure operations of the civil services. This dematerialisation was subject to a trial period in 2014. On 1 May 2015, the services of Paris' General Direction and the Court of Auditors decided to appoint Dakar as the foreign dematerialisation experimenter, exclusively for civil services (as military and civil services take place in Dakar). This process became effective on 11 May 2015 and today in Dakar, concerning the civil service, there are no longer any printed supporting documents of the expenditures.

How does this concretely take place? The authorizing officer's services receive the invoices, scan them and upload them on the computer system via an interface on CHORUS, named COREGE and, two hours later, they are readable on the CHORUS application. The staff necessarily works on a double screen as on the first one you can see the order of payment and on the second one you have the supporting document. This is not yet native dematerialisation, given that the supporting documents are sent in a paper version by the suppliers of the civil service. Since the second trimester of 2015, it is no longer required to send the supporting documents the Court of Auditors. This system has been put in place with the obligation to work in partnership with the authorizing officer's services.

Through the issues of payment periods, the payment not only depends on the authorizing officer, but it is a whole chain of stakeholders actually. The dematerialisation process reinforced that partnership as monitoring procedures have been implemented at the authorizing officer's level to facilitate the accountant controls afterwards. All this takes place beside the already existing internal control procedures.

**Amal TAHRI, Head of the State Finance Division (Morocco)**, asks the Hungarian representative more information on his electronic billing. Is it an end of dematerialisation for all stakeholders in the process? She then asks more details regarding the cash registers directly connected to the fiscal services.

**Rahamata OUEDRAOGO, Paymaster General (Burkina Faso)**, asks France's representative if the billing service applies to all kind of public spending or only to a certain category? An issue encountered by Burkina Faso is the treatment at the stage of liquidation accrual. Do we have to admit that the authorizing officer is involved in the general accounting or is it the accountant who has to go take the information at the administrative phase for general accounting issues?

With respect to payment terms, Burkina Faso has approximately the same organisation as Morocco: a repository for payment terms has been adopted indicating for each stakeholder the period of payment it has to respect. The difference is that our country considers these as landmarks set by the administration internally, and if there are default interests they are applied on a contractual period of 90 days instead of the time mark set by the administration for follow-up questions and to remain in good performances in terms of payment period.

**Badis FERRAD, Assistant Director of Accounting Regulation for Administrative Authorities (Algeria)**, asks:

- for more details on the power system of the GID supplier in Morocco;
- who, the authorizing officer or the accountant, bears the pecuniary responsibility if the expense is deemed irregular?
- Is the account certification equivalent to a final discharge for the public accountant?



**Amadou Birahim GUEYE, Director of Public Accounting (Senegal)** asks Morocco's representative what strategy the country will follow to reduce the payment period.

He thinks that we should insist more on the impact of the single treasury account reform, since two years ago Morocco presented major reforms as part of enforcing the single account with a cash centralisation system. In that regard, he asks what has been the impact on the reduction of payment terms.

### Answers

**Lotfi MISSOUM, Head of Control, Auditing and Inspection (Morocco)**, points out that the technical component precisely concerns the system of integrated management expenses (because it is that system that guarantees that the administration is forced to mandate the default interests to the benefit of the suppliers in case of a delay in the payment). The system provides a traceability of all phases of the spending process: upstream of the authorization of the expenditure, during the certification process of the service rendered, until the payment phase of the expense. This helps to have full traceability.

Regarding the upstream phase of the authorization, the system plans on taking into consideration all the dates (the filing date, the date of dispatch by which the authorizing officer asks the holder of public order for corrections, the date of return of the corrections accepted by the holder of public procurement, the actual date of certification of the rendered service). Then the system is going to automatically compute the 30-day period given as a deadline to the authorizing officer to accept the documents issued by the holder of the public command. If this period is exceeded, the operative event for the scheduling period calculated by the GID system will be the 31<sup>st</sup> day as of the delivery date of the documents.

Regarding the scheduling phase of the payment, the system will also take into consideration all the dates: the date at which the authorizing officer requested the holder of public procurement for the supporting documents missing in the record of spending file, the date of dispatch by which the holder of the public order sends the documents requested by the authorizing officer. Then the GID system will be tailored for him to be able to take account of the new 45-day deadline (which will take into consideration the standstill periods corresponding to the sending and receiving of the documents between the authorizing officer and the holder of the public procurement).

With respect to the payment phase, the system will also take into consideration all the dates: the date of physical reception by the accountant of the payment orders, the return date of the order of payments by the accountant to the authorizing officer in case of the suspension of the authorisation, the calculation of the 15-day payment period granted to the accountant that takes into account the standstill periods corresponding to the sending and receiving of the documents between the authorizing officer and the holder of the public procurement, when appropriate. A letter will then be edited to inform the authorizing officer payment date of the expenses relating to the public orders that generate default interests.

Eventually, when the global payment period is exceeded in order to make sure the default interests are paid for, the GID system will automatically generate a letter that the accountant will send to the authorizing officer asking him to schedule the default interests within a maximum 30-day deadline. If the authorizing authority does not mandate the default interests within the time limit laid down, no new commitment proposal on the concerned budget line will be taken care of by the GID system (which is for the moment managed by the General Treasury). The system will block all the commitment proposals because what matters to us is to pay first before engaging in a new project. This corresponds to our willingness for transparency, rendering of accounts and State credibility. This is to some extent the philosophy of the new decree on payment terms and default interests.

On the fact that Burkina Faso chose to keep a contractual payment period of 90 days, Morocco also referred to the international benchmark. In France there is a 30-days deadline for the State and the other public administrations, 30 days for the local communities and the local public administrations, and 60 days for public and military health administration services. In Belgium, it is 30 days as well as of the end date of verification. In Switzerland and in the United Kingdom, it is 30 days. Morocco decided to pick a 45-days deadline because it estimated that the country was lagging a bit (the effective term on the spot is of 156 days). We thought that perhaps we would need an intermediary phase of 45 days before potentially moving towards that 30-days deadline. Yet, French people deem that 30-days is already too long and they start considering to reduce to 20 perhaps 18 days or less.

With respect to question on GID suppliers, it is a system fuelled by the GID system's database (Integrated Management of Expenditures) and the suppliers have an access code allowing them to have a real-time control on the progress of their orders to pay and their expenses.

**Sylvie STUREL, Head of the International Cooperation Mission (France)**, states that regarding the billing service, as it works well, the French Prime Minister decided to generalise that system rapidly. France already shifted towards a decentralised service all the prefectures, i.e. all the Ministry of the Interior, and is currently doing the same with Education authorities. In the Future, it is planned to move towards a decentralized billing service the ministries of Defence, Ecology and Agriculture and then all the remaining ministries will have to do so as well, given the impact on the reduction of the payment periods and on the efficiency of the payment chain. Regarding accounting, this does not question the two ways of accounting since the commitment remains at the authorizing officer's level and the general accounting at accountant's. At the ministries' level, France created a new profession since the GBSP decree: the CBCM (Budget Controller and Ministerial Accountant) are present at the core of the ministries and the authorizing offices to verify upstream the commitment, the relevance of the expenditure and then the accounting. So, we managed to tighten the upstream internal control on the authorizing officer.

To answer the question on the final discharge, the certification and the final discharges to the accountant are two distinct things. The certification is a global account certification (with reserves in respect of France's accounts, particularly concerning the efficiency of the internal control). France disposes of a great internal control system that is a priori effective, but that has not for the moment proven its efficiency. A non-efficient internal control translates into anomalies that persist from year to year. These anomalies are identified though the proposed correction remains unsuccessful. There are several reasons to that: one of the major is the lack of experience of the agents and turnovers. It is complicated to see an improvement of the behaviours if the formed people change department the next year. Other anomalies have to do with the payments as discharge of the debts (banking information management is complicated, the provider file has to be updated on regular basis) and the drawback of computerized systems is that they only have an interest if the files are reliable. Yet, the most difficult to achieve is keeping the content of the files updated (creditors files in CHORUS, ensuring that the banking information are accurate, that the creditors are still present, that there is no opposition). The French information systems are all integrated but rely on the quality of the original data collection. France globally certifies the accuracy of the accounts but all in all each accountants keeps having his final discharge or not.

**Jozsef DANCZO, President of the Treasury (Hungary)**, underlines the fact that for his country, the objective is aim at a 100% electronic billing service. He adds that the question of electronic signatures has still to be better dealt with and that it is only authorized for a certain number of administrations.

For the payment of corporate taxes and income taxes, taxpayers can use an internet portal to get in touch with fiscal administration. The vast majority of companies resort to that portal but it is not yet the case for private individuals. It is this website that enabled a great upgrade in the digitalisation of administrative work by facilitating the fiscal administration job of collecting the income tax returns.

Concerning the cash registers directly connected to the fiscal services, the Ministry of Economics and Finance established a list of cash registers that are authorized and must be used by the business owners. Indeed, may the business be a little neighbourhood business or a mass retail store, it is bound to use one of these cash registers. The turnover is represented in an exhaustive way and becomes transparent for the fiscal administration allowing it to compare and verify the tax reports at each end of the year. On the macroeconomic level, we noted an increase of 20-25% in tax revenues that thanks to the implementation of these tools. This is a tangible proof of our fight against tax fraud and our will to reduce the share of the informal sector. For example, in a little town in Hungary, we had a small business owner who thanked us for implementing that system because it enabled him to understand why the turnover of some businesses had been decreased. Furthermore, having observed an increase of his own revenues, he could find out that one of his employees was not systematically taking record of the payments made while he was away.

**Lotfi MISSOUM, Head of Control, Auditing and Inspection (Morocco)**, answers the question regarding the connexion between payment periods and the single account. He reminds first of all that Morocco adopted a new Constitutional Bylaw on Budget Bills that allows Morocco to move from a cash-based system to an accrual basis of accounting by 2018. Morocco's accounting is currently essentially budgetary (that allows for example to record public expenditures at the moment when the accountant revises it instead of the moment when the expenditure is engaged). However, by adopting this reform on payment terms of public expenditures, which allows to trace better the whole execution process from upstream until downstream (i.e. when the debt obligation is born), when the invoice is received by the authorizing officer, it is the accounting department which will be the starting point of the authorizing officer's accounting (as the debt obligation is already born it therefore enables to calmly shift to that accruals-based accounting where the debt obligation emerges from the authorizing officer and has to be recorded in the books). It is somehow the connexion that can exist between this reform on payment terms and the single account that was presented 2 years ago by my colleagues.

**Mohamed Saïd OULD AHMED, Director of Studies and Information Systems (Mauritania)**, thinks that if the dematerialization devices are pushed to the limit and accompanied by a reform giving the responsibilities to the authorizing officer, the enhancement of the Treasury's information systems and the extreme automatization could ensure that the Public Treasury be committed to its principal mission of keeping the accounts and executing the State's or the secondary budgets in excellent conditions. He thinks we need to avoid this confusion around managerial responsibilities that have negative consequences at the Treasury, and if we really want to improve payment periods that the Treasury have the means to execute in an effective and timely manner the State's budget and to ensure that the payments are done on a continuous basis.

**Jean Will LAMOTHE, Deputy Coordinator of Accounting Positions and Accounting Standards (Haiti)**, has doubts about the payment periods and the authorizing officer's liability. In his country, the Treasury has a lot of pressure (during the whole expenditure chain, from the authorizing officers until the public accountant, it is the public accountant who bears all the responsibility). Even if the authorizing officer used all the payment periods, the accounting services have to pay forthwith. He is wondering if it were not possible to legally somehow empower the authorizing officer, and to ensure that he assumes his responsibility in the case where default interests would have to be paid.

He then wonders how to keep track of the expenditures linked to intangible assets for the heritage management.

# Roundtable 2: The legal corpus of expenditure

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## Moderator:

Mr. Adolphe BILOLO KANGODIE, Director of Public Accounting (Democratic Republic of Congo)

## Panelists:

- 1.- Mr. Jean Will LAMOTHE, Deputy Coordinator of Accounting Positions and Accounting Standards (Haiti)
- 2.- Mr. Tianamandimby RAJAONARIVONY, Director of Public Accounting (Madagascar)
- 3.- Mr. Mohamed El Mokhtar BALLATY, Paymaster General to the Treasury (Mauritania)



**Adolphe BILOLO KANGODIE, Director of Public Accounting (Democratic Republic of Congo)**, moderator for this session, announces that this roundtable will be dedicated to the legal corpus of public expenditure and more precisely to the description of its application methods. This is because the security of payments is a key legal stake for public expenditure (guaranteed, in Congo, by an implementation framework of budget operations made up of legal texts, among which we find the Constitution, the law relative to public finances or financial regime, the general ruling on public accounting, the Code of public markets, and other application texts at the ministerial level).

The secure and efficient implementation of public spending necessitates an administrative and functional organization which links the authorizing officer, the accountant and the financial auditor, and which ensures the legal security of spending through a number of rules, principles, mechanisms, but also procedures supported by the IT tool.

Nevertheless, the cumbersomeness of the (often termed “normal”) procedure of spending implementation requires four successive steps: commitment, liquidation, order to pay, and payment. It has favored, for certain expenses, the institution of particular procedures to facilitate their settlement (simplified procedure; urgent procedure; resort to imprest accounts; advance cash procedure; and resorting to an agreement to report credits from an expenditure made in a previous fiscal year, and on cancelling commitments linked to the budgetary annuality).

Notably, favorable or unfavorable events can intervene and change budgetary forecasts from the trajectory previously planned. In response, the legislator has provided for mechanisms to face the modifying needs of budgetary credits throughout the fiscal year, of small or great importance. These mechanisms include: budgetary regulation; credit wiring with an associated asymmetric fungibility; credit reports; as well as a supplementary budget or a rectifying finances law, when the need to modify budgetary credits is important.

**Mohamed El Mokhtar BALLATY, Paymaster General to the Treasury (Mauritania)**, proposes to exhibit the legal corpus relative to expenditure. Mauritania, like all countries of francophone culture, is based on the separation between authorizing officers and accountants. The legal corpus is based on the Constitution, the LOLF (organic law relative to the finances law) and on the general ruling on public accounting.



To begin with, he explains the obligations of authorizing officers in terms of expenditure, and possible sanctions. Since 2004, when the decentralization of orders-to-pay was implemented in Mauritania, various ministers have become budgetary officers. Before this period, there was only one authorizing officer, the Finance minister, who delegated it to the Budget director.

With the decentralization of orders-to-pay in 2004, ministers became the principal authorizing officers of their budget. The first act of public spending management is achieved by ministers: the latter must exert permanent hierarchical control over agents under their authority, so that the expenses necessitated are executed according to the current legislation.

He states that, in practice, authorizing officers are in charge of enforcing the administrative phase of the spending process. Usually, in French law, there is: the commitment, the liquidation and the order to pay. He highlights that they have a double quality: credit manager and immediate supervisor. They are not only responsible for executing the operations in conformity with laws and regulations in place, but also for holding a contradictory budgetary accounting enabling them to have a control over their operations. They are accredited to expenditure-ordering accountants and this accreditation becomes valid thanks to a notification of the nomination accompanied by a specimen of the authorizing officer's signature.

What are the sanctions incurred by authorizing officers in exercising their functions? According to the Mauritanian legislation, authorizing officers are politically responsible and this materializes through the Prime minister's general policy which he engages in with his ministries. Every time there is a management problem, one or several deputies can formulate an inquiry to the minister concerning a given management. Hence the minister takes a political responsibility in being the authorizing officer. Disciplinary sanctions are also allowed for by the ruling 89-012, also appearing in the Mauritanian constitution. That is to say, if the minister commits offences or crimes, he can be sued by the High Court of Justice, which is composed of several deputies.

Concerning obligations linked to the consumption of granted credits, the authorizing officer has to conform to the provisions of the State Budget Act, i.e. credits are voted by the legislator and the authorizing officer has to respect the State Budget Act regarding the availability of credit and the level of speciality of the credit voted by the legislator. Generally, he is not the one giving the order but he delegates the order of payment to the General Secretary or to his Cabinet director to execute the expenditure. This designated authorizing officer is tested by a financial control at the ministerial department's level. For each ministry there is a financial control.

A law adopted in 2010 (Code of public markets) mentions the obligation of opening to the competition every public order superior to a threshold determined by a decree of the Prime Minister. It is a threshold above which authorizing officers are obliged to consult sector-specific commissions to sign public procurements. Along these same lines, he limits the instances in which public orders can deviate from OTC or special commission rules (which are generally granted in the frame of armed security forces). However, the control commission needs to award the contract beforehand.

Concerning regional services, they depend on the central level because resources are scarcer, and because most of the expenditures they carry out are paid on the basis of subsidies granted to the central State. Therefore, there is no major stake in the spending process at the regional level.

What is the accountant's specific responsibility? The accountant has the same responsibility as in most French-speaking countries: the preservation of capital value, the situation of external accounts; he orders cash movements and the regular collection of revenues whose recovery are conferred upon him, the regularity of the expenses he carries out and the execution of those he is required to do).

Since 2010, Mauritania is equipped with a public expenditure management law (law n° 2010-044), in order to fulfil transparency and equity requirements, and to benefit from access to public procurements.

Nevertheless, the country does not have a legal regulatory framework adapted to public-private partnerships (PPPs). However, some policies are undertaken by the government and delegated to the Ministry of Economic Affairs and Development, particularly on primary financing other than the State's own resources, such as concessional and bilateral borrowing.

Regarding the principles ruling other expenses, for certain amounts and for urgent expenses, can the administration be exempted from procurement rules? Procurement procedure is followed only to a certain extent. For low-amount expenses of an urgent kind, the procedure of imprest accounts is recognized following methods defined by current legislation.

In the framework of such procedure relief, the administration's choices must be objectives, and providers must be in competition with one another. The principle of competitive procedures in Mauritania is not limited to procurement procedure. There is also the expression of needs, where the administration can publicize when the amount of its order is lower than the threshold intended by procurements. Competitors must then offer their price, and a commission for each ministerial department validates the orders and chooses the least expensive.

Efficiency in public spending also rests on legal security relative to the economic model. What guarantees do providers have, regarding competition rules? The Code of public markets forbids the use of discriminatory practices which may hinder free access to public offers. It provides for transparency in procurement procedures, conditions of price openness, separation of powers in terms of procurement and control, propriety... Therefore, you have procurement, sector-specificsector-specific commissions, a control commission, and the regulatory authority of public markets.

What are the legal tools at the disposal of the chosen provider to ensure the proper implementation of the contract? If a provider is chosen, a report of the contract award is published, followed by the notification of the contract or the service order. Following this, if the provider is aggrieved, there exists a commission within the procurement authority on disputes between providers and the administration. He may resort to such jurisdictions.

What are the means of defense of the administration, and how do orders and price acceptance take place? The order is materialized via the purchase order. The acceptance is materialized via the report and the award by the market commission, the tendering of the contract for the service order, and the broadcast of the administration's needs for small expenses.

Do mechanisms exist to protect the administration and its employees from the pressures of certain providers? He believes that the best means of protection is transparency, since providers sometimes lack information. For example, Mauritania has a Treasury website that each provider can consult so as to follow the commitment and the payment. This site also protects from administrative pressure, because the users of a public service can find out at which stage of the process is their mandate, and they do not need to pressure the administration to be paid. A period of 5 days was ratified by a decree by the Ministry of Finances.

Which controls regard the accountant? The usual controls are:

- Regarding revenues, it is the authorization to perceive revenue in the conditions planned for each public body the collection of debt of public organisms, and the propriety of the presentation and cancellations of revenue orders, in the limit of elements obtained.
- In terms of spending: the quality of authorizing officer or his delegate, the availability of credits, the acts and imputation of expenses in the chapters which concern them (their nature and object), the validity of the debt and its full discharge .
- In terms of assets: control bears on the conservation of rights, privileges, and mortgages, and the conservation of goods for which he holds the accounts.
- Regarding the validity of debt: control bears on the notice of service rendered and the accuracy of liquidation computations, and the prior intervention of the financial control and presentation of supporting documents.

Reasons for suspension or rejection are the recognition of disputes, or non-conformity to above-cited certifications.

What can the authorizing officer resort to, to force payments? In Mauritania, authorizing officers hold a power of requisition: they may request that the accountant, in written form, inform the Ministry of Finance to make a payment. This requisition is valid only in the case of a wrong allocation, meaning that he cannot request the discharge act, the unavailability of credits, and the absence of financial control. The only case in which the authorizing officer can question the accountant is wrongful allocation.

The problem of unpaid mandates was likewise identified. Mauritania has a mixed accounting system, between patrimonial accounting and accrual accounting. Authorized mandates after 15 December are taken automatically and can be paid on the revenues from the following year. Non-authorized mandates cannot be paid and are cancelled.

**Adolphe BILOLO KANGODIE, Director of Public Accounting (DRC)**, summarizes this presentation:

- In Mauritania, no unpaid mandates are issued, because of a shortage in budgetary credit, and because the automated network of the expenditure chain does not allow it.
- Mauritania does not have a legal and regulatory framework adapted to PPPs, but policies are set up so that such systems may exist.
- In practice, resources from primary financing other than the State's own resources are bilateral concessional borrowing. How are such resources mobilized, disbursed and managed?

**Tianamandimby RAJAONARIVONY, Director for Public Accounting (Madagascar)**, shows that the Malagasy administration has set up, for quite some time, many legislative reforms which have had an impact on public finances and the implementation of such expenditures.



He notes that the text ratifying the State's financial constitution is the organic law on the law of finances (LOLF), passed in Madagascar in 2004. This law ratifies the implementation of the programmed budget through a number of objectives, missions, and activities assigned to a number of budgetary stakeholders, which are no longer the usual components of a resource budget. Through this programmed budget, there are program managers, program coordinators, activity managers, and operational activity services, each responsible for a precise role defined by this law and its application decree.

After this organic law passed in 2004, other fundamental texts were written relative to expenditure management: the application decree of the Code of public markets (also written in 2004, to aim at transparent procedures for bidders in the fight against corruption, who may wish to conform to international procurement standards in the long run). This law set up a number of structures and bodies charged with its application, among them the Authority of Public Market Regulation, a public establishment built in 2005. It is in charge of regulating procedure in terms of procurements, monitoring and supporting administrations in terms of programming and launching procedure of call for tenders, and to manage appeals or amicable settlements lodged by bidders to those procurements prior to legal recourse. This constitutes a security measure for spending, and reinforces the State's credibility to its partners.

Another text was drafted in the inspiration of the LOLF: the decree promulgating the general ruling on budgetary execution of public bodies, replacing the 1978 decree concerning the general ruling on public accounting. This decree recalls the fundamental rules in terms of public accounting, notably the rule of separation between the functions of authorizing officer and accountant; the rule of the single account and cash management within the State; lastly, a particular disposition in the administrative phase, given that a number of procedures were set up after the LOLF and defined stakeholders, their obligations, and their respective roles.

He adds that these regulatory texts allow for the advancement of reforms in terms of public spending management.

What are the administration's obligations to its users in general, bidders on the markets, service providers or partner companies, in terms of public orders' implementation?

A certain number of dispositions are provided for in the Code of public markets, and via its application texts; but the main obligation of the administration is, firstly, to publish the General Procurement Notice. These notices are published via the official journal on the Procurement Regulation Authority's website. They are launched at the start of a budgetary term so as to allow providers to determine which public orders must be implemented during a fiscal year.

Then, there is an obligation to publish the award of the contracts, and a possibility of recourse in terms of contract awarding.

He adds that within the Procurement Regulation Authority, two bodies have administrative autonomy: the National Commission on Markets and the Regulation and Recourse Committee. These bodies allow procurement bidders to see the administration when they notice irregularities in procurement procedures and contract awarding to a provider. Service providers can also make requests questioning the contract award to the Regulation and Recourse Committee.

As we are in a francophone accounting culture, it is possible to apply for recourse to the administration and the normally competent jurisdiction (administrative courts and the State Council).

Parallel to this, what are the obligations and defense means of the administration in case of disputes, pressures or interventions against the authorizing officer or the accountant?

The administration which expressed a need through a public order cannot implement the expenditure in the absence of open credits: this is the rule of budgetary authorization. If a service provider declares to the administration that it has provided a good or delivered a product to an activity manager, in the absence of a purchase order, a convention or a justifying document (e.g. an order to begin the works), the expenditure is not eligible. The accountant has the right to reject such public expenditures which were not properly committed to following current procedure.



The public accountant also uses a series of control tools for expenses mandated by authorizing officers, allowing him to remove the accountant's responsibility, and then to ensure of the consistency of public expenditures mandated.

He now proposes a presentation of the achievements made in Madagascar following the application of such fundamental regulatory legislation, and the obstacles encountered.

Accountants, following the 2005 decree on the general accounting ruling of public bodies' budget implementation, exert a control on the application of laws and rulings. It is up to the accountant to proceed to the control of laws and rulings' application, including those on procurements.

He notes that the chief difficulty is that a public accountant is neither humanly nor technically able to verify the existence of all laws and decrees in application on expenditures. Yet the Court of Auditors demands that the accountant proceeds to this verification. Otherwise, it is his responsibility, not the authorizing officer's, nor the activity manager's, or that of other stakeholders in the budgetary implementation. He believes that it is here a control point that creates a real problem for Malagasy public accountants.

Another difficulty resides in expenditure implementation for external representations. Malagasy Treasury services are represented at other countries' embassies and consulates, and are in relation with these countries' providers. However, the latter do not take into account the laws and procedures in effect at the national level, since they only know of their country's specific procedures. If one reasons in terms of legal and ruling applications, this is also a problem because the justifying documents and procurements are not uniform from one country to the next. This is understandable, but it raises questions in the treatment of expenditure files.

What would an accountant do, in case of an impropriety recognized in his various controls?

The accountant has the possibility of suspending or rejecting the expenditure in question.

In Madagascar, rejection possibilities can concern either the impropriety of the expenditure relative to its regulatory control, or the non-respect of procurement procedure; this implies knowing current procurement laws and rulings. There is also the non-respect of budget management rules; the particularity of credits; the non-allocation of revenues or expenditures; the absence of budgetary authorization, and cash shortages. Therefore, even if the expenditure is properly authorized with all the required justifying documents, in the case of a cash shortage, the accountant cannot pay. This can happen at the level of the State, but it occurs namely at local authorities' level and public bodies.

In Madagascar, an expenditure that has been committed, settled and mandated by an authorizing officer may take place in 5 days maximum (from the commitment procedure, until the control of the authorizing file by the accountant, as well as the verification). The problem is that, after this verification, cash availability must be ensured. Even if the State has an obligation to pay default interest on a bill received 75 days before payment, the accountant can do nothing, because the local authority or the public body does not have sufficient funds and cannot pay.

These punctual problems reveal the limits of the current judicial framework on public spending.

He ends by highlighting achievements relating to reforms of the legal corpus. Madagascar is currently catching up on several years' delay in producing rulings and management accounts. From 2016 onwards, the legal calendar in producing definitive accounts will be respected.

He also underlines the effective implementation of the programmed budget with the main budgetary stakeholders provided for by legislation, finally with the decentralization of payments at the Treasury departments. The Treasury has attempted to improve the quality of its services to users by setting up ministerial treasuries (in social sectors namely, which manage large budgets).

Jean Will LAMOTHE, Deputy Coordinator of Accounting Positions and Accounting Standards (Haiti), reminds



that Haiti launched a vast reform program 20 years ago but which only became concrete with the decree of 16 February 2005 on the drafting of finances laws. During the same year, a legislative text created the General Treasury Inspectorate and two other bodies. In the end, there are three bodies: the General Inspectorate of Finance, the Financial control and the Treasury's Public Accounting.

In 2009, the law on public markets was implemented in Haiti. This law was followed by a decree defining the thresholds of public procurements. However, given the economic and financial evolution of the country, this 2009 decree has been modified by a decree from 25 May 2012, valid until today.

These texts advocate the separation between authorizing officers and public accountants: the authorizing officer is responsible for the expenditure commitment, the liquidation and the order-to-pay. Yet the payer is still the public accountant. Moreover, the texts give further power to stakeholders intervening all along the expenditure chain (authorizing officers, financial controllers of the budget and public accountants of the Treasury). In this chain, only the public accountants have personal and pecuniary liability.

These texts also advocate the reinforcement of controls, and for the text on public markets, free access to public procurements, equality of candidate treatment, procedure transparency, and respect of ethics and efficiency of public expenditures.

The text from 16 February 2005 on the elaboration of finances laws was just modified by a new decree (9 October 2015) with respect to the budget type. Before, the budget was solely focusing on the means; now, the goal is to experiment with a budget emphasising results. The mechanisms of this new result-oriented budget still need to be implemented but the legal provision has already been created.

With respect to the intervention perimeter, until now it was fixed at the State level: the basic texts for public finances management concerned only the central State and the local public authorities were not included.

Concerning public accountants' responsibility, in some cases it can be removed. For instance, the authorizing officer can engage irregular expenses and in this case he needs a "special pass" that can only be granted by the Minister of Finance. Therefore, it is not the authorizing officer who has the responsibility, as it is transferred to the Minister of Finance. Nonetheless, there is a certain limit. If there is no credit or no cash, it is not possible to pay even with a "special pass".

Haiti does not yet dispose of alleviated controls. In practice, it is possible to pay with due priority certain expenses (such as for travelling, reparations or petty cash payments), but there is no formal and legal way of undertaking an alleviated control of expenditures.

The basic text fixing the modalities of public procurements is the law of 9 June 2009. Several bodies take a part in it: the regulation, control and reviewing bodies. Unfortunately, the reviewing bodies are not very elaborated, which implies that there is no real text settling the relations between the State and its suppliers. In the case of a dispute between the State and its supplies, in general an ordinary-law procedure is implemented but no text determines the responsibilities.

There is no default interest either, even if the State tries to respect a certain payment deadline.

He then stresses the difference between running and investment costs. For running costs, a circuit exists between the authorizing officer, the financial controller and the public accountant; whereas for investment costs, the authorizing officer is the Minister of Planning. The request is prepared by the sector and is transferred to the Minister of Planning who controls for the budget and self-check, then he sends the file to the Treasury services, i.e. to the Minister of Finance who makes the payment.

Regarding public markets, in some cases, it is possible to have OTC operations and to override certain procedures deemed too heavy. If there is a problem at the State level, it is possible to declare the state of emergency and to ignore all public markets procedures (the objective is to be able to tackle unforeseen situations like a natural disaster or when the State's security is jeopardized). If the company or the ministry can justify a certain emergency, he can go directly to the OTC market but some emergency criteria are specified in the law.

Further issues concern legal loopholes. Haiti is confronted to the incompatibility of certain legal texts. For instance, it is possible to create bodies and entitle them with the privilege to collect revenues, although in parallel only the public accountant can actually collect revenues. Another issue has to do with the seniority of texts, with for example a text on heritage from 1950.

This implies that during the implementation of a reform, a gap is created between the reform and the legal provisions.

To conclude, regarding the biggest projects currently under development in Haiti, there is the enforcement of the Treasury's single account. The cash treasury Haiti is facing is above all due to the dissemination of information's through hundreds of current accounts opened at the BRH, over which the State has no control. The State emits bonds to provide for funding although at the same time resources are sleeping somewhere in current accounts. The Treasury's single account will help solving this problem. The country has already moved a step forward with the closing of 800 public current accounts. Another experience is being tested with a central accounting item, when there is 15 at the moment. This has to be extended to the whole State administration by December 2015. He signals that this single account reform does not go without accounting items as the public accountants will be those in charge of the transaction accounts. Another field of reform would be setting up imprest accounts for urgent expenditures.

### Discussion with the audience

**A participant** thinks that legal texts and rules have the political objective of mastering public finances and fixing execution deadlines for the different phases as well as the organisation of missions. He specifies the importance of knowing the needs before committing to the adequate public expenditure, and of orienting the budget on results, not on means. He stresses the importance of training people in the expenditure implementation process and the particular attention we have to pay to the ethical aspect for risk control.

**El Hadj Moustaphe DOUMBIA, Head of the Control Division (Mali)**, asks Haiti's representative what is the hierarchy and if there is a harmonisation process among all the texts (for the text regulating Finance Acts was a decree, while the text regulating public markets is a law).

He then asks about the advantages of the "special pass" granted by the Minister of Finance: if de facto, it is no longer possible to give authorizing officers requisition, and how all this is managed at the Court of Auditors' level (for in normal times the Minister of Finance has a political rather than an operative responsibility).

**Mohamed El Mokhtar BALLATY, Paymaster General to the Treasury (Mauritania)**, estimates that it is better to review the elements engaging the public accountant's responsibility in order to be able to share it with the authorizing officer or the financial controller or the credit manager.

He then asks Madagascar's representative if there is no overlap between the Public Markets Regulation Authority and the Regulation and Reviewing Committee.

**Idrissa NIANG, Deputy General Director of the Treasury and Public Accounting (Mauritania)**, wonders to what extent the opening to competition of below-threshold public procurements is transparent (since generally at the State level, it suffices to present three estimates that can come from the same person).

**Mohamed El Mokhtar BALLATY, Paymaster General to the Treasury (Mauritania)**, specifies that external resources or concessionary lines of credit totally escape from the Public Treasury's control because they are managed by Mauritania's Ministry of Economic Affairs and Development. Therefore, on the markets financed by external resources, it is the Minister of Economic Affairs who is the market-authorizing officer, and that Ministry directly sends the accounts to the funders who pay the suppliers.

He thinks that the training problem is recurrent. He sheds light on the difficulty of communication: the working language is French, however most of the staff is trained in Arabic; they work in a language they do not master.

He deems that what can protect the accountant is circuit transparency and the degree of information released to the public (if the system is automatized and the supplier can be registered at any time to know at what level his payment is, it is an asset for the accountant and the Treasury services).

**Mohamed El Mokhtar BALLATY, Paymaster General to the Treasury (Mauritania)**, gives more detail on a question of the moderator concerning the mobilisation of revenues and external financing. He indicates that Mauritania is currently finalising the organic law concerning finance laws (LOLF), in which the State's budget will take into account all the resources: the external as well as the internal financing. Moreover, this organic law will give the Treasury total control on the country's resources.

With respect to the accountant's responsibility, he thinks that the only way to alleviate it is the dematerialisation of supporting documents and massive computerization.

**Adolphe BILOLO KANGODIE, Director of Public Accounting (Democratic Republic of Congo)**, asks what is the level of implementation of the IT system underlying Mauritania's IT tool?

**Mohamed El Mokhtar BALLATY, General Paymaster to the Treasury (Mauritania)**, answers that Mauritania's Treasury works on two types of software: one automated for authorizing officers, where the documents are not dematerialized but the information is automated with an interface between the accounting module and the authorizing officer's module. Information sheets automatically come to the Treasury but it still has to upload the supporting documents in order to be verified by the accountants.

**Tianamandimby RAJAONARIVONY, Director of Public Accounting (Madagascar)**, builds on the remarks of the General Director of the Algerian Treasury. In Madagascar's multi-annual expenditure commitment with the General Budget Directorate, apart from the yearly budget forecast in the finance law, there is a medium-term budgetary framework. This framework gives a budgetary forecast and the actions considered by the State within its programmed budget over three years. It is an ongoing activity, in relation with funders, to improve the multi-annual vision.

He shares the idea that concerning the cost of a public service, one should first consider rationalizing expenditures. This is the case for Madagascar: given the scarcity of available budgetary resources, and within the framework of the programmed budget, actions are led to teach administrations to prioritize their expenditures based on the priorities of their respective programs.

In the budget framework, indicators can help evaluate performances and results at the end of a budgetary implementation; objective and activity indicators can help evaluate this achievement throughout its realization.

He believes nevertheless that certain ministries and operational activity services badly express indicators, which prevents the accurate vision of achievements compared to the programs and objectives fixed initially.

In terms of ethics in Madagascar's judicial corpus, a decree relative to the Ethical Code of Public Markets published in 2006 gives credit managers, and the administration in general, broad principles in procurement and transparency, so as to avoid conflicts of interest with other stakeholders, namely administration service providers.

To answer the question regarding the Procurement Regulation Authority and the Reviewing and Regulation Committee, he adds that these are not different bodies, but that the Authority contains two distinct bodies: the Reviewing and Regulation Committee, and the National Markets Commission, which are independent from one another.

**Adolphe BILOLO KANGODIE, Director of Public Accounting (DRC)**, underlines that the question also concerned the degree of transparency below which the procurement is acceptable.

**Tianamandimby RAJAONARIVONY, Director of Public Accounting (Madagascar)** replies that, in the Malagasy Code of Public Markets, there is a certain category of procedure based on the amount and the urgency of the expenditure for a public order. The administration cannot be exempted from procurement regulation, but it does take into account certain specificities linked to the urgency or the amount.

In the Malagasy Code of Public Markets, there exist restricted bid solicitations (for expenditures below an amount fixed by regulation, or which concern urgent operations). The administration can thus use this restricted bid solicitation when service deliveries must be confidential.

There exists also a restricted provider consultation which concerns works, supplies or service provisions below the threshold fixed by a 2008 decree. To give an example, for public works below 40 million Ariary for example, one can hold a restricted consultation with providers or companies. In terms of supplies, this threshold is below 15 million Ariarys. Finally, there is the over-the-counter market, for confidential services, or following an unsuccessful public tender.

These are the procurement categories linked to certain specificities for public expenditures.

**Jean Will LAMOTHE, Deputy Coordinator for Accounting Positions and Standards (Haiti)**, replies to the two questions asked to him, the first concerning the “special pass” and the second one concerning the legislative hierarchy.

First of all, concerning the training and ethical aspect, he explains that in Haiti a training plan for Treasury professions is being set up progressively. This necessitates technical assistance and discussion is ongoing with organizations to help them set up this training plan.

Concerning the “special pass” given by the Ministry of Finance, the responsibility of the public accountant can be removed when the Minister of Finances gives this pass. The request is made by the authorizing officer in question, therefore by the spending ministry. A form presents the code of the request, its motives, the amount, and the motive for the accountant’s refusal to give his verification.

For each request, when an expense is rejected, the public accountant gives the motive for rejection along with ideas for solutions; it is his “advising” function. Then, the file is transferred to the Minister of Finance who studies it and who gives his signature for the “special pass” with the following formula: “The Minister allows the public accountant to make this expenditure under his own responsibility.” Nevertheless, in some cases, even if the public accountant receives the minister’s order, he cannot obey. This is the case when there are no credits available because the text specifies that the authorizing officer is responsible for the overspending of credits, meaning that if he spends beyond his allocated credits, he is responsible for it. If there is no cash, the accountant cannot pay and must wait to have sufficient funds to do so.

Regarding the legislative hierarchy, he recalls that the 9 October 2015 decree rules on the public finance management in Haiti, replacing the decree of 16 February 2005.

Parallel to this decree, each year, the finances law can modify certain dispositions of decrees or ordinary laws. If a disposition taken for the 2014-2015 fiscal year is not taken in the 2015-2016 finances law, it becomes null automatically and cannot be applied.

Why are these only decrees, and not laws? The answer to this question resides in the fact that reform in Haiti is urgent. He recalls the long process that a law must go through to be voted on by the Parliament, the Senate, the Chamber of Deputies... In some cases, the Constitution gives the Government the possibility to take decrees with authorization from the Parliament. Afterwards, these decrees can receive the Parliament's blessing and become lawful decrees. Given the reforms' urgency, decrees are voted and then sent to the Parliament for validation. If the Parliament is absent, this can also be a reason for signing a decree (for example, the main 2005 texts managing public finances were adopted during a transition when there was no Parliament).

### Questions

**Mohamed Saïd OULD AHMED, Director of Studies and Information Systems (Mauritania)**, asks the Madagascar representative to share his country's experience in introducing the programmed budget. He specifies that Mauritania is working on a new LOLF which enshrines results-based management and is considering a transitional period. He asks whether Madagascar proceeded likewise, or switched directly, from one year to the next, to this new management?

**Allaoui ABASSE CHEIKH, signing officer – Head of the Expenditure Department (Comoros)**, asks a new question on the accountant's responsibility. If, for example, an **assigning accountant** does not have the funds for an expenditure, but another accountant pays and the payment is found to be improper: can we speak of a shared responsibility between both accountants? Otherwise, is the assigning accountant for this expenditure responsible? Or the one who paid the money?

**Job OLOU, General Director of the Treasury and Public Accounting (Benin)**, recalls that all States represented have tests to regulate public spending management. He asks other countries about their experiences in dealing with the problem of regulating expenditures. He underlines that, sometimes, regulation happens at the Treasury level: departments commit to expenditures without taking into account cash levels, or the collection level of revenues, and such expenses reach the Public Treasury though it may not have the necessary funds to pay them because its resources are not yet collected. For example, if regulation does not function well and, from June onwards, other sector-specificsector-specific ministries have already committed 100% of expenses, this creates very long payment delay problems for the Public Treasury.

**Mamadou DIOP, Paymaster of Rufisque (Senegal)**, asks about the consequences of reducing payment delays to the State's advantage. Mrs. STUREL noted that there was always an assumption that the State was a "bad payer," causing it to face non-competitive prices. Senegal has made much effort in reforming public orders to make the State much more attractive. It seems to him that, in comparing billing from private suppliers to the State, and the billing of private stakeholders between themselves, an extra charge is applied to the State, given that it is assumed it will be late in its payments. He asks if, for some countries, an improvement in payment delays has led to a fall in the costs that the private sector charges to the State in public orders.

### Answers

**Sylvie STUREL, Head of the International Cooperation Mission (France)** explains that, when she spoke of a "bad payer," it was to illustrate the State's reputation in taking a long time to pay. Regarding the impact of lowering private sector prices charged to the public sector, due to shorter payment periods, she does not believe that any studies exist on that point. However, since the rule of the "least costly" has been kept (except for bid solicitation from competitions, where cost is not the determining stakeholder), she believes that globally, public orders have the effect of bringing prices in line, or adjusting them by sector. The State's competitiveness, given the high amounts of public expenditure, has made private sector prices fall versus public sector ones.

**Mohamed El Mokhtar BALLATY, Paymaster General to the Treasury (Mauritania)**, notes that his country has a cash plan based on commitments, a quarterly plan, and a weekly plan. Concerning regulation problems, although spending ministers are the authorizing officers, the payment of credits is that of the Ministry of Finance. Regulation is made from above, at 90% by the Budget Director, meaning that it is the Ministry which proceeds to opening credits based on the State's revenues.

**A participant** underlines that, in his country, budgetary regulation can take several shapes, notably the establishment of quarterly budgetary commitment plans, and a cash plan, based on the budgetary agreement plan. In this manner, no expenditures reach the accountant if there are no available resources.

**Jean Will LAMOTHE, Deputy Coordinator of Accounting Positions and Standards (Haiti)** explains that, in his country, sectors are led to present their yearly spending schedule, in a monthly or quarterly plan. This allows the Debt and Cash Directorate to prepare its yearly cash plan. However, it is often difficult to adjust expenditure projects with the means to finance them (projects always cost more than there is cash available). In this case, the Debt and Cash Directorate must arbitrate between expenditure projects and cash availabilities. But if some expenditure are deemed urgent and cannot wait, the State can issue Treasury bills to obtain cash availabilities; the State can also solicit an advance from the Central Bank, in exchange for regularizing this advance afterwards.

He specifies that the State must pay all its commitments before 30 September (end of the fiscal year). But, after 1 October, only commitments on the current fiscal year may be taken (all budgetary credits that were not used are considered inactive).

To answer the Comoros' question on shared responsibility between the accountant and the authorizing officer, he replies that in Haiti, only the head manager is the principal public accountant. He is solely responsible before the Court of Auditors and the administration. He adds that the principal public accountant also has secondary public accountants for support, and that the legislation also provides for imprest account holders (although they are not yet set up). Imprest account holders are public accountants at an inferior level to that of secondary accountants, and secondary accountants are inferior to the principal public accountant.

If the latter's responsibility is questioned by the Court of Auditors, he can question the responsibility of the offending secondary accountant (shared responsibility), or that of the imprest account holder. This questioning can lead to the secondary public accountant helping the principal accountant face a judicial debit, and participate in this repayment.

In the case of a change in public accountants (for example, if a principal public accountant can be given the job of another public accountant's work in another ministry), before the handover, the principal public accountant must sign a handover form with all other justifying documents and ongoing files, with a 6-month delay for contestation. If, after six months, the management of the previous accountant is not contested, the new one becomes responsible for all transactions. This is how both responsibilities are outlined in the case of a change in accountants.

**Tianamandimby RAJAONARIVONY, Director of Public Accounting (Madagascar)**, answers Mauritania's question concerning his country's experience in setting up a programmed budget. He underlines that Madagascar (after the LOLF adoption in 2004) set up a programmed budget since 2005. The programmed budget had to be adjusted based on the experiences drawn from its implementation, notably because of a multiplication of budgetary stakeholders with a large number of indicators, concerning objectives, programs, activities as well as performance in general. This caused some difficulties concerning monitoring and human resources, and it was difficult to train and manage such **fstakeholders**. However, variables were adjusted incrementally, so as to improve the presentation of the programmed budget document.

He then shares his country's experience in terms of irregular payments made by a mandated accountant. He notes that his country's accounting organization is similar to that of the Comoros, because the authorizing accountant is solely responsible in the financial jurisdiction. In case of a lack of control on the propriety of expenditures made by a representing accountant, the authorizing accountant is solely responsible – personally and financially – before the jurisdiction of the Court of Auditors, and it is up to him to lead a recourse action against the representing accountant.

But, before the accountants are transferred to the Court of Auditors, controls made by the authorizing accountant during the centralization of expenditure operations at his level may reveal improprieties. He can then immediately reject these expenditures to the representing accountant, whose role it is to regularize them. If the representing accountant cannot regularize them, it is his responsibility.

To answer Benin's question, he specifies that Malagasy budgetary regulation is fixed annually through ministerial acts. This regulation is operated on a quarterly basis, but given adjustments in terms of revenue collection and expenditure settling, a cash committee meets on a weekly basis, gathering the Treasury, the financial control, the Budget Directorate, and other control bodies so as to see what has been achieved compared to revenue and spending forecasts (this allows for correcting and improving budgetary regulation, given the existing situation).

In general, budgetary regulation is applied by all the ministries and institutions, although derogations exist, as there are certain activities and primary programs at the ministries' level (these priorities are above all benefiting social ministries).

To answer the question of Senegal's representative concerning the issues and implications of payment delays, he states that in the relationship with funders, in particular the IMF, a census of payment arrears is undertaken (because in Madagascar, on the legal level, the definition of payment backlogs is not yet well-established in the legislation on the one hand; on the other hand, expenses at the ministry and institution level are not paid for diverse reasons but have to be counted to allow for a global evaluation of the State's debts vis-à-vis its suppliers). It is also necessary to define the clearance strategy of these payment backlogs depending on their eligibility, anteriority and the nature of expenditure. This will be subject to the creation of a payment backlog census committee that will regroup all the ministries and institutions.

In his country, authorized payments at the level of the ministries and institutions are achieved within a short time period because the reviewing of the accountant's entrustment files is done in 5 days. But the delay between this review and the effective payment of the creditor is problematic given the cash situation. As a consequence, most suppliers and service providers do not really trust the administration anymore because of this long delay. The average payment delay of public expenditures spreads over 90 days, and given this delay, suppliers hesitate to accept public commands.

In order to bypass this problem, administrations resort more often to imprest account mechanisms, and this allows administrative services for paying directly a supplier in cash. The supplier then has to regularise the expenditure later on. Normally, an imprest account deals with urgent expenditures or operating costs, but this practice tends to be broadened to less urgent expenditures that represent quite significant amounts.

The risk is that, at the end of the budgetary implementation, imprest account operations would not be regularised, or done belatedly so (because suppliers were paid before the credit engagement). Those consequences are negative for the use of derogatory expenditure implementation procedures.

**Adolphe BILOLO KANGODIE, Director of Public Accounting (Democratic Republic of Congo),** asks the panellists a question on the experience with outstanding debts: to what extent does this represent an issue and how can the Treasury organise to reduce them?



**Mohamed El Mokhtar BALLATY, Paymaster General to the Treasury (Mauritania)**, answers that Mauritania has had a lot of outstanding debts in 2006 but that the government did everything to recover them, and that now the impact of outstanding debts on public expenditure is negligible. He specifies that, for 4 to 5 years, this phenomenon has disappeared because on 31 December the government always manages to complete the year by paying all the authorized payments.

**Jean Will LAMOTHE, Deputy Coordinator of Accounting Positions and Accounting Standards (Haiti)**, highlights that his country makes a lot of efforts to avoid having new issues with outstanding debts because of damaging experiences.

He thinks that outstanding debts come from certain negligence on the part of authorizing services: the authorizing officer took the commitment and the supplier already starts delivering the services or executing the public command although it takes several months for the file to be sent to the Treasury for payment. Yet, it may be that several files arrive at the same time, involving unforeseen and major amounts of cash. In this situation, an arbitrage is necessary: who to pay first? Some amounts are reported on the next financial year, delaying the payment. Sometimes, the BRH is asked to pay even when there are no funds available. However, it is not possible to exceed 3% of deficit leading to a situation where outstanding debts expand on several fiscal years.

Haiti only started its management with accounting items in 2011. Before that year, all the investment expenditures were not considered by the public accountants. Authorizing officers had the exclusiveness to engage vast investment expenditures and the State was left with millions of outstanding debts on the financial year accumulating year after year. When the State could not face its responsibilities, this affected its image facing suppliers, reducing its capacity of requiring the services to be rendered. It is necessary to boost that image and allow suppliers to provide the State with services, which should be paid only after the service is rendered.

**Tianamandimby RAJAONARIVONY, Public Accounting Director (Madagascar)**, distinguishes between State and local authority expenditures. He indicates that the State does not have to cope with outstanding debts regarding operating and investments expenses, but we rather speak of standby payment situations. Concerning economic or social State expenditures, we can there speak of outstanding debts because the State intervenes to stabilise gas, energy and social-related prices that significantly impact its budget, preventing it from paying its service providers and other third parties within the fiscal year. He thinks that this stabilisation policy will continue given its impact on the population, although the State faces outstanding debts.

Concerning local authorities and public administrations, given the lack of fiscal resources allocated to them, they do not dispose of sufficient cash to pay their suppliers and service providers, and sometimes not even to pay the staff. As a matter of consequence, wage arrears can spread over 2 to 4 years for example.

Concerning investment expenditures, given that there are no investment revenues allocated to public entities, only a few investments take place and no immobilisations are set in place at this level.

Legal reforms are currently being implemented. It is the establishment of several legislative and regulatory texts for financial and accounting management that allow them to respond to questions referring to local authorities' financial management.

With respect to public institutions, there is the notion of free funds, i.e. the cash that they must mobilize to pay the expenses they engaged in. Yet, most of Madagascar's public institutions are administrative ones, essentially financed thanks to State subsidies. But given the State's fiscal constraints, these subsidies are not sufficient, entailing a cash shortage and payment delays.

**Lassina FOFANA, Deputy General Director (Ivory Coast)**, takes the floor after Mauritania's representative said the country did not have to deal with outstanding debts for several years. He wonders what mechanisms were set up to achieve that landmark: by paying cash? By granting compensations? Concerning the order-to-pay? Are commitments taken considering the available cash?

**Mohamed El Mokhtar BALLATY, Paymaster General to the Treasury (Mauritania)**, answers that no cash payments are done in Mauritania, the rate of use of the banking system is at 99%. This was accompanied by an annual treasury plan based on the commitments and equipped with a highly performing public expenditure management system, configured to cancel automatically commitments not scheduled by December, 15. He stresses that his country has had cash surpluses for two years now thanks to the adoption of a small but realistic budget. These **fstakeholders** allow the Mauritanian State to honour its commitments by 31 December of each year, and this for several years now.

**Mohamed Saïd OULD AHMED, Director of Studies and Information Systems (Mauritania)**, specifies that not having outstanding debts at the Treasury level is a deliberated choice. This was not self-evident until 2005 because the country systematically had payment arrears. The payments being made during complementary days on a two to three-months period were not made on time and some mandates were even paid a few years later.

Thus he decided to audit these situations at a given point in time, to pay everyone and make sure that at the budgetary closure – the night of 31 December of the financial year that has just ended – the last payment be done so as to be deposited at Mauritania's Central bank the first following working day. This was made possible thanks to the mastering of the expenditure implementation process. The part of the budget that disappears in the form of cancelled commitments represents only a minor part for the budgetary execution always stands at around 97-98% at the end of the year.

With this deliberate choice by the government, there is no more arrears, especially at the Treasury's level. Nevertheless, some budgetary arrears remain as certain State commitments on previous years were not paid for and certain suppliers continue claiming them. The amounts involved are negligible as for two to three years now, the Minister of Finance took some dispositions to settle these arrears, the total of which not even amounts to 3 to 4 billion ouguiyas, i.e. less than 1% of the State budget.

If the revenues are not sufficient at the moment where the payment is demanded, we resort to the monetary market with a banking loan or a loan to other major public institutions like the SNIM (the biggest mining company of the country).

**Mohamed El Mokhtar BALLATY, Paymaster General to the Treasury (Mauritania)**, adds that for arrears of previous years, each year the Ministry of Finance constitutes a provision at the State budget level to pay those arrears, representing a very small amount.

**Adolphe BILOLO KANGODIE, Director of Public Accounting (Democratic Republic of Congo)**, asks for more information on the notion of budgetary arrears.

**Mohamed El Mokhtar BALLATY, Paymaster General to the Treasury (Mauritania)**, answers that the Mauritanian State made a lot of efforts to audit its arrears and that the remaining ones are contested. The State created a commission to identify and classify those arrears, and each year a budgetary entry is provided by the Finance Law to audit the arrears that have been justified.

## Second round of questions

**Ibrahima GUEYE, Director of the Public Markets Directorate (Senegal)**, thinks that payment delays have a repercussion on the State's acquisition costs of goods and services because suppliers are calculating economic agents. Indeed, to provide for the State, you take a loan at a bank, you supply and you wait. The waiting time costs you money, and this money is already available for bidding. Therefore, it represents a cost for the State and for the company.

The solution is perhaps to find a way to systematize and implement default interest.

He suggests the idea to set up a relay service: as soon as the Treasury has to face expenditures, it can raise funds to deal with the cash issue.

Senegal has a Deposits and Consignments Fund where financial services try to create a sort of relay cash register for the payment of procurements, in order to somehow takeover the Treasury's role and advance funds to pay suppliers (in exchange of an interest or a compensation). He thinks that this is a means to explore and could produce a profit superior to when you pay default interest.

He then presents the idea of introducing regulation in the financial execution of public markets. Regulation authorities of public markets essentially work on the public procurement process, and he suggests they should also regulate the relation between the administration and its co-contrstakeholder when it comes to dealing with the issue of supplier debt payment. This is maybe the reason why today in Senegal, the idea emerged of an expenditure regulation committee (Haiti spoke about a Treasury committee, Ivory Coast talked about the existence of deadline management committee). The idea would be to involve regulation in the fields of financial executions of public markets. He deems that good regulation should be guaranteed by a third party, whereas these regulation committees always seem to be comities internal to the administration, in charge of managing administrations' obligations. It would be useful to perhaps involve a third party in the relation between the State and the suppliers regarding the commitment of administrations.

**El Hadj Moustaphe DOUMBIA, Head of the Control Division (Mali)**, asks the Malagasy representative (a country which adopted the LOLF in 2004 and began to set up the programmed budget in 2005), about the impact of these reforms on State accounting.

**Daouda SEMBENE, General Director of Public Accounting and Treasury (Senegal)**, wonders whether agencies exist in the framework of expenditure implementation. He adds that Senegal has deposit accounts where expenditures of current transfers or capital transfers are deposited, allowing such structures (legal entities with financial autonomy) to implement expenditures. The Treasury holds these funds, like the funds of other public authorities. Do other countries share this experience of implementation agencies?

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## Answers

**Tianamandimby RAJAONARIVONY, Director of Public Accounting (Madagascar)**, replies to the question concerning the consequences on public expenses, at the Treasury level, of implementing the programmed budget. There were several positive outcomes. First, concerning the programming, ministries and institutions had to take into account their objectives and their activities within a given period. Then, they had to discuss about the means to achieve such objectives and activities. This allowed the Treasury to monitor ministries' and institutions' actions in terms of budgetary implementation of public spending.

Concerning the budgetary planning, apart from yearly budgetary forecasts, multi-annual forecasts are already estimated for each ministry and institution based on the policies adopted by the Government. This allows the Treasury to monitor the implementation of public policy in its budgetary programming, allowing for a better budget preparation and forecasts, since the Treasury already has a vision of the activities and means allocated per program.

At the budgetary implementation phase, till now the integrated information system has not concerned activity and performance management of each operational department (given a number of parameters to include). It is limited to the financial and budgetary implementation strictly speaking. In the long run, an application for financial and performance monitoring will be set up within the system. There should be a correlation between the budgetary means allocated, and the activities defined by each ministry and institution, so as to control the efficiency and efficacy of public spending, and to draft reports in accordance with the budgetary authorization given by Parliament. This will be set up in a short time. Up till now, the budgetary credit monitoring is still tracked by our information system within public finance management.

Another positive impact of setting up the programmed budget is that the dialogue with the activity manager is much improved and more realistic, based on concrete forecasts and achievements. The Ministry of Finance and the Budget, through a quarterly budgetary review, calls upon all activity managers from ministries and institutions to draft their quarterly business report according to performance and results. The budgetary implementation report allows them to see the bottlenecks in terms of credit implementation.

Regarding accounting, Madagascar is still in the reflection phase. The LOLF provides for the implementation of general accounting for the State and public bodies, but the country is still at the stage of budgetary accounting. This general accounting is still being discussed with the concerned bodies, and the Upper Accounting Council harmonizes and regulates accounting standards applied in the public sector. The Public Treasury, along with the main stakeholders in public spending, is also studying this within a coordination commission, the Think-Tank for Public Accounts, made up of the Treasury, the Court of Auditors and the General Budget Directorate. This commission will be extended to other bodies to study the effectiveness of the newly implemented accounting method. Nevertheless, in terms of general accounting, not all the necessary information is yet available to activity managers and other credit managers.

**Thierry MOUGIN, from the General Secretariat of the AIST**, responds to Senegal's question on expenditure implementation agencies outside the usual chain of spending. In France, a payment agency (previously called CNASEA) is parallel to the usual spending system by the General Directorate of Public Finances. This payment agency settles the near-totality of European funds towards farmers, and it intervenes for certain expenses, which are interventions of the Labor Directorate.

Compared to the usual system of the General Directorate of Public Finances, differences are small: expenditure rules are the same, as are internal controls, and the rendering of the accounts is mandatory as it is for the State, likewise an accounting deposit with an accountant to control the operations.

For social security expenses, a network of accountants works independently of the General Directorate of Public Finances and is organized likewise. Legislations regulate their operations, their cash is managed and centralized via the "Caisse des Dépôts et Consignations", and an account certification exists for social security bodies as well as internal bodies.

Hence, there are other chains of spending, but these are not more efficient in terms of payment periods, and they are secured in similar fashion.

Concerning payment periods and improved prices for public orders, France lacks tools to measure a fall in prices linked to shorter payment periods. However, for local authorities (where providers and authorities are nearer to each other), businesses issue positive messages as they realize that local authorities and the State (which has even shorter payment periods) have become good payers. This favors discussion, be it on the quality or the delay of the service, allowing the State to have the upper hand. There may not be advantages in terms of price, but there is doubtlessly an advantage in terms of negotiations with business.

**Ibrahima TOURE, Municipal Tax Collector for Dakar Municipal (Senegal)**, asks a question to Madagascar's representative, as it is a country which has experimented with results-based management. He asks whether asymmetric fungibility is provided in the law (as in France). He also asks France's representative whether asymmetric fungibility, concerning programs, is still relevant for all ministerial departments. He believes that depending on the ministry, some credits originally planned to finance goods and services should be transferred to increase staff expenditures.

He then asks whether there exists a particular responsibility for program managers. From 2017, within its new finances law and according to UEOMA regulation, Senegal will have to set up results-based management.

**Tianamandimby RAJAONARIVONY, Director of Public Accounting (Madagascar)**, replies concerning program managers' responsibility. Several budgetary stakeholders (program coordinators, program managers) are given the coordination and supervision of ministry (or inter-ministry) programs. Activity managers and activity operational departments are also tasked with setting up such programs within their own departments. Up till now, responsibility has been mainly political, a question of accountability before the Parliament and other political decision-makers.

Progress concerning principal authorizing officers (the Prime Minister), delegate officers (ministers and heads of institutions), and secondary officers within ministries and other departments. A financial and budgetary Discipline Council was set up to monitor the operations of these officers. This body does not take coercive measures, but rather decides on firm recommendations towards officers who do not respect the budgetary and financial discipline prescribed by legislation.

This represents progress, because there had previously been reluctance to set up this Discipline Council; however, thanks to the support of technical and financial partners, and the political will of its decision-makers, Madagascar was able to set it up. It has not yet been used, as it is very recent, but its members have been nominated. The first meeting is highly awaited, to find out which firm recommendations and measures can be taken against the stakeholders under its jurisdiction.

**Thierry MOUGIN, from the General Secretariat of AIST**, explains that asymmetric fungibility exists in the framework of program implementation. Ministries namely manage it, and it is not up to each secondary authorizing officer to act on this fungibility. Its objective is to find all national possibilities that exist, whilst remaining within its constraints. He acknowledges that asymmetric fungibility can exist differently in various countries. It is the capacity of a manager to save on his allocated credits at the beginning of the year, so as to distribute them to other functioning credits within the same year. Fungibility is asymmetrical, so as to avoid that saved credits allow for a higher salary for public employees (because hiring one more employee per year has heavy consequences in terms of career and retirement). Thus, asymmetric fungibility has two objectives. The first one is to give more power to the manager (who is not an accountant), to the authorizing officer. The second one is to ensure that savings do not lower the State's total budget in terms of staff expenditures that would engage it over several years. Asymmetric fungibility happens at the ministerial level, not that of secondary officers.

In the spirit of the LOLF, the program manager has a responsibility for a public program (for example, the policy that maintains the State's patrimony). This manager is not the authorizing officer for all expenses linked to the program. He gives the accounts to Parliament and manages performance indicators, but expenses linked to the program can be monitored by secondary authorizing officers, such as prefects. Therefore, he does not have the responsibility of an authorizing officer before a disciplinary budgetary court. It is somewhat like in Madagascar, where he bears a political responsibility, rather than that of an authorizing officer's. He is not involved at all in the chain of spending; it is therefore not possible to give him personal and financial responsibility, like that of an accountant.

**Moussa TOURE, Kaolack Regional Paymaster Treasurer (Senegal)**, believes that payment periods are of very high importance for regulation. Such periods take into account the phase of the authorizing officer and that of the accountant (contrary to the UEMOA, where the period begins after the accountant's phase).

He worries about this system's functioning, as the periods last 60 days for authorizing officers and 15 for the accountant. Payment periods begin for the authorizing officer after the certification that the service was achieved; this is relevant because since the service has been given, the State is indebted and must pay.

He asks who is in charge, within legislation, of producing such a certification. If it is the authorizing officer, or one of his agents, this may falsify the starting point (for one might delay this starting point to respect the 60 days' period). For the accountant, non-compliance with deadlines creates penalties for the State; he wonders about the responsibility regime to deal with this non-compliance. Does a system exist to recognize such non-compliance? And, if not, are there sanctions?

**Lotfi MISSOUM, Director of Control, Auditing and Inspection (Morocco)**, answers that his country has an information system called GID which tracks payment periods. For instance, if a supplier hands over the bill, the agent in charge of the procurement implementation must certify it. If the agent does not give certification within 30 days, the GID system considers that the period of default interest, or the period for certifying the service, begins on the 31<sup>st</sup> day. This happens automatically: if the authorizing officer does not finish his task within 30 years, the information system considers that the service done is recognized on the 1<sup>st</sup> day after the 30<sup>th</sup>, and default interest is liquidated and mandated on this basis.

Regarding responsibility, the information system leaves little to chance. It writes to the authorizing officer and the accountant a message, such as "You must authorize within 30 days;" "You have missed the deadline." An alerting system exists throughout the chain of spending, both for the authorizing officer and the accountant.

On the responsibility specific to the accountant and the authorizing officer, the accountant has 15 days to ensure the verification and the settlement of the expenditure. If he misses this deadline and default interest is due, the Court of Auditors will sanction him and the amount of default interest will be attributed to the accountant. It is likewise for the authorizing officer. The objective is hence not that the State pay default interest, but to force officers and accountants to respect such deadlines; if there is default interest to be paid, the budget is affected. This is therefore a question of responsibility that engages both stakeholders.

# Roundtable 3: The efficiency of the chain of spending

## Moderator:

Mr. Bachirou MOHAMADOU, Deputy Director of the Settlement of the State's Budget and Accounts (Cameroon)

## Panelists:

- 1.- **Mr. Lassina FOFANA**, Deputy General Director (Ivory Coast)
- 2.- **Mr. Sosthène OSSOUNGOU NDIBANGOYE**, General Director of Public Accounting and the Treasury (Gabon)
- 3.- **Mr. Bruno IMBERT**, Technical Advisor (International Monetary Fund)



## **Bachirou MOHAMADOU, Deputy Director of the Settlement of the State's Budget and Accounts**



**(Cameroon)**, explains that this session will continue discussions on the improvement of public spending processes. This is an issue at the heart of public policy, given the huge sums injected in the system. The questionnaires filled in by AIST members show that these expenditures are important in most countries. Nevertheless, one notes that, in most cases, there is no correlation between expenditures' weight and the control of public finances. Hence the question: how can we improve the efficiency of the chain of spending? This question brings forward other questioning, some of which was mentioned during past roundtables: respecting payment deadlines, default interest, etc.

For this roundtable, the issue is to see which tools and methods can be set up to improve public spending efficiency. How can the State and its different constituents have sufficient cash to pay bills? How do Treasury services proceed to settlements (credits, bills, wages, etc.)? What are the measures and tools set up to ensure that payments in cash are limited?

Lassina FOFANA, Deputy General Director (Ivory Coast), speaks of the weight of public spending in a country's economic life. The weight of this spending is around 26% of Ivory Coast's GDP, indicative of its importance for businesses, the banking system, and for its staff. It is therefore important that public spending be efficient and efficacious.



Efficiency is making sure that expenditures are settled as soon as possible, and that they be useful, legal and within the rules. Tools must be set up to better evaluate the propriety of expenditures, before settling them. One of the key elements is to identify expenses in a formal framework, such as a cash plan, to bring to light all resources and expenditures. Ivory Coast holds cash committees once a week with the Ministerial Cabinet, in order to visualize all the available resources and the expenditures to implement.

Ivory Coast also has a Committee for monitoring internal debt (which overtime became a Committee on monitoring public debt), which meets every Monday to know the situation, not only of suppliers' debt, but also of the financial banking debt.

On a decentralized level, within regions, general treasurers also hold cash committee meetings with different stakeholders. This allows each structure to know what resources are available and how they may be distributed, taking into account the maturity of expenses to pay (between 30 and 90 days) and current priorities. Once this is done, the expenditure planning is settled and planned expenditures are displayed (on tables and on the Treasury's website), so that all suppliers, service providers and operators know what is the current program, followed by the payment phase. Prior to this, the control phase of the expenditure takes place. Once the expenditure reaches the accountant, the integrated system of public finances management allows him to control and to give his verification. The accountant's tasks are then recorded in an application, the software package Aster. All mandates and documents to be paid are digitized by the Paymaster General. Everyone can follow the chain of spending and achieves different controls virtually. The next stage is the settlement, occurring through the automated payment management (an application which edits payment documents automatically, with no human intervention in order to avoid typos or number errors). Checks, like wirings, are issued electronically, allowing many economic operators to be on a single wire transfer, rather than individually. This saves time and gives immediate information to suppliers who, through the information and welcome center, can find out if their mandates were paid, if they were differed, or about to be settled.

This requires a number of precautions (so that spending is efficient, risks must be controlled). A reference for internal control and risk control was developed for certain accounting positions where the controls are done. Likewise, the system allows for a simplification of the banking system. For a long time now, all operations towards businesses (at least payment operations) have been done through wire transfers systematically. Concerning public sector employees, nearly all are paid via wiring. It was also decided recently that pensions above 50 000 CFA must be wired.

The banking system is used much more widely, and the Public Treasury has played an important role. Since 2000-2001, Ivory Coast has an internal bank for the Treasury (the Central Accounting Agency for Deposits) with currently 18 agencies on its territory, plus a principal agency in Abidjan. Today, this structure has developed more than 47 000 accounts (individual accounts, businesses, public national establishments and other projects). These tools allow us to secure, make reliable, and monitor all public spending operations.

**Bachirou MOHAMADOU, Deputy Director of the Settlement of the State's Budget Rules and Accounts (Cameroon)**, states that the tools presented by the Ivory Coast are almost the same as those put in place in Cameroun. Indeed, the country also disposes of a monthly Treasury Committee under the presidency of the Minister of Finance and a weekly internal Treasury Committee gathering the main spending administrations and tax base administrations, including the General Directorate of Customs, the general Directorate of Taxes and the General Paymaster of the Treasury who pays 80% of the expenditures. Thus it is a tool that deserves to be implemented in countries without such a structure.



Sosthène OSSOUNGOU NDIBANGOYE, General Director of Public Accounting and of the Treasury (Gabon),



adds that in the event of a crisis touching many of our countries, public expenditure is at the core of our concerns: never the notion of public expenditure efficacy has been subject to so much attention because of the scarcity of available resources and the necessity to better allocate them, to be in line with public policy objectives.

The reforms being implemented in many countries, notably in the CEMAC, put the question of public expenditure efficacy at the core of budgetary management, networks and performance. In Gabon this reform became concrete through the implementation, on 1 January 2015, of a new budgetary system with local authorities budgeting, like in other States.

This new management approach reinforces the necessity of having a fluid and performing expenditure chain to pay regular expenses on time and facilitate the fulfilment of our objectives. This effort is only sustainable if we are able to absorb continuous expenditures in order to avoid the accumulation of payment arrears in Treasury books. Expenditure efficacy is a global process that needs to integrate all the steps of the expenditure chain from the forecast until the payment.

If for Gabon, paying for public servants is not a real problem, on the contrary paying State suppliers implied certain dysfunctions leading to the accumulation of arrears until end 2013.

The public finances management system in Gabon is a classical system, relying on the separation of roles between authorizing officers and accountants. There is a revenue-authorizing officer, a minister of the Economy, and a multitude of expenses-authorizing officers, the spending ministers, with at their core a General Budget and Public Finances Directorate ensuring the centralisation of orders to pay.

Concerning arrears, the CEMAC directive specifies that are considered as an arrear all the outstanding liquidations exceeding a 90-days deadline. This is a maximum deadline within which the States can fix other management criteria. For example, Gabon fixed it at 30 days for operating costs and 60 days for investment expenditures (because controlling for the expenditure's materiality has to be done). This payment period starts from the emission of the order to pay until the payment and includes the administrative part. Expenditures are paid by accounting day. This mechanism did not hold back the information flow coming from spending services, and it rapidly caused non-compliance with payment deadlines.

What are the reasons of this dysfunction? The presence of arrears reveals at least five to six issues:

- 1) Budgetary forecasting quality. Often revenues are overestimated in certain budgets leading to an overestimation of the capacity to spend. A performance evaluation study showed that in the case of Gabon, the revenue execution rate reached 97% these last years. Thus, there is either a recovery or a forecasting problem. If the quality of budgetary forecasting is not guaranteed and regulation is absent, it might be that arrears inexorably tend to accumulate because authorizing officers consider budgetary appropriation like a cash source.
- 2) Expenditure chain cumbersomeness with a multitude of stakeholders in the expenditure chain translating into redundancy and bottlenecks. Gabon once had three stakeholders: The General Directorate for Public Markets, the General Budget Directorate and the General Directorate for Financial Controls that were all intervening before payment. It is more difficult to respect deadlines with so many stakeholders, as controls were overlapping and the files generally arrived at the Treasury once payment deadlines had been missed.
- 3) If the income collection rate does not match the disbursement rate, if there is no connection between budgetary and cash policy is not correctly guaranteed, there is a risk of arrears accumulation.
- 4) A lack of management dialogue between authorizing officers and accountants.

- 5) The absence of an integrated public expenditure management system allowing stakeholders to work in a same environment.
- 6) Centralisation issues.

These difficulties have three consequences: a loss of quality, dissatisfaction and a bad State image.

**Bachirou MOHAMADOU, Deputy Director of the Settlement of the State's Budget Rules and Accounts (Cameroon)**, thanks M. OSSOUNGOU NDIBANGOYE for his presentation and concludes that Gabon faces several problems regarding arrears accumulation and budgetary forecasting quality. He congratulates Gabon's efforts, namely concerning the good management of civil servant pay. Moreover, a few months ago, the General Director of Cameroun's Treasury considered launching a benchmark at Libreville in order to draw from Gabon's electronic civil servant payment system. He adds that there is still an absence of budgetary discipline in Cameroun and that this is one of the major issues altering expenditure efficacy.

**Bruno IMBERT, Technical Advisor (International Monetary Fund)**, proposes to present the results and salient aspects of a recent study by the IMF's Public Finances Department: How to improve public spending efficacy in terms of investments?

Investment expenditure is a topic on which the IMF focuses for three reasons:



- 1) First, because of the amounts involved as investment expenditure corresponds to a major budget for the State;
- 2) Second, because of the importance and impact of investment spending on countries' economic, social and human development (investment is really helpful, be it in terms of supplies or economic and social infrastructures);
- 3) Third, this topic interests the IMF because of the impact investment expenditures have on growth and growth potential in each country.

There is an abundant literature that often connected the impact of investment on growth, certain studies even managing to quantify this impact. For example, found out that a 1% increase in investment expenditure allowed for growth to increase by 0.4% after one year, and by more than 1.5% after four years. The study he presents was concluded in June 2015 and came out in the context of the 2000's economic crisis that put a brutal end to investments because of heavy budgetary constraints in most of the countries, no matter their level of economic development. Investment expenditure is a more malleable and flexible type of expenditure, unlike spending on the wage bill that is extremely stationary over several years. When we have cash or budgetary issues, investment expenditures are cut first as they are the easiest to deal with. In this context, the IMF examined a panel of approximately 100 countries to figure out how investment trends were looking like since the economic crisis. At the present time, in countries classified as "emerging markets" and those classified as "developing economies", once the crisis was over, investment expenditures more or less reached pre-crisis levels: around 8% of GDP then, 6% today.

Despite the recovery of investment spending in emerging markets and developing economies, the study also looked at the impacts and efficacy levels of expenditure. It came out that circa 30% of investment expenditures can be qualified as ineffective, whether in social or economic fields. For example, hospital and education infrastructure are built without providing for staff or supplies to make them function. I am speaking of roads, bridges or other economic infrastructures that are badly calibrated. Whether it be because infrastructures are built in insufficient amounts or without meeting standards.

Thus, this study highlights the fact that the desired results are not achieved in terms of investment. In addition, we observe a decline in the quality and efficacy level when we compare the stock of existing investment to the socio-economic efficacy of these investments. This proves rather problematic in a context of budgetary and financial resources constraint.

Once this observation was made, the study identified three ways to improve the efficacy of investment expenditures:

- 1) The quality of budgetary and financial functions linked to investments, going from a strategic planning of financial reporting to their execution.
- 2) A better integration between the functions of strategic planning (the planning phase of development and investment plans in the medium and long run) and annual budgeting execution. In countries with a separation between a Ministry of Planning, in charge of the medium and long-term strategy, and a Ministry of Finance, in charge of the annual and material execution, we observe prime difficulties due to the lack of coherence in the documents and nomenclatures, as well as resources and financing issues.
- 3) The particular case of PPPs requiring a more stringent control. They represent a great tool to finance investments and infrastructures in particular; nevertheless, the practice deviated from the initial idea of this investment means. The study recommends certain adjustments to better frame their usage.

All the stakeholders listed above could potentially lead to improvements for two reasons:

- 1) 30% of investment expenditures do not meet their objective. The implementation of the previously mentioned recommendation could supposedly reduce this number by roughly two thirds.
- 2) The implementation of the previously mentioned recommendation could improve the productivity of the existing investments.

### First round of questions

**Bachirou MOHAMADOU, Deputy Director of the Settlement of the State's Budget and Accounts (Cameroon)**, asks for more information on the application of digitized payment mandates mentioned by the Ivory Coast. Has this application contributed to shorter payment periods by accountants in the Public Treasury?

In Cameroon, users often complain about the fact that they are not paid in due time (notably State suppliers). He asks whether, in Ivory Coast, the welcome and information center for the public responds to such complaints.

**Abdou Khadre DIALLO, Regional Paymaster Treasurer of Diourbel (Senegal)**, underlines a stakeholder which seems very important in terms of spending efficiency: quality infrastructures at reasonable cost, since his country is often confronted to problems of overbilling and corruption. He asks Mr. IMBERT his advice on the link between spending efficiency, and the proliferating corruption and overbilling. Is it possible to have quality infrastructures if we cannot solve this latter problem? And, for the IMF, what are the solutions? Some local authorities (and even central ones) sometimes pay with no certainty that the infrastructure was actually built.

He asks a second question relative to the Central Accounting Agency of Deposits of Ivory Coast (the Treasury bank). Senegal still has – mostly at the regional level – very long queues in payment centers, when pensions are paid out (retired people, if they have low pensions, systematically refuse to go to the bank). He asks whether, in Ivory Coast, this new agency allowed them to solve the problems of pension payments, namely retirement pensions, requiring much staff for a task that is of low importance and concerns very low amounts.

**A Senegalese representative** notes that it is often preferred to finance investment by the participants, rather than through a tax pressure which may harm the economy's growth. Developed and developing countries (apart from those with natural resources) resort to financial markets more and more often for financing investment.

He asks whether the IMF has studied this comparison, between the option of raising tax pressures, or that of going to financial markets and financing investment by creating debt.

**An Algerian representative** notes that, in the chain of spending, the provision of resources to authorizing officers (following the finances law) is often left aside. The way in which this resource is registered is often problematic. Sometimes, everything is registered on 1<sup>st</sup> January, or partially so; however, the entire procedure should be ready before its acceptance within the finances law. He asks how we should proceed to achieve this notification.

The words “public policy,” “sector-specificsector-specific policy,” “development program” are often brought forward, but there is no common understanding of such concepts. Would it be possible to have a logical definition of the following three concepts: public policy, sector-specificsector-specific policy, and development program? All three are linked to achieve “performance,” a term which also stands for efficacy, efficiency, and the economy in general.

**A Malagasy representative** asks for clarification on some points. Ivory Coast mentioned digitizing expenditure files. Does the digitizing process also include the production of dematerialized accounts for the financial jurisdiction in charge of auditing the accounts?

Regarding the payment of wages and pensions by the administration, which must take place through wire transfers beyond a certain amount, does that mean that pensioners no longer choose how they receive their payment? What happens to their payments in the areas where there are no banks?

For Congo, given the aforementioned issues of having many budgetary stakeholders, who are the budgetary stakeholders in terms of functions within the administration?

Since the IMF representative has mentioned the necessity of better controlling PPPs, and since Madagascar is currently implementing regulation on such partnerships, what are the IMF’s recommendations on this point?

**Gambo SOULEYMANE, General Treasury Receiver (Niger)** asks Ivory Coast’s representative if the authorizing officer issues the credit notification and the receipt when the payment takes place or if there is digitization.

She asks Gabon’s representative if the enforcement of a programmed budget is effective for all the ministries, and whether all of them became authorizing officers of their programmed budget, or if sectors were selected beforehand.

She notified a management problem between the budget and PPPs and asks whether they could have more information on that topic.

## Answers

**Bruno IMBERT, Technical Advisor (IMF)**, first answers Senegal’s question: how to ensure the quality of investments? He specifies that the study he presented listed different functions relative to investment management and that within those 15 functions there is the question of selection, follow-up and project control. At present, in many countries these functions are not exercised or partially so, by administrative services or operators. This represents a real problem in terms of preliminary evaluations of investment relevance, quality of investments (what can we do? In what circumstances?), criteria to be retained for enforcement, follow-up and the achievement of the project. Many countries do not have such services or reliable enough administrations to really steer investment (we must define beforehand realistic investments’ criteria), and then make the necessary controls to ensure they respect those initial criteria, public tender, etc. He thinks that this is a good improvement stakeholder of the quality and that it allows them to respect the costs.

To answer the question on bank-financing of investment activities, he specifies that borrowing flows enable the spread of this expenditure. Still, certain European countries had set up a golden rule linking loans to investment expenditure levels by constraining the borrowing capacity (either by increasing fiscal pressure or by borrowing at the banking sector).

Regarding the definition of “public policy”, “sector-specific policy” and “program”, he acknowledges that the multiplication of these terms over the past years has created a lot of confusion. The IMF published documents on its website to clarify that matter. He believes that “public policy” refers to a great element of the State’s action, like defence, education etc. “Sector-specific policy” rather alludes to focused or multi-ministerial sector-specific strategies with the objective of achieving great results or bringing about evolutions in terms of public policies. Finally, “program” is the budgetary translation of these public and sector-specific policies, enabling their implementation thanks to budgetary execution and the expenditure chain.

To improve control over PPPs, the study identifies several aspects, among which three seem of the utmost importance to him: first of all, formalising procedures and selection processes of PPPs. PPPs must apply to particular situations in which a vast selection is required, including vis-à-vis the administration. It is not a minister or a director that has to decide on his own to resort to a PPP. On the contrary, this is the second point of the study, a wide discussion is essential in ensuring that the PPP does not replace a budgetary expenditure but rather complements it. Finally, the third point is about regular reviewing of PPPs by consolidated entities that have a true technical competence on those tools (that differ a bit from classical investments management This therefore requires strengthening the capacities of administrations in this area. The best linkage with the budget is traditionally through a borrowing plan. The IMF often noticed this in many countries: PPPs are not tracked anywhere. In fact, it is a cash charge because it has to be tracked in the borrowing plan. It must be paid back according to payment schedules except if the conditions provided in the PPP contract allow for a rental payment. In this case, it has to be tracked in the budget but either way it has to appear in the situation of taxation.

**Lassina FOFANA, Deputy General Director (Ivory Coast)**, explains that Ivory Coast’s Treasury Bank was set up in 2000-2001. Following the 2002 crisis, banks were no longer operational in certain parts of the territory. There was a cash shortage, which is why the Public Treasury progressively spread throughout the territory and developed its own agencies (today 18 agencies exist throughout the country, plus a central one in Abidjan). This allowed them to solve only part of their cash issues. The Treasury did not build banks as such; rather, the Treasury services were housed in the same buildings. This represented gains in terms of investment, and today treasurers, like pensioners, public employees or businesses located in any region of Ivory Coast, can conduct their operations in Treasury facilities.

Ivory Coast has also shortened the long queues faced by pensioners. Each month, when the liquidation of the balance begins, pensions are paid before all other payments. Pensioners have the priority: they can show up at the accounting positions of the Treasury, Treasury banks, as well as the counters of the entity in charge of managing pensions. This spatial distribution has eliminated long queues. A few months ago, a queue-management system was set up at Abidjan’s main agency, and the new Director now ensures that the waiting period does not exceed 30 minutes.

To answer Niger’s question on payments: indeed, the authorizing officer sends the mandates or the orders to pay, along with justifying documents. Payment documents are issued by the accountant as a general rule.

Regarding digitization, it allows for paperless controls, increasing the smoothness, speed and security of expenditure documents (instead of taking mandates from one office to another, mandates are centralized and everyone works from their computer). Ivory Coast processes over 150 000 mandates yearly, among which the PGT (General Treasury Paying Center) processes 35 000 alone.

**Abdoul Kader CISSE, Paymaster General of the Treasury (Ivory Coast)**, underlines that all countries have an integrated automation system which transfers budgetary documents to the Treasury electronically. The difference is that, at the Public Treasury, these documents arrive in paper format, and it is not easy to manage such flows.

The accountant is therefore led to use tools that facilitate his tasks, but mainly to extend the controlled area. Therefore, the electronic management system allows him to receive paper mandates and to scan them (thanks to highly performing scanners able to process this flow of justifying documents). An expenditure file is made up of the payment mandate, associated to a multitude of justifying documents. To 30 000 mandates, one must therefore add 150 000 justifying documents. In Ivory Coast, the payment period runs from the payment and, according to the legislation, five days are necessary for its audit. The prior control is not always efficient, and another one might be necessary; the public accountant is therefore required to extend the control on justifying documents within five days. This data management system lets them prioritize the control system within the accounting department (some mandates of low importance may be controlled by agents and department heads; for higher amounts, the electronically generated mandate arrives in the inbox of immediate supervisors.)

This management system allows for time gains and the better protection of justifying documents (as of now, management accounts are done based on paper documents). This also facilitates the electronic ordering of documents within the system. It is a dual-command system: the authorization is based on paper documents as well as electronic ones. Concerning accounting departments abroad, the latter also send documents to the centralizing quarters in Abidjan through an electronic management system, which allows them to redirect all information to the center so that the outgoing balance is an accurate portrayal of reality.

**Sosthène OSSOUNGOU NDIBANGOYE, General Director of Public Accounting and of the Treasury (Gabon)**, highlights that after the late 2013 situation diagnostic, Gabon has set 3-year objectives to settle such issues. A strategic plan was set up in connection with authorizing officers and the Ministry Cabinet. How can we audit a stock of arrears from a previous fiscal year, whilst guaranteeing the proper and timely payment of the current fiscal year? How can we smooth the spending chain with such a high number of stakeholders?

He gives three guiding lines:

1.- Simplifying the spending chain: previously, four stakeholders existed (the Public Market, the Budget General Directorate, the Financial Control General Directorate, and Treasury services). The three Directorates merged to create the Budget and Public Finances General Directorate. The government passed a decree to suppress the Public Market Directorate, the Budget Directorate, and the Financial Control Directorate, in order to create a single hub to process procurements administratively. The presence of a single interlocutor simplified other issues. Today, only one control and two stakeholders remain; Gabon has thus gained in security and speed. The Budget Directorate has three axes: one for the budget, one for controls, and one for procurements. Moreover, the Budget and Public Finances General Directorate, with the Accounting and Treasury General Directorate, are in daily interaction to process files and expenditures.

2.- A second issue concerned auditing the arrears' stock recognized at the end of 2013. Gabon set up a plan in three steps:

- Firstly, a debate took place on Treasury files: should arrears or pending files be re-verified? The Government requested an audit of Treasury instances, notably in investments, to examine files, verify the materiality of the expenditure, the service done, and check that all arrears effectively had their true counterpart on the ground.

Controls and reports were made, some contradictory, and were signed with the companies who had realized the works. The audit allowed for the cancellation of 200 billion CFA francs on investment files which had no counterpart on the ground. Some procurements had been issued and authorized without taking into account the reality of the works. This builds on the question on inefficient investments.

- He then explains the second step to solve the arrears issue: they could not take revenue from the 2014 fiscal year to audit the arrears. They had to separate revenues from different fiscal years, so that the previous year's resources, collected in the current year, be allocated to the expenditures from the previous fiscal year. Throughout the current year, some revenues still had to be collected, and were allocated to payments from previous fiscal years.

- The third step was to allocate all exceptional revenues (not originally planned for the 2014 fiscal year) to paying arrears.

Thanks to these three steps, Gabon was able to reduce its stock of arrears from 300 billion to 50 billion CFA francs on previous fiscal years, and this without compromising the 2014 fiscal year. To give an example, the implementation rate of 2014 was 95%, and that of 2015 was 87% in late October, with the auditing of arrears from the previous year recognized in late 2013.

3.- The third guiding line is to guarantee the implementation of current management. What are the measures to avoid reproducing arrears? It was said that, to achieve a proper implementation throughout the fiscal year, Gabon's strategy followed 5 essential points:

- 1) The pace of orders-to-pay had to be aligned with cash capacities, including available resources, and the cash plan had to be reliable to be a true budgetary tool. This entailed that the Treasury improve the quality of its forecasts. To do so, a tool was developed to anticipate possible defects. The cash plan previously concerned the Public Treasury mainly, not spending ministries.
- 2) Now, the cash plan must be a budgetary tool. It is not the Treasury's, but the Nation's. Spending ministries must take part in it and realize how it can take into account their preoccupations. There is a difficulty in planning cash flows: generally, annual forecasts should be made more reliable. Throughout the year, there are monthly updates: plans are established month by month, although errors remain within each month. One must therefore refine the plan by splitting the month in half, into weeks, and finally refine it to the day itself. Gabon spoke with the IMF and has a yearly plan split into months, but its day-to-day reliability still encounters issues. The large numbers are known, but to intervene opportunely on the market, cash flows should still be forecasted more accurately.
- 3) Strengthening management dialogue about budgetary forecasts with authorizing officers. A decree was adopted to involve the Treasury in the budgetary framing task. From now on, it participates in an upstream fashion with Customs and Tax services. The Treasury takes part in the framing task, sets the budget but does not have a saying in the allocation of resources. Its focus is mainly on revenues and on financing issues: how can the budget be balanced? Where is the equilibrium? How is the equilibrium guaranteed? This is what matters to us because it will allow us to balance the treasuries.
- 4) Producing reports. These are concentration frameworks, i.e. treasury committees. The Treasury holds a daily internal meeting on cash issues and at the national scale, a public finances strategic committee ensuring that the reconciliation between authorizing officers and accounting services is effective. The improvement of the IT system is strongly recommended by the IMF and Gabon set up an integrated software package (VECTIS) starting upstream until full accounting coverage.
- 5) Research of alternative funding sources. Today, Gabon has only two ways financing the State's cash equilibrium: BTAs (Treasury bill) and OTAs (**government bond yields**). Still, it is necessary to look at the profoundness of the market. At the CEMAC's level, Cameroon's and Gabon's Treasuries issue equities, there is resource scarcity, so this mode alone does not allow to finance on a daily and regular basis the Treasury's needs (both Treasuries are going public but it is with objective of animating the markets). From there, it is essential to consider alternative cash resources. Gabon wondered why certain countries of the sub-region do not contribute to BTAs?

Why doesn't Gabon Cameroon's BTAs, Cameroon those of Guinea and why don't the States subscribe to them? To have cash surpluses playing a role, "open market" operations open the money market to the Treasury. Isn't that a path that needs exploring? If regulation is compulsory it is because the market is constrained. Otherwise, as said our colleague from Morocco, when budget is voted it has to be enforced. We need to get money on the markets to be able to finance the budget day by day. If the market does not answer, we have to be able to regulate to avoid the accumulation of arrears. This represents another economic issue: there are no arrears but there are no payment orders either. Everything that is registered will not be instructed. This remains a problem but it is preferable that it stays outside the State's accounts.

**The moderator, M. Bachirou MOHAMADOU, Deputy Director of the Settlement of the State's Budget Rules and Accounts (Cameroon),** highlights that Gabon and Cameroon are located in the same region, the same economic area. All the concerns raised by Gabon are markedly the same as for Cameroon. The tools are also almost identical. They confirm Cameroon's statements on BTAs and OTAs. Twenty years ago, Cameroon issued Treasury bonds for 100 billion CFA francs. Yet, now it faces more and more constraints to levy 5 or 10 billion CFA francs via BTAs. This proves the inefficacy of this source of financing. That's why some may think the approach of statutory advances allowed by the statutes of the BEAC (Bank of Central African States) offer more possibilities. He thinks that often CEMAC countries resort to such financing at the Central Bank. It is true that Cameroon is a bit reluctant, but sometimes you must use them to be able to cope with State cash issues.

He underlines as well that the auditing of payment arrears is a vast problem in Cameroon. Generally, financial years' arrears are found in the books (looking at Cameroon's Treasury accounts, a lot of operations are registered as outstanding from previous financial years). It is really baffling – to the extent that we had to ask a private practitioner to audit these budgetary arrears. A major part of what had been validated by the Private Practice had been sent to the Autonomous Amortization Fund as part of the State's internal debt. But as long as efforts to improve the payment of incurred expenditures are not made, payment backlogs will accumulate at the end of the year, deepening the internal debt.

**Bruno IMBERT, Technical Advisor (IMF),** recalls that in his previous intervention, his study identified different stakeholders that could potentially improve investment expenditure efficacy. Namely, the reinforcement of institutions or the functions linked to investment management. The IMF's department of Public Finances identified 15 central functions that exist in all AIST member states and that are administered by the Ministry of Finance or of Planning, where appropriate:

- The legal budgetary framework
- National and sector-specific planning
- Coordination between central and local levels
- PPP management
- Company regulations
- Medium-term budgeting
- Budget thoroughness
- Budgetary unity
- Project evaluation
- Project selection
- Investments projection
- Fund availability
- Budgetary implementation
- Managing the implementation of investment projects
- Asset management



Within those 15 functions, 4 specifically concern the Ministry of Finance and the Treasury Department:

- 1) Coordination between administrative levels, so that investments at different levels are coordinated, complementary and don't overlap
- 2) Fund availability and cash management. Indeed, many investment budgets are redundant year after year because of a lack of available cash. These projects are thus renewed *ad vitam aeternam* without being effectively enforced.
- 3) Budgetary execution = expenditure phase
- 4) Asset management

These four specific functions primarily concerning Treasury services also exemplify my statement with particular management cases. In many countries, investment expenditures and specific ad hoc management units were established to bypass, to some extent, procedures that are quite autonomous. In certain countries, we speak of specific management units, in other places of execution agencies or agencies with a particular type of enforcement, e.g. infrastructures, roads etc. These units that are autonomous in their investment management may lack transparency and follow-up without being fraudulent. The Treasury's role is to reinforce these aspects because the Treasury is the unit, within the Ministry of Finance, in charge of following the entire parapublic sector. It has to exert specific control on those units. Controlling for the actual implementation of the expenditure is also ensuring information is being sent to a higher level. It must make sure that the expenditure made by the units is effective. Often budgetary credits are transferred to these units, and thus it is the implemented expenditure that is considered, although we don't know how these credits are really used. It is also fundamental to reinforce the quality of the expenditure made by these entities.

These are the topics on which Public Treasuries may potentially have a prime impact to reinforce the quality and efficacy of investment expenditure. This is a chance to present the new tool designed by the Public Finances department, called PIMA (Public Investment Management Assessment), which is a prognosis tool similar to PEFA but more centred on these different investment functions. It identifies the weaknesses, and the potentially necessary reinforcement needs, and proposes reforms and improvements to guarantee and improve investment efficacy. This prognosis is available online on the IMF website, but also upon request by countries. The IMF remains at the disposal of administrations to conduct this diagnosis in cooperation with voluntary countries, and thus help them to identify the weaknesses and improvements to reinforce investment expenditure efficacy.

**Lassina FOFANA, Deputy General Director (Ivory Coast)**, returns to the notion of spending efficiency. The day before, it was said that efficiency rhymed with speed and the quick provisioning of funds to economic stakeholders. Speed is necessary, but it is not the sole component of efficiency. The impact of expenditures in budgets is extremely important: referring to documents of our 2015 budget, investment expenditures represent 28% of the budget, compared to 15% in 2010. Salaries to public employees represented 24% in 2015. Moreover, operation and maintenance expenditures, and day-to-day expenses represent 42% of the total budget. These amounts are huge and they must have a real impact on beneficiaries. The State must not spend to no purpose: some investment projects are completed, but not used. Schools are built, but have no teachers, no equipment; health centers are established, with no doctors or nurses. Therefore, the Public Treasury or the administration alone cannot ensure the expenditure's efficiency, they must do so together. When a health center is built, doctors must be found, nurses must be hired, equipment must be bought. If not, the expenditure is useless. This must be taken into account when analyzing the efficiency of expenditures. What role should Treasury play in this?

Concerning arrears, all countries have faced this problem. What tools, what mechanisms exist to solve this problem? When Ivory Coast exited the post-electoral crisis in 2011, it experienced two types of arrears. The first was arrears from the monetary market, Treasury bills that were issued and could not be paid during the crisis. When the situation normalized, these commitments had to be honored. This debt had to be processed and negotiated with various creditors, notably banks. We exchanged throughout the UEOMA zone with various underwriters. Debts were restructured, their maturities extended, and they are now smoothly being audited.

The second type of debt was from suppliers; when the new government took office in 2011, Ivory Coast had a debt of nearly 356 billion. The State knew it had to pay, but first chose to make diagnoses and audits, as Gabon had done. The State did not ask the Public Treasury or the Finance Inspection to process this audit (as one cannot be both a judge and a party to the case; the State could not audit itself). The task was handed to independent private cabinets who audited the entire debt. After the audit, part of the debt was validated. The validated part was negotiated with various providers; part of it was paid in cash. Propositions and negotiations took place, some accepted haircuts (for example with a haircut of 20%, some were paid immediately). This debt was crystallized, memorized and audited. Ivory Coast now only has a few remaining billions to pay.

Such were the mechanisms set up, in agreement with creditors who accepted the procedure. Committees (on internal debt and public debt monitoring) respected it, and it is today a classified case. Efforts are now made to avoid all arrears: Ivory Coast closely monitors its 30-day, 60-day, 90-day and 90-plus-day debts. They are also classified per entity: The State's debt, local authorities', and national public establishments'. They are hence classified by nature and by anteriority.

Furthermore, an information system was set up to communicate with providers. It allows communication to take place between the authorizing officer and the accountant, and between the accountant and suppliers. They are informed through applications at the "Welcome and Information Center" mentioned earlier. Any supplier can go to this center and show his ID to obtain a code (expiring an hour later, for security reasons), allowing him to view his procurements. He can then access their status: those that were paid, those that were rejected, delayed, etc. Thanks to this, he can view all his debtors (Ministry of Agriculture, of Health, etc.) and obtains credible information. This was developed by the PGT and will be established throughout the territory in the long run. There will be no need to come to Abidjan any longer as such centers will be available everywhere.

Since there are some complaints, Ivory Coast has created in 2011 an Observatory of Ethics. It is made up of nine members, led by a technical advisor of the General Director who receives claims. His role is to promote ethics, and to evaluate services and agents when receiving complaints from different providers. In the meantime, the Directorate of Quality and Standardization was set up, led by Mr. Lassina FOFANA himself, to lead satisfaction surveys to measure his clients' satisfaction concerning their activities. For Ivory Coast's 48 payment centers (outside the country), an application called ENCLAVE was developed through another application called ASTER. The name "enclave" refers to Ivory Coast embassies abroad, themselves a small territory of Ivory Coast within other countries. This application allows accountants in embassies to process all their operations; via ASTER, everything is sent to Abidjan on a day-to-day basis to the General Foreign Treasurer, who centralizes and edits these accounts. Hence the State is regularly made aware of accountants' situations abroad.

## Discussion

### First round of questions

The moderator, **Mr. Bachirou MOHAMADOU, Deputy Director of the Settlement of the State's Budget and the Accounts (Cameroon)**, announces a new round of debates. Topics mentioned the day before can now be discussed as long as they are linked the day's topic. For example, regarding payment periods, we must know whether the legislation in our countries institutes payment deadlines.

If yes, what exactly is implemented to respect those deadlines? It is a difficult subject. In light of what Cameroon experiences, cross-debt increases the State's debt. Treasury services are not directly associated to these conventions, and thus do not have to follow the State's settlement. There are many examples concerning this type of convention between the State and some companies. The portfolio is very large for the General Directorate for Businesses and for the General Tax Directorate, which regularly increases the debt.

**BEGDOURI ACHKARI, General Treasury of Fes (Morocco)** recalls Mr. Bruno IMBERT's intervention relative to investment expenditures. He underlined that investment expenditures have dropped due to the crisis. In Morocco, it's the other way around: investment expenditures have spiked from 60 billion dirhams in 2012, to 180 billion dirhams in 2014. They have tripled over 3 years. This increase has generated new challenges: a budgetary challenge, a control challenge, and a challenge concerning the State's commitments towards businesses.

Regarding the budgetary challenge, a larger budget means there are more projects to manage and to steer. Secondly, regarding control, the 2011 constitution has linked responsibility to the obligation of accountability. The administration must produce an expenditure of quality, because administrative, judicial and political controls are more acute.

The third challenge concerns the State's commitments, made voluntarily towards businesses on transparency, equality in trade, upstream access to public orders, and downstream reduction of payment periods. The main problem is to do more, and mainly do better, with the same amount of resources. This creates a problem of management tools and monitoring the implementation of public spending. As the French delegation explained yesterday, Morocco was saved by computerization. Low-added-value tasks, which do not necessitate a high level of reflection, were handed to computers, which complete them better than humans would and in a shorter amount of time.

Has the IMF, before considering project financing, conducted experiments on financing reforms? In other words, does the IMF finance reforms, or instruments to manage and to steer projects? If there have been such experiments, he wishes to hear more information from Mr. Bruno IMBERT.

**El Hadj Moustaphe DOUMBIA, Head of the Control Division (Mali)**, asks a question to Gabon's General Director on budgetary regulation. In the CEMAC-UEOMA zone, a main reform is decentralizing orders-to-pay, as well as strengthening budgetary regulation at the Ministry of Finance. Gabon presented that its commitments were linked to cash availability: is this the case for all expenditures? If not, what mechanisms are used on this level? It is a good way to control internal debt and sometimes even the sincerity of State expenses. He also wonders how this takes place concretely, and what the impact is on programs in the programmed budget system. The objective being performance, wouldn't program managers complain because they do not reach results fixed by other programs?

**Moussa NIANG, Principal Treasury Inspector (Senegal)** asks two questions: the first is addressed to Mr. General Director of Gabon. In his presentation, he spoke of auditing a stock of 200 billion arrears and "cancelling" it, as the service had not been completed on the ground. For arrears, that was not a problem. But for expenditures that were paid, when the service had not actually been completed, Gabon must have faced regularization issues. He wishes to know how Gabon recovered the paid amounts for which the service had not been completed.

Moreover, which department determined the incompleteness of the service for the identified expenses? And lastly, was this type of control systematized?

He builds on the Ivorian General Treasury Director's statement that our public accountants cannot ensure expenditure efficiency alone. It implies that control departments must ensure that services are completed, as it was perhaps the case for Gabon.

The second question is addressed to all panelists. Mr. NIANG expresses his dissatisfaction with one of the roundtable subheadings, concerning the renovation of working methods through team adaptability, which was not discussed. In a context where expenditures are recognized based on liquidation, we must renovate our working methods by integrating the services rendered by the authorizing officer and the accountant. France's case speaks for itself, but other countries may not have reached this level of integration. He asks countries whose integration level is closer to Senegal's to share their experiences.

**Raphael LAMIEL LAMY, Head of the Treasury and Authorizing Service (DRC)**, recalls the Ivory Coast General Director's words on the efficiency of the spending chain, highlighting the fact that state employees are paid through the banking system. He proposes to share his country's experience since the latter has made significant progress. He believes that efficiency of the spending chain is achieved when beneficiaries of this service obtain satisfaction from the expenses they paid.

Regarding the increase in the use of the banking system, the DRC has experienced important change for three years now, concerning agents and public employees. Previously, they were not paid through the banking system; in 2011, the DRC only had five commercial banks. Today, it has 18 such banks, following the increase of the use of the banking system.

This encouraged private initiatives to create banks and today, State employees are paid by commercial banks. Before this, public employees did not receive their entire salary. It first went through paying agents who levied transport fees; instead of receiving 100% of his salary, a public employee would receive only 60 or even 25% of the totality (according to some testimonies).

Today, the banking system has made possible credit consumption. Consumption credit is put into circulation by credit agents; they have "house credits," a new development. The military and police receive their wages smoothly and in totality. Judging from the rigor practiced in the army, a policeman who misses three days of work would not be paid. But today, whether he is present or not, he does receive his wage, to the contentment of his family.

This reform allowed us to set up an information system linking the commercial banks in question, and the Treasuries. Downsizing allowed to recover vanished revenues. In the past month, an audit by the Treasury allowed it to recover over one million dollars. In the third trimester, 12 500 teachers were now paid through the banking system (they were previously unpaid). This is also an advantage for commercial banks, who no longer work for free: they are compensated. While they grant a higher salary to agents, the latter bear banking fees. Instead of a 5-dollar fee as in most current accounts in other countries, the country's agents only pay 3 dollars. This system has proved its efficiency in managing public spending.

**Ramatoulaye Gadio AGNE, General Treasury Receiver, (Senegal)** has a question addressed to the Ivory Coast. She firstly reminds that in his intervention, he developed interesting thoughts on upstream payment management tools to secure, make reliable and more efficient public expenditures. She also reminds that among these tools, he talked about programming expenditures in tables or on a website. So the question is, at what point of the procedure this information is provided to the public?

**Budget Director (Senegal)** asks her first question to Gabon's representative about his experience with the management of arrears. Her question is the following: What about the analysis of the causes leading to arrears?

She thinks it is better to favour institutional regulation mechanisms rather than one-off measures to deal with more or less delicate situation.

Her second question deals with commitment regulation depending on cash availability. She thinks that commitment regulation in Senegal is done in most of the sub-regions but without it being orthodox. As the commitments are on budgetary credits, regulation and cash availability become second-order issues. Therefore, looking at how cash availability must impact expenditure implementation is crucial. As it is an underlying problem, she thinks that it is not always imperative to look at cash levels to estimate how much expenditure to engage. She thinks that it is a question that may be dealt with upstream.

The last element regards stakeholder responsibility. Indeed, when an audit results in situations where expenditures were not really analysed, this implies that a person in charge must have certified the rendered services, perhaps in an unsuitable way. Hence, what happened to the stakeholder who committed the action before it arrived to the Treasury? She thinks this question deserves to be clarified.

She argues that the question around expenditure efficacy deserves to be analysed at different levels:

- 1) At the level of conception, i.e. expenditures matching needs;
- 2) At the level of execution: all the stakeholders involved in the expenditure chain (engagement, order to pay until effective payment) are concerned with respecting payment deadlines for all the steps to unfold when scheduled;
- 3) At the level where the real satisfaction of the beneficiaries of the expenditure.

If those three expenditure levels are not taken care of, the issue of expenditure efficacy is not solved. It is a very complex issue that involves several stakeholders, like in a relay race. If one of the stakeholders is not performing, the end result cannot be valuable. She thinks that in terms of solutions, dealing with the expenditure efficacy issue goes beyond the theoretical reflexion, as part of the public finances doctrine. It is a development requirement and not a question to be debated by major intellectuals.

She thinks that the solution to that issue is to foster management dialogues. The latter necessarily has to break down the strict separation between budgetary and accounting roles but also the strict separation between “régies de recettes” (department perceiving revenues) on the one hand and spending departments on the other hand.

And finally abandoning the separation between the Ministry of the Economy and Finance on one side and sector-specific ministries on the other, would make sense. In other words, the issue of expenditure efficacy necessitates putting together several aspects to have an acceptable solution draft.

### Answers

**The moderator, M. Bachirou MOHAMADOU, Deputy Director of the State’s Budget Rules and Accounts (Cameroon),** adds the programmed budget and budgetary regulation mechanisms.

Within the CEMAC, Cameroon has always been the first country to experiment programmed budgets, from 2013 onwards. Even if it has been three years now, Cameroon is still learning from these mechanisms. Agents, within the Ministry of Finance and of the Economy still do not understand certain logics behind programmed budgets.

He adds that although, in theory, Cameroon shifted from a means to a performance logic, in practice, his country is still using a means budget. These last two years, when the regulation bill was presented to the National Assembly and the Senate, members of parliament asked many questions on that topic to public accountants. It is a permanent construction that public accountants need to improve to get results. Regarding budgetary regulation in Cameroon, it is the domain of the General Budget Directorate. Mechanisms were set in motion at the beginning of the year. This implies that when the budget is adopted, certain blockages to the provisions in the budget implementation, namely dealing with budgetary credits, exist. These systematic blockages (approximately 10%) are operated on budgetary credits. At the end of the year, these blockages are called « tail end credit ». The latter allows for example solving issues due to expenditures paid by advancing cash. Other mechanisms were renovated at the Budget Directorate’s level, yet again thanks to financial controllers. In the operated budgetary regulation, credit transfer techniques are implemented. In the State’s financial regime for example, the transfer within a chapter cannot exceed 15% and from one chapter to another it is 5% maximum. These kinds of locks exist to secure budgetary regulation.

**Lassina FOFANA, Deputy General Director (Ivory Coast)**, answers the question regarding the renovation of working methods on the collaboration between authorizing officer and accountant. In Ivory Coast the renovation intends to separate the functions of authorizing officer and accountant. This has not been achieved yet, however we attempted to improve the relationship between both parties: authorizing officers and accountants. For several years now, some ministerial positions have been experimented. Today, we count five cash management units reporting to: The Ministry of National Education for the Management of examinations and competitions, the Ministry of the Civil Service, the Ministry of Advanced Education and the Ministry of Energy. Thus these cash management units locate themselves in the same premises as the authorizing officer, and this proves to be doing fine. Proximity allows agents working for the authorizing officer and those working for the accountant to collaborate and exchange on a daily basis in a convivial environment. As a result, a lot of barriers were lifted and corrections on the spot are facilitated. Ivory Coast is experimenting this phase and thus collecting knowledge.

On the extension of banking services, he thinks that it is everywhere the same: civil servants are generally paid by bank transfer. The process of resorting to banking facilities for pensioners is in progress.

**Abdoul Kader CISSE, Paymaster General of the Treasury (Ivory Coast)**, proposes to intervene on informing public opinion. He reminds that when speaking of information, it is also crucial to speak of the responsibility of sharing it. Indeed, as it is, the Treasury solely communicates on expenditures it accepted. From the management phase of all the information linked to payment periods, payment of orders-to-pay etc. can be given by accounting items. Nevertheless, concerning the upstream phase, the Budget's General Directorate also set up an information desk for economic operators communicating the information relative to that precise phase, i.e. from the commitment until order to pay is given. He admits that the Budget's General Directorate is not at the same level of electronic information as the Treasury but that certain pieces of information can be given to the different economic operators.

He also answers the paramount question of the moderator on cross-debts. Ivory Coast has acquired a certain experience by undertaking compensations (nowadays, the level of public expenditures amounts to approximately 100 billion CFA francs).

In general, major subscription fees (electricity, central administration, and telecommunication) are paid via a compensation system, that is to say via system crossing debts and debt obligations. For example, regarding electricity, it is generally compensated for by debts the company has in terms of gas revenues and others (he reminds that Ivory Coast had previously privatized the electricity and telephone services sectors).

Ivory Coast generally has four compensation periods dealing with big amounts allowing to pay for all the central administration's subscription charges. Companies can also ask to be compensated for the debt they hold vis-à-vis the public administration, but only through special checks. In that compensation system, general accounting items issue a special check for the company allowing it to either pay customs duty or taxes...

The moderator, **M. Bachirou MOHAMADOU, Deputy Director of the Settlement of the State's Budget and Accounts (Cameroon)**, follows up on this aspect and asks if the expenditure is taken into account on the budgetary level.

**Abdoul Kader CISSE, Paymaster General of the Treasury (Ivory Coast)**, reminds that he is not speaking of a sharp compensation as it is forbidden. Hence, there are no compensations granted off-budget accounts and expenditures are effectively mandated, already taken into account by the public accountant.

**Bruno IMBERT, Technical Advisor (International Monetary Fund)**, answers Morocco on what the IMF did to support the reform on guiding instruments. The IMF developed a technical assistance supporting countries reforming procedures, organisations and implementation methods. All this is thus available to public administrations requesting it. As it was said during his presentation, the IMF also designed a diagnosis tool on public expenditure efficacy, based on different criteria and ratios. The goal is to identify the weaknesses and the points to be improved in terms of investment management in order to achieve efficiency and improvements in terms of delivering services and having socio-economic impacts.

The moderator, **M. Bachirou MOHAMADOU, Deputy Director of the Settlement of the State's Budget and Accounts (Cameroon)**, asks to come back on the question of spending plans displays. He specifies that this experience was once considered in Cameroon but that it did not yield the expected outcomes because it was necessary to program in advance suppliers and service providers that needed to be paid. Besides, once they were paid, their name was also displayed at Treasury's General Paying Center. After a couple of months of experimentation, the same service providers came to see the General Director of the Treasury to ask for their names not to be displayed anymore. This solution did not yield the expected outcomes although the objective was to show off that the Public Treasury had respected the payment period.

He reminds that in the CEMAC area, the global payment period is of 90 days but that in Cameroon's General Treasury Directorate, the period was fixed at 60 days as of when the accountant takes into account the expenditure. The position adopted internally is to pay within 90 days but not after 60 days.

Until then, things did not always go well because in spite of a weekly programming, certain expenditures are not paid. Indeed, it sometimes occurs that, during the week, instructions come in, most of the time from the top hierarchy, to pay expenditures that were not scheduled. In that case, some scheduled expenditures cannot be paid and have to be reported on the following week, or month. Such situations still need to be hopefully addressed.

He thanks the colleague for his intervention on renovation methods. On this latter point, he notifies the audience that countries did experiment new methods for a couple of years now, like France with the prioritized expenditure control, the alleviated partnership control and Morocco with the modulated expenditure control.

**Sosthène OSSOUNGOU NDIBANGOYE, General Director of Public Accounting and of the Treasury (Gabon)**, first answers the question on budgetary regulation and on the impact it has on programs. He thinks that in a normal phase, if a realistic budget is voted and the treasury and debt provision is compatible with the commitments, then there is no need to regulate. We just make sure that the expenditure is conventional and we resort to the market mechanism to be able to pay.

It is only mandatory to regulate because the level of commitment, the execution conditions are difficult. According to the Budgetary Execution Law in Gabon, it is the Minister of Finance who determines the execution conditions in line with the economic situation. Otherwise, the only way to adjust the budget when hypotheses are outreached is thanks to parliamentary approval. Regulating expenditures intends to reveal problems and the objective is to that the expenditure is paid.

He believes that at the intermediary level, as a transitional measure to avoid arrears, orders-to-pay need to be supported by to projected cash capacities. It is crucial to ensure that what is ordered to pay is paid on the due date. Even if you order a payment, if it is in arrears, the program does not move forward. What matters is perhaps to ensure a development – as it has been proposed in the LOLF organic law – on the basis of an expected cash situation to guarantee the balanced development of all programs. That is to say that the Minister of Finance considers those expected capacities, does the monthly ceiling repartition program by program in such a way that each program can ensure its own priorities according to the funding envelope it has been granted. The aim is that everything be paid on due date but unfortunately the cash situation does not always allow it.

The second concern is on cancellations. More than 200 billions of cancellations are debated at Parliament and within the administration but contrarily to the Ivory Coast, an administrative audit has been led. The question was to know why the judges and parties approved the expenditures although they should have been stopped before reaching the Treasury.

Once this audit was approved, with all the debts, the report was transferred to the accounts judge for exploitation, verification and implementation of the measures. Who takes responsibility? Gabon took a decree extending personal and pecuniary liability to all the stakeholders of the expenditure chain (decree 653). This includes the accountant, the General Director of the Budget, the General Director of Controls and all the chain of exorbitant common, personal and pecuniary rights responsibilities. The only difficulty concerns its implementation. The audit report was sent to the Court of Auditors, which has to give its opinion on that respect. The decree exists; such actions are punished by the accounts judge and the civil judge because they are reprehensible.

The last point focuses on the renovation of working methods. Gabon did not yet really move towards the separation of functions between authorizing officers and accountants. For the moment, there is no real collaboration. Issues are solved through dialogues, communicating applications and the research for integrated systems. In contrast, concerning revenues, both sides started working more closely by establishing unique counters with the General Tax Directorate in order to accelerate recoveries and to avoid inappropriate actions.



# Roundtable 4: External and internal controls

*This is the final phase of the expenditure chain, i.e. controls. Three presentations will be given: the first one on Niger's experience in terms of internal control, the second on external control by the Court of Auditors by Senegal, the third on an internal control system set up by the regional UNDP Dakar-based center relying on experiences of several countries currently testing and enriching that system.*

## Moderator:

Mr. Mohamed Larbi GHANEM (Algeria)

## Panelists:

- 1.- **Mr. Assoumane ADA**, Chief Inspector of the Treasury (Niger)
- 2.- **Mr. Mamadou FAYE**, President of the Chamber of Budgetary and Financial Affairs of the Court of Auditors (Senegal)
- 3.- **Mr. Serge RAMANGALAHY**, Advisor to the Regional UNDP Center in Dakar, (Public Finances Strategy and Development)



Assoumane ADA, Chief Inspector of the Treasury (Niger), reminds that the objective of his speech is to deal with the internal accounting control at the Treasury's and Public Accounting's General Directorate. This is a new topic that is not formalized. It is a dynamic set up by the Treasury's General Directorate in order to better master the risk involved in State expenditure payments.

He indicates that deep mutations and public finances reforms pushed the Treasury's and Public Accounting's General Directorate of Niger to sign a performance contract. Moreover, the Treasury's and Public Accounting's General Directorate bases the evolution of its management methods towards a performance-oriented culture on the strengthening of capacities.

He mentions that it was with this in mind that the Treasury's General Directorate wanted to elaborate an internal control device to improve accounting quality. This device aims at rationalizing and harmonizing control methods to reach essential objectives, i.e. the exact and homogenous implementation of regulation, identification and prevention of ethical, financial and IT risks, ensuring that the staff is trained and well-supervised.



He argues that these objectives are crucial. Whatever the reform to be implemented, if the main stakeholders are not well-trained and well-equipped, it is doomed to fail.

He then specifies that his intervention will be following two axes: the organization of internal control device and its implementation.

He indicates that the objective of having a quality accounting is a regulatory requirement and this accounting quality relies on Nigerien juridical principles, namely the fundamental law, i.e. article 141 of the Constitution, the financial provisions of the 2002-09 organic law of 26 March 2016, the 2013-83 decree of 1 March 2013 establishing general regulations on public accounting and also as set out by article 2 of the State's Accounting Plan, which stipulates that "the State's general accounting has the objective of issuing, exactly and precisely revealing its estate and the operations it executes".

He explains that the accounting quality needs a more precise and concrete accounting quality criteria to be operational. And this accounting quality is not an objective in itself but rather a role granted to accountability. This accountability has three further and complementary roles to fulfill: being a vector of information, a management tool and a control medium. It relies on what we call quality fair view which can be summarized in regularity, sincerity, accuracy, thoroughness and imputation.

He also indicates that in the accounting quality and approach, the objectives of the internal controller are exclusively focused on the quality and feasibility aspects of the work carried out, on the rightful implementation of laws and optimization instructions, on risks assessment and on the respect of ethical rules.

He then deals with the question of internal accounting control organization and starts with explaining what we understand under this topic by reminding the following definition: it comprises organized, formalized and permanent perennial devices selected by the management, but is implemented by the various managers at all levels to better control the functioning of their financial and property activities.

He also speaks of the approach adopted by the directorate given the state of internal controls. It is a Steering Committee that defines the internal control policy, the hedging strategy and the prioritization of actions. This takes place via the mapping of activities, action and control plans and the instruction of services. The latter also coordinates the risk control devices and all the structures of the Treasury's and Public Accounting's General Directorate that ensure its implementation and that works in perfect collaboration with other services allowing them to assimilate new tools.

These activities are mapped and the financial activities are divided into cycles which are themselves decomposed into processes, each process is divided into procedures and each procedure into tasks regrouping accounting operations. This provision is completed by the services' functional organization (which formalizes the organization of the entity in charge of executing the task), the staff training plan et the "procedure sheets" as well as the balance reading committee.

The implementation of the control comes into play at two levels:

- Internal controls, called first level control, which has to be a mutual auto control and realized by the managers;
- The control made by the Inspection services of the Treasury is a distinct entity.

As a conclusion, he specifies that these internal control provisions that General Directorate of the Treasury intends to enforce, are part of an anticipated reflection. For the moment, it is dynamic created considering the Treasury and Public Accounting's General Directorate mission. He adds that this test has not been yet formalized but is still subject to further reflection.

The moderator, **Mr. Mohamed Larbi GHANEM**, General Director of Accounting (Algeria), summarizes Mr. ADA's statements by reminding that internal controls focus on an activity determined with a several-level prioritization and asks if, in general, there are operational standards linked to this internal control.

Mamadou FAYE, President of the Chamber of Budgetary and Financial Affairs of the Court of Auditors (Senegal), reminds that public spending represents a major part of GDP. At the level of the Senegalese Court of Auditors, all the members have the statute of judge and become member via a contest, which implies that they do not really know the mandate system.



He adds that, in order to accomplish its important missions, the Court of Auditors enforces different types of controls and often in a complicated environment. These missions can be classified into two categories: traditional and additional missions. Traditional because such missions are fulfilled before the 2009 UEMOA directive, and additional, simply because this last directive enlarged the missions of the Court of Auditors.

In its traditional missions, the Court of Auditors assists the President of the Republic, the Government and the parliament in the control of the execution of the Finance law. It also judges the accounts of public accountants (jurisdictional control), controls the management of public organisms, sorts out situations of “de facto management” (management by someone who is not entitled) and, finally, judges management errors with regard to the State, local authorities and other public establishments.

Concerning additional missions, with the entry into effect of programmed budgets, the Court of Auditors will henceforth have to give its opinion on the control system and device set up by the person responsible of the program. It will also need to give an opinion on the quality of accounting and account procedures, and finally it should give its opinion on annual performance reports by comparing the results of the programs compared to the initial objectives.

He specifies that all that has been said previously, will done under the control of UEMOA directives.

The Court of Auditors will fulfil different types of controls which will necessarily complement its missions:

- the jurisdictional control will focus on the control of the enforcement of the law of Finances, with a report being transmitted to Parliament, the general compliance declaration (he reminds that at the level of UEMOA, we keep using the general compliance declaration and that we are not yet using the account certification);
- management control thanks to regularity, performance, internal control system and the management control device audits.

The specific control made on public expenditures is a jurisdictional control but also a non-jurisdictional one. The first one deals with management accounts for accountants and simply verifies that the accountant did effectively control the points he is entitled to control. For the UEMOA, accountants have to deposit their management accounts by 30<sup>th</sup> June to the jurisdiction of accounts. Every single deposited account which is not assessable is not intended to be deposited.

The accountants control focuses on a control perimeter defined by the UEMOA directive. It is essential to remind that:

- the authorizing officers’ (or its delegates’) quality, the attribution of the expenditure, the validity of the debt obligation, the justification and, at the level of debt obligation’s validity, the justification of rendered service (because, from now on, the accuracy of the liquidated amount will be taken care of by the financial controller);
- the need for prior interventions on controls, authorizations, approvals, opinions and regulatory visas (as a consequence, he thinks that there will not be any longer law and rules controls has it already has been deployed by another participant).
- The production of justifications supporting documents and, where appropriate, the taking-over certificate, the implementation of prescription and maturity rules and the payment in full discharge.

This control has been alleviated because the financial controller is an stakeholder who will fulfil certain controls which initially fell to the accountant.

If these controls were not made, the accountant's responsibility will be engaged in the following cases:

- Cashier deficit: if an expenditure was irregularly paid and if previously listed controls were not done, the accountants responsibility is engaged;
- Via the public accountant's fault, the public entity had to compensate another public or third entity. Obviously, if it is engaged, the procedure is already known: written, secret and contradictory with the two judgments rule. We are then obliged to to sue the accountant for the balance due.

He carries on with the non-jurisdictional control of expenditures because, as part of the law of Finance, it is required, after having studied the revenues, to analyse the expenditures. This analysis depends on the nature and on the destination of the expenditure. This type of analysis lets us know if there were overtaking evaluative credits or limitative credits because, for the judge of accounts, this is what allows for a good preparation of the jurisdictional control.

In the case non-jurisdictional controls, there is also the "control of public entities' management" which allowed for the suing of multiple authorizing officers in Senegal and to send several of them to jail. Authorizing officers see their responsibility engaged to the same extent as accountants. However, he underlines that the accountant's responsibility is a personal and pecuniary one, while authorizing officers, who are in their entirety managers, financial controllers only have a personal responsibility.

He concludes by specifying that he will not speak about the facts likely to really conciliate management efforts, and he highlights that for the purpose of doing all the different controls, it would be necessary for the Court of Auditors to dispose sufficient human, material and other means.

[Serge RAMANGALAHY, Advisor to the Regional UNDP Center in Dakar, \(Public Finances Strategy and Development\)](#) explains that the Regional UNDP Center in Dakar is a project carried out, hand in hand, by France and the UNDP, which ambitions to accompany UEMOA and CEMAC countries in the implementation of harmonized public finances management reforms. He adds that this pole does not only accompany national financial administrations, i.e. the different stakeholders of public finances management, but also regional economic commissions in the steering and animation of these reforms.



He reminds that public finances management procedures are at the heart of current reforms and that represent a major stake, in particular for countries of sub-regions trying to emerge economically. He thinks that this shows that public finances are a lever to implement national development strategies.

He will speak about internal controls, referring to the experience of the Dakar Pole to accompany financial administrations at the national level but also the different control bodies in the appropriation a new dynamic in the implementation of internal control processes and procedures.

This is a pioneering initiative and he underlines that internal controls are totally new for financial administrations, in particular in the sub-region and in other latitudes. It is a notion inspired by the private sector, that the public sector has progressively and very recently assimilated, in particular as part of "second generation" directives adopted in 2009 for the UEMOA area and in 2011 for the CEMAC area.

He then defines internal controls by comparing it to a set of devices set up by managers and their collaborators to be able to master their management and reach, with reasonable assurance, the objectives set by their entity.

He adds that from this point of view, certain elements are extremely important to underline:

- 1) These are devices which do not give an absolute guaranty. We try, by implementing well-articulated and efficient control devices, to reduce the risks by identifying them first before mitigating them thanks to different means.
- 2) In its English meaning, internal controls refer to a mastering objective. It is the mastering of controls by internal stakeholders which matters, conversely to before where controls were essentially made by a sort of exterior authority requiring the law to be enforced. The goal is now that each stakeholder, no matter its level (may it be an accountant or every other stakeholder of the expenditure chain), be capable of mastering its management and reaching his objective. For that purpose, he has to apply procedures to master their risks.

He adds that these processes and devices are decided by the stakeholders in the context of nationally organised device but each of them is responsible of the structure he sets up. He underlines that this point is very important for both, public accountants and authorizing officers. According to the UEMOA directive, people responsible for programs are in charge of implementing internal control devices, on the same terms as financial controllers for example. The latter need to adapt the control mechanisms to quality of internal control devices set up by stakeholders upstream. Accountants set up complementary devices to avoid stacking redundant controls, notably in terms of expenditure management threatening to increase payment periods, treatment terms and the quality and efficiency of expenditure management procedures. What is valid for expenditures also is so for accounting as the targeted objective is the ambition for the certification of accounts. From UEMOA's perspective the transparency code clearly states that public administrations' activities and finances are subject to internal controls.

We are here in the presence of a new device and every one, at his own pace and according to its available means, is reflecting on the structuration and strengthening of internal control devices. The Pole proposes a simple and pragmatic initiative. It relies on an adaptable tool which can be implemented under any circumstances for any kind of existing devices without specific resource needs, and called "functional organigram". It is a description, parting from the analysis of processes, job by job. These processes are divided into procedures, as indicated previously by Mr. the General Payer, and we will divide these procedures in tasks to identify which person is responsible for it. This is a very important point as it is also part of innovations in the approach. That implies that contrarily to what took place before, where we indicated that this task or another one was entitled to a specific service, entity, structure, now internal controls are useful as each manager knows who does what in his entity. Therefore, we can be able to identify loopholes and errors. This enable to have a precise steering and a rational device.

Very often decrees organise and set the attributions of each central and local structure. Starting from these texts, it is possible to easily build to-do lists to identify and help the person in charge to organise. It is also possible to enrich the approach by thinking first on the existence and not on the delegation processes between a manager and a person who delegated either the signature or part of the competences he is in charge of. Moreover, it is also possible to enrich this approach by indicating, for each task, on which medium they are done (paper or digital version) and if there is a framework specifying or controlling this activity, if there is for example a procedure sheet, a technical note or an instruction allowing to frame and organise the task in question. Then, it is possible to wonder on the periodicity of the execution of these tasks and on the type of controls that can be implemented on each task and so organise with the person in charge, the way of fulfilling this control.

Thanks to this simple application, we can know who does what, when and how, on the basis of which text or rule and if it is necessary to set up a control because, unfortunately, it is impossible to control everything as the available staff and the means are limited. However, these controls need to be adapted to the identified stakes and risks. Thus, this "functional organigram" can be enriched until what we call the audit track (which allows to articulate the manager's approach with its team in the search for mastering the management and the reaching of objectives).

It is possible to prepare what the auditor will come to do, i.e. analyse the quality and relevance of the device and see if what is written matches the reality and how we can improve it. To do so, he announces that the Dakar Pole built a technical note explaining the approach he proposes to different countries he works with, and that this technical note will be shared by the organisers of the symposium. It will thus be possible to exchange on that later on.

To conclude with, he stresses a few points:

- First of all, internal control is not only the public accountant's business. Often we focus on internal control for accounting, banking or financing sectors, though the approach is shared. Everyone is part of the chain of the internal control device's quality, allowing in fine in the medium run, to achieve the certification of accounts to offer maximum guaranties to the certifier. He needs to dispose of sincere, exhaustive and reliable information on the budgetary execution and to know that the procedures comply with laws and regulations in force. Beyond the job of accountant, it is all the stakeholders, i.e. authorizing officers, people in charge of a program, financial controllers and all who are responsible for the mastering of procedures and processes that are implemented.
- Then, all the stakeholders involved in delivering a management of public finances of high quality need to be at the same level of information to enhance the quality and performance of public administrations. It is in that context that the Dakar Pole accompanies financial administrations as well as Parliaments (through parliamentary assistant networks for example), but also superior control institutions and civil society organisations. They are partners and stakeholder working as a sort of spur leading the Pole to incrementally strengthen its undertaking.

### First round of questions

The moderator, Mr. Mohamed Larbi GHANEM, General Director of Accounting (Algeria), asks Mr. FAYE to explain the relations between the Court of Auditors' current activities and the ones of parliamentarians, in terms of control evaluation, namely through the missions assigned to each body.

Then he invites Mr. RAMANGALAHY to give an idea on the training policy adopted to adapt the job to control issues, as it has been envisaged by the Dakar Pole.

Job OLOU, General Director of the Treasury and Public Accounting (Benin), shares a few ideas with the audience on internal control for Treasury services. For his first intervention, he tells an affair taking place in Benin and disrupted the country: the "PPEA Affair" (Multiannual Support Program for the water and sanitation sector, financed by the Netherlands). In fact, the Public Treasury did all the compulsory controls but only the regularity of supporting documents reached it and this does not allow it to assess judiciousness of the expenditure. These expenditures were paid but the controls revealed that perhaps there had not been any certification. In other words, although the documents certify that the service was fulfilled, there were not always services done for real. He links this affair to the case presented by Gabon's delegate for an approximate amount of 200 billion and wonders if the internal control cannot put the accountant in a very difficult situation as although he did all the verifications he has to pay. M. OLOU assumes that if the arrears could be audited for Gabon, it is perhaps because there was not the necessary treasury to pay, otherwise the 200 billion could have been paid even though the service was not rendered. He then wonders what to do as the Treasury must control but does not go on the spot. It relies upon the certification of rendered services and the financial controller's clearance to pay. The accountant receives the invoice certifying that the service is rendered, the acknowledgments **of receipt** with the signatures of the financial controller and the authorizing officer. Everyone signed and indicated that the service is rendered and, despite all that, on the spot, there is nothing. Therefore, he would like to know what is advocated in this case.

For his second intervention, he focuses on notions that are new today in member States. We spoke of financing, innovative and structuring investments and PPP contracts (for the latter there is neither staff training nor resources). Member States take up commitments, sign contracts with banks to finance public works. These contracts are new and nobody fully understands them and thinks that often they are costly because maybe we could have obtained reduced interests on financial markets. He is worried about tremendous contracts signed with banks and are being reimbursed within 5 to 10 years. He thus wonders how sustainable public debt will be in a few years, if we follow that path of innovative financing solutions.

Raphael LAMY LAMIEL, Director of the Treasury and of Scheduling (DRC), asks Mr. Faye to explain in more details what compliance declarations are. He above all wants to know if Senegal's Court of Auditors services fall within the authority of the Parliament or are autonomous.

Serigne Mbaye NDIAYE, Inspector of the Treasury at the Modernisation and Strategy Office (Senegal), asks for clarifications on Mr. Assoumane ADA's intervention. First, regarding his presentation on Niger's internal control device. At Senegal's Public Treasury, tools were set up to start mastering the risks but initiation problems are being encountered. He would like to know what initiative took Niger to manage implementing a functioning internal control device. He also asks if Niger mapped the risks, and if so, what are the risks identified as the most harmful and what treatments are proposed to mitigate those risks.

The other point concerns the steering committee. He would like to know how it works and if it is similar to an audit committee.

Mohamed Said OULD AHMED, **Director of Studies and Information Systems (Mauritania)**, totally agrees with Mr. OLOU on the issues he exposed and confirms that all the controls are being operated, but sometimes, the results are not visible on the field. However, he thinks that accountants just have to assess whether supporting documents are lawful, proceed to mandatory controls and pay on due date. To his mind, the rest is governance problem exceeding the accountant's field of intervention and he suggests to find new ways of doing this. He deems that the budget program and the empowerment of people in charge of programs is an important step in the right direction. Regarding controls, it is essential to try to incorporate in IT systems the maximum of control instruments. However, constituting control armadas within administrations might block the work and might compromise the velocity and fluidity of budgetary execution. He rather proposes to do a layered control, oriented towards the riskiest aspects, for example marking a systematic verification for important mandates and, where necessary, go on the spot to verify the work has been done accordingly. In contrast, he suggests not to control small expenditures which might entail more important costs than the sums involved.

## Answers

Assoumane ADA, General Payer of the Treasury (Niger), gives some precisions on the implementation of Niger's internal control device, as well as on the mapping of risks. He reminds that the current stage is still under reflection to minimise the risks and improve the quality of accounting management. This process is a tool improving the assessment for the Court of Auditors of accounting operations. It is a mission that the Treasury's General Directorate set itself but as the texts have not been yet adopted, the device can be carried out. He also underlines that they were granted the elaboration process of defining internal control.

He also reminds that, internal control includes the "steering committee" which is in charge of defining the annual control policy, validating or deferring the risk cover, prioritising actions and validating them. Yet, for the moment, this committee is in its elaboration phase and is not yet operational.

He then refers to PPPs and the worries arising from it. According to his understanding of PPPs, it is a field that a country's General Code of Public Markets could not delineate. Now, considering the scarcity of each country's resources, the State launched new forms of financing called PPPs.

He tells that in Niger, a law has been adopted and when works are done via a PPP but with a scarcity of resources, the State can ask for the support of a private partner. The latter needs to have a legal existence, technical capacities and necessary means to engage in a contract. Then, after competition, the PPP will choose, like for a public market and place an order to the most attractive bidder. In this context, the operator or the bidder who won the bid, engages his resources and techniques, executes the project and is remunerated on the works done. Then, he will try to transfer the right of exploitation to the Ministry or the authority which commissioned the works.

M. Serge RAMANGALAHY, Advisor to the Regional UNDP Centre in Dakar, (Public Finances Strategy and Development), comes back to the question on innovative training policies. He thinks that for internal control approaches, there are two main elements: first, capacity building and, second, an ethical dimension for behaviours as the new directives clearly go towards the empowerment of stakeholders.

He then explains, that the Dakar pole has three intervention levers in terms of training policies. The objective is to support UEMOA and CEMAC regional commissions but also member States in the implementation of these reforms:

- 1) Technical assistance missions conducted at the request of national authorities or regional commissions to help administrations experiment and master a tool;
- 2) Capacity building, i.e. the organisation of training workshops at the national (at the request of each member countries' authority) and regional level;
- 3) Dissemination of tools, sharing of experiences thanks to so-called "capitalisation tools", i.e. trying to draw and collect information from the conduct of experimentations on a given topic

Two reports were produced by the Dakar Pole:

- 1) A report on the conduct of change, i.e. how to support change to accompany financial administrations and stakeholders of the management of public finances in relation to the implementation of innovations backed by the directives;
- 2) A report on internal control.

He carries on by explaining that the training policy is at the core of this approach because it is necessary to help national stakeholders appropriate these topics and analyse what are the immediate and underlying impacts of the reforms, as mentioned by Benin's General Director of the Treasury.

He then makes the connexion with the question on innovative financing in a situation of asymmetrical information. This means that among two contracting parties one dispose of more information than the other. He is worried because unfortunately in many cases (e.g. PPPs, innovative financing and internal controls), you solicit services from different stakeholders who may have pieces of information. You trust them, sign a contract and, in the end, you are a sort of "prisoner" of the contract because you cannot analyse its impact. He certifies that, unfortunately, many of those difficulties occur in countries of the sub-region, even though sometimes reforms were previously implemented.

For example, in France, many administrations complain about the costs of PPPs and deem that many technical and financial partners organise trainings on PPPs. For instance, the French Development Agency (AFD), the World Bank or other stakeholders organised workshops on these topics. He adds that managers of public finances should be stakeholders in this approach and stay aside since analysing the impacts of the contracts signed can be significant. For this reason, the public accountant's role is important but he reminds that the new directives emphasize the new role of the financial controller who is guarantor of the sustainability of expenditures. When it comes to PPPs or multiannual commitments, the financial controller must be able to analyse and advise the authorizing officer. The latter currently being, in most countries, the Minister of Finance but who will in the future be the sector-specific ministers. He certifies that, if the ministries of education, agriculture and civil engineering are not capable of analysing the multiannual impact of expenditures they incur, the financial controller's role will be crucial as an advisor, like the public accountant, in the process of public procurements.



He also makes the connexion with the first question on the limits of internal control: Who is liable when a false certification is detected? He reminds that, in other parts of the world, public accountants are also confronted to such issues, for instance bridges that are not built although there is an acknowledgement of receipt, deliveries that are not made although the accountant has all the supporting documents. He refers to the presentation of Mr. the Judge, to the fact that accountants are legally protected by article 26 of the general regulation which lists the instances where the public accountant's personal et pecuniary responsibility can be engaged by the Judge of accounts.

In a situation where the public accountant would have the knowledge of an incorrect certification, the general regulation states that the financial controller is personally responsible for visas and certifications he grants. Therefore, from this point of view, accountants are protected. He certifies that the latter is compelled to verify the justification of service rendered and if they have this justification, their responsibility is preserved. If, this certification is proven wrong, the text states that the financial controller is personally responsible for that false certification. In other countries, such as France, a device was implemented by the "Charasse" bulletin stipulating that if the public accountant has knowledge of a wrong certification or information contradicting what is indicated in the supporting documents, he is compelled to alert his supervisors.

He then answers the question on IT systems and on the articulation between the tools used for internal control. He admits that IT systems are extremely important to automatize controls and, if possible, to include in the app all the low value-added controls that can be automatized. This gives more operational time to make substantial controls on the quality of expenditures. He agrees with Mrs Sturel on the fact that it is necessary to have sufficient time for complex files, public markets, and other financially important expenditures etc. it is also essential, in terms of accounting quality, to limit human interventions in order to avoid book entry mistakes. For example, if budgetary classifications are not well-articulated with the State's chart of accounts, you can be in a situation where internal control cannot be carried out and there is a risk deteriorating the quality of accounts.

However, IT systems cannot fix everything and everyone remains liable. This is why the Pole proposes, as a simple tool, the functional organisation chart which will be progressively enriched to result into the path of audit. In some countries, the device is institutional and already structured with a directorate sometimes of internal control, or Treasury inspection, or a general inspection. Yet, whatever the device or the human resources at the disposal of the ministry, and according to each country's wealth, it is primordial to start classifying and organising internal control.

**Amadou FAYE, Head of Modernisation and Strategy Division (DMS)**, answers the moderator's question on the links between the Court of Auditors and the Parliament. He reminds that the first has an assistance role to the Parliament in the jurisdictional control of the Law of Finance and that the Court of Auditors produces annual reports on the objection of the Law of Finance and the general compliance declaration. This report determines the result (a surplus or a deficit) and most of all analyses the management of budgetary authorizations, i.e. credits. At this level, the Court of Auditors focuses first on modifications made on the distribution, i.e. global credits, transfers, the amount of debt obligations, debt forgiveness, debt restoration, and **cost-sharing contributions**. The Court analyses them and verifies the usage of credits (if they are consumed or not). Another document is also sent to Parliament: the general compliance declaration, edited from the comparison of management accounts. In principal, this ought to be the administrative account, however until now, Senegal does not produce any, so the comparison will be done between the management accounts and the Administration's General Code elaborated by the same ministry and same directorate. Rule should thus be compliance, unfortunately it is not the case. This is the reason why the Court considers that this comparison is purposeless because what we need to compare is accountants' management accounts and the administrative account, it only allows to verify centralisation has been done appropriately.

Parliament can ask the Court for inquiries and studies, but until now, this has not been the case. Yet, the new UEMOA directives allowed for major innovations for deputies to properly do their job of controlling the execution of the Law of Finance. First the debate of budgetary orientation must enable deputies to assess governmental decisions before voting the Law of Finance, and this before the 30<sup>th</sup> of June. The directive also asked the Executive power to transmit to Parliament all the modifying acts arisen during budgetary execution. Moreover, it also enlarged the field of competence of the Law of Finance, namely with the Regulation Law, and even urged the filing date of the Regulation Law.

But the question that deserves being asked is the following: Are Parliaments able to play the role they are expected to? In many countries the situation is the same and he suggests to correct the asymmetry of competences existing between the Minister of Economy and Finance – who comes with his very proficient Treasury inspectors – and helpless deputies who have a hard time understanding those concepts. He thinks that Court agents should benefit from a permanent training. Parliament should also recruit parliamentary assistants and set up a budgetary evaluation, analysis and follow-up unit helping them to analyse budgetary documents.

He carries on explaining that the program became a voting unit, specialised in budget questions and also in public policies. Meanwhile at the parliamentary level, the debate should focus on the analysis of the content of public policies rather than on the evolution of credits. He adds that Parliament often opposes “party discipline” but this should not mean nobody cares of what is going on.

Concerning payment controls done without service being rendered, he deems that the accountant can only verify formal regularity and does not have the time to go on the spot to realise controls. He thinks the presence of regional chambers ought to deter authorizing officers to fraud but also that the different internal and external control bodies communicate and collaborate closely.

He specifies that the Court of Auditors is a constitutional institution, the superior control institution of public finances, which does not refer to Parliament nor the Treasury. The magistrates of the Court of Auditors (excepted the first President) became member of the Court via a contest and not a mandate. In his opinion, a recruitment by mandate could threaten their independence. A contest is thus preferable.

To conclude, he does not go back to the sustainability of debt but proposes to focus on its profile.

### Second round of questions

**Mr. Mohamed Larbi GHANEM, General Director of Accounting (Algeria)**, thinks that not enough attention has been paid to information flows between control bodies. Is there compulsory information that must be transmitted from one body to another? Are these elements legally formalized? Information flows are primordial as they avoid redundancies in the different controls carried out.

Concerning regularity controls, he wonders if money has been spent before the required deadlines and legally? On result-driven budgeting, he wonders if work has been done on the issue of management control and performance, e.g. is the difference in costs of a public service carried out by two distinct bodies varies from one to twenty it implies a bad management of one of them.

Is analytical accounting done in all countries as it is the case for general accounting?

Is it possible to have a quick presentation of internal control case studies from one or two countries who made progress in this area?

**Amoro Ntaby BADJI, Chief Inspector of the Treasury (DSPL – Senegal)**, states that the new law on the Court of Auditors introduced the possibility for accountants to have an acquisitive prescription. This means that if the accountant delivers his management account and if within five years the Court of Auditors did not certify his account, the accountant receives discharge.

Yet, in Senegal's current situation, the accountant cannot benefit from an acquisitive prescription that the law provides because the Court of Auditors deems that it does not have enough space to accept public accountants' management accounts. Accountants are thus disadvantaged. What provisions would need to be adopted for the law to be effectively applied?

An inspector from the Senegalese Treasury asks if the fact that the missions, roles and responsibilities of managers and public accountants are consolidated by law and regulation is not a limit in itself. He wonders on the possibility of taking conservatory measures in order to avoid certain risks.

Regarding the alleviation of responsibilities that are within the purview of public accountants in the execution of regularity controls of public expenditures, he is wondering if it is not a mistake that a public accountant does not any longer need to verify the application of laws and regulations in the execution of his duty.

He thinks that the Court of Auditors' missions are to judge public accountants' accounts and to verify the usage of all public funds simultaneously, including for subsidies granted to associations.

He wonders for example, if the Court of Auditor will have the competence to execute the required controls in due course, on the PUDC (Emergency Communitarian Development Program that the government assigned to a special UN agent).

A representative of the Senegalese Treasury thinks that one of the major challenges lying ahead of administrations in terms of performance and efficiency is dematerialisation of procedures. Is the Senegalese Court of Auditors reflecting on this subject in order to facilitate the acceptance of dematerialised documents?

She then approaches the representative from the Ivory Coast on that same question, including partnership or alleviated controls. She thinks that these are evolutions that will enable accountants to focus on higher value-added tasks but wonders if the Court of Auditors is not reluctant to this change.

A representative of Madagascar's Treasury brings up a question on the opportunity to implement internal controls if States cannot produce financial statements in accordance with accounting standards stipulated by the existing regulation.

With respect to reforms on the implementation of a selective or prioritized control of expenditures being engaged at the level of the Public Treasury's Financial Directorate, he wonders if it is also the case at the Court of Auditor's level.

He adds that in Madagascar, the Court of Auditors considers the principal accountant as the unique responsible and litigant. He wonders if, assuming that a prioritized control or shared responsibilities are being enforced, this necessarily involves committing other upstream stakeholders in the responsibility burden. Did Senegal's Court of Auditors already engage in such reflections?

A representative of the Senegalese Treasury makes a statement on the notion of service rendered. Based on his ground experience and in the context of the implementation of the UEMOA new harmonized framework of public finances, the main objective assigned to State accounting is an exact and sincere knowledge of the State's assets. The public accountant is liable for communicating with the decision-maker, the judge of accounts, for an exact and sincere knowledge of the estate. How can the accountant do so? All along the process of public expenditures, he cannot ensure that a bought good will effectively entail a mobilisation estimated at an amount X. if, by an internal control mechanism, the accountant cannot master the data that he is provided with by the authorizing officer et those coming from his own department, this supposes that the final information – which will enter the financial statement produced under the accountant's responsibility – risks being erroneous.

He reminds that the general regulation of accounting stipulates that authorizing officers are liable for the certifications they deliver, but he thinks that, it might be presumptuous that tomorrow a public accountant may estimate goods although he cannot certify the acquisition and delivery process end-to-end. On this point he acknowledges the Pole of Dakar for the implementation of a functional organization chart, which is a good starting point. However, he is in favour of integrating internal control mechanisms between authorizing officers and accountants. According to him it is the means that will lead to a better management of the expenditure process. This will not rule out the risk of having certifications that do not match material achievements but this will enable to limit this phenomenon.

## Answers

**M. Serge RAMANGALAHY, Advisor to the Regional UNDP Center in Dakar, (Public Finances Strategy and Development)**, answers the moderator's question on the different types of control. The objective of the directives is that controls do not stack up as everyone has a specific role to play, particular responsibilities provided by the different texts. This most effective articulation will ensure efficiency, the quality of expenditures, the quality of the procedure and the swiftness of treatment chains while ensuring a security in the management of public funds.

Internal control is a process that each manager has to implement with his team in order to master his risks and management and to be able to reach his objectives. He distinguishes internal control from inspection (which verifies the good application of laws and regulations, procedural requirements, and sanctions if the latter is not respected).

The first role of internal control is to put each manager and his staff in the situation of being responsible of the task or operation he has to conduct.

He reminds that inspection bodies have to go on the spot to fulfil their missions to certify the realisation of public procurements in line with what has been paid and asked. For this reason, the transparency code includes a paragraph on stakeholders integrity which stipulates that "sanctions are imposed in compliance with the rules of the rule of law, they are provided against all those elected officials or have to know or to manage public funds; the failure to report any violation of these rules by a public official who had knowledge, is a criminal offense". He makes the connexion of this article to the Charasse bulletin: "I public official, I have knowledge of an order that would have been spent, including the supporting documents have been provided, but obviously I know (because it is in my neighbourhood, or because I found myself in this situation) that materiality is not real, I'm held responsible if I do not report this fact". It is the UEMOA's transparency code which demands this obligation.

It is thus really important to be complementary and in this sense the Dakar Pole supports the multiple stakeholders contributing to the virtuous chain of public finances management strengthening. As well financial administrations, control bodies, superior control institutions (Court of Auditors, Audit chamber) as parliament or civil society organisations. All these stakeholders play a role in the way public funds are used and the Dakar Pole supports each of them to help them move forward at the same pace and create a virtuous chain in line with the objectives of the new directive.

Concerning the opportunity of implementing an internal control device in a context where the goal is to certify accounts, he deems that it highly contributes to the improvement of accounts, information but also of its building process. This enables the certifier to have all the information to assess all the dispositions were taken for the faithful transcription into the accounts of procedures and information, in the limit of what the accountant was aware of at this precise moment.

He also reminds that an internal control device cannot be a 100% exhaustive but has to be set according the stakes and means available. Internal control does not exclude all the risks in terms of accounting or expenditure management but gives a reasonable assurance in the information and building procedure and that all has been done in line with the provisions taken.

A representative of Madagascar's Treasury specifies that the elaboration of accounts should result in the establishment of certified financial statements by external auditors as provided by chart of accounts in effect. Still, Madagascar is not yet able to produce such financial statements. In this case, he wonders if it is appropriate to implement an internal control device certifying the quality of financial information considering that it entails human costs with a need for time and financial resources for the Treasury.

**Sylvie STUREL, Head of the International Cooperation Department (France)**, thinks it is necessary to distinguish internal control for accounting quality and internal control for jobs, which are two distinct things. A high level of certifications or accounting quality are not a prerequisite for implementing internal control, as the latter is also ensuring procedures are being understood by agents fulfilling the controls. Indeed, internal control has several levels: self-check because of typing mistakes, a first-level control with the head of department verifying operations, a second-level control with the supervision by the line manager. This process is carried out by all procedures to examine accounting operations but also to ensure all steps are being respected. For example, a functional organisation chart comprises all procedures and tasks and internal control is meant to verify that the agent carried out all the steps (respect of credits, expenditure assignment, approved prioritized control etc.). Internal control enables first of all to that every agent is good at his job. This is the objective of the functional organisation chart.

There is thus no need to wait before having well-designed financial statements to start the internal control, but it is rather essential to ensure that every agent does his job and respects the procedures provided by the functional organisation chart.

**M. Serge RAMANGALAHY, Advisor to the Regional UNDP Center in Dakar, (Public Finances Strategy and Development)**, illustrates this problematic by the example of provisional attribution accounts, like in many countries with significant amounts which affects the quality of information which contrary to objectives of the directive.

Accounting devices include decrees and bulletins indicating, for example, that provisional attribution accounts of revenues must be audited after one or two months. If an internal control device is not set up, provisional attribution accounts risk keeping increasing and at the end of the fiscal year, the accounts lose all their quality for analysis purposes. This does not enable the judge of accounts and Parliament to certify the respect of budgetary authorizations given at the beginning of the fiscal year and this reduces the possibility of having this certification.

Internal control is a daily task being built day after day by stakeholders becoming responsible of the performance of their duty. If in certain structures, a mapping of risks is being implemented technical stakeholders must not be demobilized because the tool has been conceived and other more important matters show up afterwards. The importance of internal control is that on a daily basis everyone respects a set of rules and does the job he is expected to do in a given context.

Why consider the functional organization chart? In certain structures, there is a lack of means, human resources, skills or material resources to implement a legitimate internal control device. The functional organization chart is a simple tool allowing to build a structured approach in order to improve day after day.

**Amadou FAYE, Head of Modernisation and Strategy Division (DMS)**, reminds that concerning information flows with different controls, he concluded his remarks with a call for consultation between all different control bodies, internals and externals. He thinks that this sort of collaboration increases the efficiency of each body.

With the new directives there is a control of regularity and performance.

The Court of Auditors is not allowed to intervene on the relevance of objectives but must intervene on the achievement of objectives fixed by annual performance programs, compute the spreads and describe the invoices. In Senegal, the ministry of the Economy and Finance did a remarkable job in that sense, as well as the Court of Auditors where a training course is going on for more than four years now.

The directive asks each ministry to set up an internal control device but also a management control one which allows to measure the cost per unit of each department.

Acquisitive prescriptions of five years exist if the management account is in suitable state for review.

The roles are well determined by texts. For instance, the 2003 decree on the general ruling of public accounting stipulates that the control of expenditures will focus on the quality of the authorizing officer, the allocation of the expenditure, the exact control of budgetary imputation of expenditures, the control of credit availability unless there is requisition.

Regarding the validity of debt obligation, the control of the exactitude of liquidation amounts is the financial controller's responsibility.

Financial controls deal with: expenditure imputation, credit availability, the application of financial provisions of laws and regulations, the conformity of acts with parliamentary authorizations and the consequences that the proposed measures can have on sources of financing (which goes back to budgetary sustainability).

Thus each stakeholder has been entitled with controls.

Public finances require collaboration and that's why the Court of Auditors made sure that there is a consultation committee with the ministry of finance. A first reunion took place on public accountants' management accounts and went well. This kind of interactions needs to be promoted and privileged.

The Court' scope of intervention also includes:

- Social security institutions;
- Private organisms managing pensions or of mandatory prevalence;
- People benefiting from the financial support of public institutions or the UEMOA;
- The control of the Use of Resources Account (resources collected to the public), as part of the campaigns led at national level by every single public or private organism resorting to public generosity.

The Court can also carry out controls in hindsight on companies where the State is a minor shareholder, at request of the President of the Republic, and inquiries on the occasion of the Regulation law's examination, at request of the Parliament.

He adds that dematerialisation is decided by the Executive power. The Court will be forced to follow that directive. Currently, for the control of modifying acts, transfers and decrees are being sent in paper version but the Court used a digital copy in order to accomplish this duty faster.

With respect to prioritized controls of expenditures, the condition posed by the UEMOA is the implementation of a good internal control system and a good management control device. If this is operational, the modulation of controls can be carried out by the financial controller. Nevertheless, may the control be flexible or not, the accountant remains pecuniary and personally responsible.

On the justification of service rendered, if there is the stamp and supporting documents, the accountant can pay. If the Court of Auditors has doubts, it can organise an **audit, on the basis of documents** and on-the-spot.

A representative of France intervenes on the question about the Court of Auditors, dematerialisation and alleviated controls in partnership and prioritized controls of expenditures.

With respect to dematerialisation and the judging of accounts, he specifies that France integrated the Court of Auditors to the dematerialisation device. The technical and legal solution found was approved upstream by the Court of Auditors (today it considers that a dematerialised supporting document has the same legal value as a supporting document on paper).

He then reminds the alleviated controls with partners enable to examine the authorizing officer's role in the chain of expenditure and to do less controls. Prioritized expenditure controls (CHD) do not imply controlling all the supporting documents but only a few depending on the amount of the expenditure or the issues at stake.

He adds that these two devices were included into the GBCP in November 2012. Now, alleviated controls with partners and CHD are imposed upon the Court of Auditors and the Regional Chambers of accounts for local authorities.

In contrast, judiciary and financial institutions ask that plans for alleviated controls with partners and CHD plans be provided before operating controls. For instance, if the examined expenditure were included in the CHD and that at the verification step an anomaly was detected, the accountant's responsibility is engaged. If, however, the accountant applies properly his control plan approved by the directorate and that the anomaly does not come from the controls he had to carry out, his responsibility is not compulsorily questioned. The accountant's responsibility is thus adaptable.

Concerning thorough certifications and internal controls, considering the example of public health institutions, one cannot go without the other. For example, for hospital staff remunerations, the certifier will not verify that the accountant carries out internal controls but that when an agent comes in, controls are being introduced simultaneously. Here we consider not only an internal control from the accountant's point of view, but also from the authorizing officer's.

A Moroccan representative thinks that when the Court of Auditors is too severe in its judgements, when it is more coercive than constructive in its decisions, this leads to tensions in the management of the public good and an absence of decision from managing authorizing officers. The administration is like frozen because people are afraid to act, because they are afraid of the Court of Auditors judgements in hindsight. He deems that there is a potential reluctance in vocations: for a call for applications of tax collector, it is difficult to fill all the vacancies because people do not want any longer to be accountant.

He thinks that it is in the Court of Auditors' interest to soften its positions to gain efficacy in the achievement of public projects. Shifting towards an evaluation of public policies instead of a judgement of accountants' accounts could be beneficial.

A Senegalese representative adds that when he went to Morocco for a training course, he really appreciated the system that records asset declarations, not alike in Senegal. Besides, he deems that account judges do not prepare nor vote the texts; they just ensure that they are being applied.

Mr. Mohamed Larbi GHANEM, General Director of Accounting (Algeria), thinks that both trends are a bit dangerous and that equilibrium has to be found. Indeed, if controls are meant to improve procedures, apprenticeships, facilitators, it is positive. But this must not go against people doing serious mistakes. By relying everything on sanctions, people may not be enticed by these job positions. According to him, we have to consider internal controls as a means to improve our management.

**Daouda SEMBENE, General Director of Public Accounting and Treasury (Senegal)**, specifies that the consultation framework that was set up became operational yielded results. It is a regulation which has imperatively to be respected. The management of the public good has requirements in terms of transparency and accountability reporting. It seems totally natural to him that the accountant be subject to such control. He acknowledges the presence of the Court of Auditors during all the management process in which Senegal's Public Treasury is present on a daily basis.

He asks Mrs STUREL for more information on the new tool enabling quasi concurrent controls and giving visibility to the Court of Auditors in management operations. According to him, this would enable to reform accountability reporting towards a continuous flow system – instead of stacking up documents. He thinks that as of 2017, when new reforms will be envisioned (e.g. decentralisation of orders to pay, expenditure decisions, liquidations etc.), a new control system, which does not massively store management accounts, shall be introduced.

Sylvie STUREL, Head of the International Cooperation Department (France), indicates that there is a device in which results of internal control are registered on a daily basis. This device certainly is the most interesting tool for the Court of auditors as it starts from the infra-departmental unit, it is shared by the departmental directorates and the Directorate-General and the Court also can access it. She adds precisions on the fact that this tool includes the results from each service's internal control of procedures (the number of anomalies, verified procedures etc.) and each action plan led by the heads of department so as to improve their services. This allows the Court to ensure the well-known "reasonable assurance" all year long.

Invoices and supporting documents were dematerialised in our devices Helios and Chorus. As they are in appendices and stored in our archives, they are available to the device and evocable by the Court if need be. This control sharing tool allows it to carry out intermediary certification missions at any moment. Thus without waiting for accountability reports, the Court can speak out incrementally on the quality of the work of all the Public Finances Directorate-General's network. This tool took time to being conceived but it has been duplicated in a lighter version for cooperation purposes. It is currently being adapted for Lebanon and, later on, for other States requesting it.

Mr. Mohamed Larbi GHANEM, General Director of Accounting (Algeria), adds that the final phase, i.e. expenditure control, seeks to maximize the use of techniques and rules determined in this field. The aim is not directly to sanction but to improve the approaches and instruments in order for public spending to be in line with its final objectives.

Different controls need to be complementary, exchange information and training because a lack of information can entail a sanction instead of an advice. Often, many people sanction because they ignore themselves the job. Experts have to be trained in order to assess mistakes or positive points in connexion with the spending process.

The latter is a determining element of governance and several issues are at stake:

- Mastering public spending and improving management;
- Improving the Treasury's public service towards their clients;
- Mastering the risks;
- Improving forecasts;
- Transparency.

These five principal concerns came out of most of the debates on the spending process.

He reminds that the application of these principles depends on the mastering of the spending process: commitment, liquidation, order to pay by the authorizing officer and execution of the expenditure by the accountant. He thinks that by solely mastering this level, it is not obvious that economies of scale are being achieved. If at the beginning, the evaluation and foreseeable impact of the spending are not mastered, there is the risk that the expenditure does not generate the expected outcome or that the objectives are too costly. Upstream stages also have to be considered seriously: public policy programming, sector-specific strategies and project evaluation. This is decisive for the increase of benefits resulting from a good spending process.



A lot of contradictions are linked to the multiplicity of stakeholders in the implementation of the spending and the diversity of systems which lead to contradictions in the different cycles and cause more problems than solutions. This complexity of the spending process often leads to oppositions and delays in the completion or delays in the execution of expenditures.

He then alludes to expenditure regularity controls (currently done according to cash accounting principles, giving priority to regularity) and the objective of shifting towards an accrual-based accounting (depending on a result-driven budgetary accounting). The trend is pointing towards the latter although impact evaluation parameters have not been yet introduced in the process and won't be so before in the short or medium run.

Internal control generally deals with controlling the activity of each task but quality audit of these controls, has not, according to him, been sufficiently tackled in the debates. He notes that inspections are not always specialised in the audit of internal controls, they mainly concern the application of the legislation and regulation in terms of public expenditures execution.

He goes back to preliminary controls: commitment control by the financial controller and spending process control by the public accountant. The problem that appeared is the responsibility weakens the first phase of financial controlling. Many times, the financial controller can verify even if things are not 100% accurate because he is not the one who is sanctioning. In his opinion, responsibility sharing is an area of work important in the future.

Concerning ex-post controls, he deems that ministerial controls are not totally clear. They do not address the working method of the entities under their tutelage, nor the result of their work but they merely carry out a material control.

He adds that the Court of Auditors' jurisdictional control has to control for the legality and the results. This control is taken care of but the application is not yet entirely ready because it is not only about legality or sanctions but also about sanctions in relation to improper uses.

He asks if someone is sanctioned for not respecting the regulation. In other words, should someone who had a bad management also be sanctioned? For instance, considering two schools depending on two different authorizing officers, if the operating cost of a pupil is ten times higher in the first school than in the second one, aren't we wasting money if we consider things from a regularity point of view? He thinks that performance shall be integrated progressively because it requires a deep-rooted change in culture, traditions through education and training.

As for parliamentary controls, they are aimed at verifying that the Laws of Finance were carried out following the same conditions as in which they were elaborated and that they were attained. These very controls are crucial and sometimes carried out at the Court of Auditors' and Parliament's levels.

He then lists points on how to take care of these missions effectively:

- 1) A political will (Laws of Finance);
- 2) An adapted organisation (it is not obvious that the organisation currently is adapting to the aimed objectives through a result-driven budgetary policy);
- 3) An adapted control;
- 4) An adapted training.

Finally, do public accountants, in their respective programs, have the indispensable private accounting to implement a result-driven budgeting?

He concludes with mentioning the need that training has to be adapted to that system.

# Closing Ceremony

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## Speech by Mr. Didier CORNILLET

AIST's Secretary General



**Mr. the Representative to the Ministry of the Economy, Finances and the Plan,  
Mr. General Director of the Treasury, President of AIST,  
Ladies and Gentlemen the General Directors,  
Ladies and Gentlemen the delegates to AIST member states,  
Ladies and Gentlemen the representatives of international organizations and  
institutions,  
Distinguished guests,  
Ladies and Gentlemen,**

*We are at the end of this 9<sup>th</sup> symposium of the International Association of Treasury Services after two days of exchanges of debates, once again of excellent quality, devoted to the processes of public expenditure management.*

*We are used to seeing rich and informed exchanges at AIST and I may say that this has been the case once again throughout this symposium. This was due to our moderators' and speakers' excellence, who were able to generate participants' interest and show great skill. I thank them warmly for their commitment to this event and for the great availability which they have shown.*

*I cannot forget to thank the rest of the delegates who have given life to the sessions, through their numerous and relevant questions. The richness of the exchanges is a sign of the great interest of AIST member states for the topics discussed in the last two days.*

*I hope that, once you have returned to your countries, you may put to good use the work we achieved and the contacts you will have made with other countries or international partners. Do not forget to give us feedback on the actions you take at home so that all AIST members may benefit from your experience. I would actually like to thank each member state so that you do not hesitate to send us any documentation which you believe is useful to share with other member states, and that we may include in the documentary database on our website.*

*As you know, our association will hold its yearly General Assembly tomorrow morning, after which Mr. Daouda SEMBENE, General Director for Public Accounting and Treasury of the Senegal, will hand over the Presidency of AIST to Kuwait, the country which will host us in 2017.*

*I wish to pay a moved and friendly tribute to Mr. the General Director of Accounting and Treasury, who has been a very active and involved President in the life of our association. I would especially like to express the great pleasure I took in working with him throughout his mandate, during which I appreciated his great human and professional qualities. I cannot forget to thank also Mr. Abdoulaye DIENG, his predecessor, who initiated the preparation of the event with the same qualities, implication and professionalism.*

*Please allow me to recognize our new President who will take up his functions as of tomorrow after the General Assembly, and to share with him the pleasure I shall take in working with him throughout his mandate.*

*I give my warmest thanks to the members of the Executive Bureau for their commitment, their support to the General Secretariat, and for the pleasure I took in working with them throughout the year.*

*I would now like to thank the Senegalese authorities at the highest level of the State for their exceptional support given to our association, not only by providing the means to organize the symposium smoothly, but also for honoring our members by their presence at the opening and the closing of the symposium.*

*I would also like to express my deepest gratitude to each and every one of the organizational committee's members, and to recognize their great involvement which made possible the smooth running of our symposium and for the warm welcome they gave the Secretariat team and the participants during our stay. I had underlined in my opening speech the remarkable activity and collaboration of the organizational committee. I was impressed by your professionalism, your profound commitment and the great human warmth with which you have surrounded us, not least of which your time, to ensure the success of this 9<sup>th</sup> yearly symposium.*

*In addition to our works, you will make it us discover Senegal and its culture tonight at the gala dinner but also during our social event tomorrow. You can be assured, Mr. the representative of the Minister, Mr. Director-General, that we will leave with fabulous memories of your beautiful country in our hearts and minds.*

*Finally, I would like to thank the translators and all the technicians for the quality of their service, and last but not least, the General Secretariat of the AIST: Cristel VOLPI, Clément CARRUE et Thierry MOUGIN who did a remarkable job in collaboration with the Steering committee, working assiduously from dawn until dusk. Thank you very much!*

*Also I would like to thank the assistance to pay tribute to all the members of the Steering committee and the General Secretariat with sustained applause.*

*Time has come to separate us. I thus invite you to gather in 2016 in Kuwait, for this big moment of our organization's international action: the annual symposium. But before that, I would like to take this opportunity to remind you that applications to be hosting an AIST symposium are renewed for 2017. I also kindly remind you that, as usual, you will soon receive an evaluation questionnaire in your mailboxes, the last questions being dedicated for you to propose topics for our upcoming actions.*

*I hope to be listened and wish you all a pleasant stay in Dakar and safe flight home.*

*Thank you for your kind attention.*

## Speech by Mr. Daouda SEMBENE

General Director of Public Accounting and the (Senegal), the AIST's incumbent President



*Mr. the General Secretary of the Ministry of Economy, Finances and Planning, representing the Minister of Economy, Finances and Planning, let-me first of all present you our apologies and our deep gratitude, as despite your very busy agenda, you insisted on presiding over this closing ceremony.*

*Mr. the President of the Chamber for Financial and Budgetary Affairs of the Court of Auditors,*

*Messrs. Vice-Presidents, administrators, and members of the International Treasury Services Association,*

*Mr. the General Secretary of the International Treasury Services Association,*

***Distinguished guests,  
Ladies and gentlemen,***

*It is with your trust that Senegal's Treasury was honored to host the 9<sup>th</sup> annual symposium of the International Association of Treasury Services on the topic: « Public expenditure process ».*

*As Director-General of Public Accounting and the Treasury of Senegal I wish to express my gratitude to all of you for your kindness. I warmly thank all our partners and colleagues who participated in our works for having brought their useful contributions during the two days of fruitful debates. I also include in my gratitude expressions all the panelists for the quality and relevance of their interventions.*

***Ladies and gentlemen,*** *let me pay a special tribute to the members of the Steering committee of the symposium, with Mr. Serigne Amadou SEYE at its head. The success we've witnessed today is the result of their total commitment to this mission.*

*Likewise, we thank Mr. Didier CORNILLET, Secretary-General of the AIST and his team who worked tirelessly to make this event a success.*

*For two days, we repeatedly tried to deal with the issues surrounding the process of Public Treasury Management with greatest assiduity and interest. Studying the challenges lying ahead of us to meet the requirements of a good and efficient management of expenditures in the respect of the legal framework requires from us that we have a clear and strong synergy of our action. The discussions will be further fine-tuned thanks to the pooling and sharing of our experiences and discussions.*

***Ladies and gentlemen,*** *let me raise a major point. There is a strong demand for the sharing of responsibilities assigned to the public accountant. He bears a burden set by all the stakeholders of the expenditure chain. As President of the AIST, I reiterate our association's commitment to foster a necessary dynamic for the exchange and sharing of such issues during an upcoming action. It is this kind of experience that will enable us to improve the functioning of our administrations and the accounting efficacy and quality of our institutions.*

*I could not finish my speech with expressing my deep gratitude to the Senegalese authorities, in particular to Mr. the Secretary-General, Mr. the Minister of Economy, Finance and Planning, Mr. Amadou BA, whose commitment in the organization of the symposium was remarkable. We disposed of all the necessary means.*

*All that remains is for me to wish all of you, in the name of all the agents of the General directorate for Public Accounting and the Treasury, to being successful in transforming our efforts into improvements for our countries. Hoping that your stay in Senegal was pleasant, I sincerely wish a safe trip home.*

*Long live the AIST, thank you for your attention!*

## Speech by Mr. Cheikh Tidiane DIOP

The Secretary-General of the Ministry of Economy, Finance and Planning, representing the Minister de of Economy, Finance and Planning (Senegal)



*Mr. the General Secretary of the Ministry of Economy, Finances and Planning, representing the Minister of Economy, Finances and Planning, let-me first of all present you our apologies and our deep gratitude, as despite your very busy agenda, you insisted on presiding over this closing ceremony.*

*Mr. the President of the Chamber for Financial and Budgetary Affairs of the Court of Auditors,*

*Messrs. Vice-Presidents, administrators, and members of the International Treasury Services Association,*

*Mr. the General Secretary of the International Treasury Services Association,*

*Distinguished guests,*

*Ladies and gentlemen,*

*At the outset of my remarks, I would like in the name of Mr. the president of the Republic, the Prime Minister, the Minister de of Economy, Finance and Planning, and all the members of the government, express to all of you Senegal's gratitude to the International Association of treasury Services for choosing Senegal as host of its 9<sup>th</sup> international symposium.*

*The relevance of the topic, namely « The Public Expenditure Management Process » is another cause for satisfaction considering the reforms launched by Senegal, in particular through the implementation the new directives of the UEMOA's harmonized framework. Indeed, the latter induce major innovations focusing on the efficiency and transparency in public finances management. For these reasons your works are of special interest for Senegal, enabling it to build on your fruitful conclusions and recommendations. The reform of Public Finances is marked by the emergence of new stakeholders, the strengthening of the responsibilities of expenditure services, with namely the decentralization of orders to pay. This also induces the necessity to rethink public expenditure execution procedures which will need to go hand in hand with a new responsibility regime for the preservation of the integrity of the system but aware of the swiftness requirements induced by the result-driven management.*

*Ladies and gentlemen, in a context of deep institutional mutations, it will be necessary for Treasury administrations to adapt to innovations being considered as an overhaul of our procedures and a State reform. Indeed, the new requirements of public management involve a wider participation of citizens, exhaustive and available financial information, a control oriented towards risk prevention and the ADAP reissue of public accounts.*

*Ladies and gentlemen, the emergence and development objectives of our countries are set and now require significant public and private investments. In this regard, public expenditure, beyond its volume, must be oriented towards economic and social development policy objectives, which are efficient in producing expected outcomes for our populations and in terms of growth. In this context, the organization, the Treasury's missions as well as the execution procedures of accounting and public expenditures ought to be adapted to the context of public finances reform, based on the results, for a better involvement au Treasury services in the implementation of public policies. As a consequence, Treasury services must position themselves in an environment in deep mutation because of innovations induced by the new management of public finances and necessitating a reform of the State's architecture.*

**Ladies and gentlemen**, before concluding my remarks, I would like to reiterate, after the Minister delegated, in charge of the Budget, in the name of Senegal's supreme authorities, our solidarity and support to the French Republic after the deadly terrorist attacks that no reason could ever justify. I also would like, in the name of the Minister of Economy, Finance and Planning, express my sincere gratitude to the General Directorate of Public Accounting and the Treasury, the AIST, the members of the Steering committee for their perfect organization of the AIST's 9<sup>th</sup> symposium and I wish all the participants a safe trip home.

With these words, I now declare, in the name of the Minister of Economy, Finance and Plan, the works of the AIST's 9<sup>th</sup> annual symposium closed and thank you for your kind attention».



# The participants

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<b>Pays</b>	<b>Prénom</b>	<b>Nom</b>	<b>Fonctions</b>
ALGERIA	Mohamed Larbi	GHANEM	General Director of Accounting
ALGERIA	Badis	FERRAD	Deputy Director of the Accounting Regulation Department for local authorities
BENIN	Job	OLOU	General Director of Treasury and Public Accounting
BENIN	S. Pauline	GBOTOUNOU A.	1 <sup>st</sup> Representative of the Receiver general of Finance
BENIN	H. Cyrille Victorien	AYIDOKINHOU	Treasury Administrator
BENIN	Kouessan	KINVI	Head of Department
BENIN	Vincent Nounagnon	DENAKPO	Director of the information management and archives
BURKINA FASO	Édith Clémence	YAKA	Deputy General Director
BURKINA FASO	Rahamata	OUEDRAOGO	General Paymaster
BURKINA FASO	D. Jeanne Marie Raïssa	YAMEOGO	Director of Research and Financial Legislation
CAMEROON	Bachirou	MOHAMADOU	Deputy Director of the Regulation of State Budget and Accounts
COMOROS	Allaoui	ABASSE CHEIKH	Head of the Expenditure Department
COMOROS	Ahmed Said	IHIOINI	Paymaster
COMOROS	Said Allaoui	ALI	Paymaster of the Anjouan Island
COMOROS	Abderemane	ALI AHAMADA	Paymaster of Ngazidja
COMOROS	Ahmed	BACAR	Head of the Expenditure Department
COMOROS	Ali Said	MBAE	Head of the Revenues Department
COMOROS	Mohamed	MCHANGAMA	Accounting officer
COMOROS	Mariama	ABDOU	Coordinator
CONGO	Henri	LOUNDOU	General Director of the Revenue Portfolio Department
IVORY COAST	Lassina	FOFANA	Deputy General Director
IVORY COAST	Koffi Amos	BEUGRE	Director of Public Accounting
IVORY COAST	Abdoul Kader	CISSE	General Paymaster of Treasury

<b>Pays</b>	<b>Prénom</b>	<b>Nom</b>	<b>Fonctions</b>
FRANCE	Sylvie	STUREL	Head of the International Cooperation Department
FRANCE	Ghislaine	BALA	Head of Public Financial Management Branch - International Cooperation Department
FRANCE	Jean-Claude	THURIES	Accountant - Embassy of France
GABON	Sosthène	OSSOUNGOU NDIBANGOYE	General Director of Treasury and of Public Accounting
GABON	Joël	OBAME NANG	Research officer for the General Director
GABON	Pierre	ETOUGHE	Permanent Secretary of the Accounting Standards Commission
GABON	Yangui	DOUPAMBY MATOKA	Head of the Expenditure Department
GABON	Aimerik	LEBOUSSI ALIBALAH	Head of the Centralisation and Accounting Production Department
GABON	Luther Steeven	ABOUNA YANGUI	Head of the Expenditure Department
HAITI	Jacques	NELSON	Head of the Treasury Department
HAITI	Jean Will	LAMOTHE	Deputy coordinator for the accounting headings and the accounting standardisation
HUNGARY	Jozsef	DANCSO	President of State Treasury
HUNGARY	Adam	NAGY	Head of Cabinet
HUNGARY	Janos	SALGO	Interpreter
KUWAIT	Jamal	ALSAHLY	Management Controller
KUWAIT	Abdulrahman	ALSAGHEER	Head of the Income Department
MADAGASCAR	Fahateloniana Solofo	ANDRIANOMENJAN AHARY	Representative within the General Treasury of Antananarivo
MADAGASCAR	Njaka	RATSIMBAZAFY	Treasury Inspector
MADAGASCAR	Tianamandimby	RAJAONARIVONY RAMANOEL	Head of the Public Accounting Department
MALI	Sidi Almoctar	OUMAR	National National Director of Treasury and Public Accountancy
MALI	El Hadj Moustaphe	DOUMBIA	Head of the Control Department
MALI	Mahamane Tiambou	H AidARA	Treasury General Paymaster
MALI	Aminata	SOW	Central Accounting Officer of Treasury



<b>Pays</b>	<b>Prénom</b>	<b>Nom</b>	<b>Fonctions</b>
MOROCCO	Lotfi	MISSOUM	Head of the Control, Audit and Inspection Department
MOROCCO	Amal	TAHRI	Head of the State Finance Department
MOROCCO	Mohammed Redouane	BEGDOURI ACHKARI	General Treasurer of Fes
MOROCCO	Mohammed	BOUAOUDA	Head of the Expenditure Regulation and Accounting Department
MAURITANIA	Idrissa	NIANG	Deputy General Director of Treasury and Public Accountancy
MAURITANIA	Mohamed Said	OULD AHMED	Head of Studies and IT Department
MAURITANIA	Mohamed El Mokhtar	BALLATY	Treasury General Paymaster
MAURITANIA	Moctar Salem	OULD AWFA	Head of the Accounting Centralisation Department
NIGER	Gambo	SOULEYMANE	Treasury Receiver General
NIGER	Assoumane	ADA	Treasury General Paymaster
NIGER	Noufou	ABARCHI	Central Accounting Officer
NIGER	Abdoul	M'BAYE	Technical Advisor
POLAND	Tomasz	ROBACZYNSKI	Head of Department
POLAND	Piotr	DRAGANCZUK	Deputy Director
CAR	Gatien	YAMOKOY	General Director of Treasury and Public accounting
CAR	Achille	TONO	Technical adviser
DRC	Adolphe	BILOLO KANGODIE	Head of the Public Accounting Department
DRC	Raphael	LAMIEL LAMY	Director of Treasury and Scheduling
DRC	Angelique	NZEBA TSHIPADI FUTA	Head of Department
DRC	Harcel	KINSEMI YALALA	Assistant of the Director of Public Accountancy
SENEGAL	Daouda	SEMBENE	General Director of Public Accounting and Treasury
SENEGAL	Amadou Birahim	GUEYE	Director of Public Accounting

<b>Pays</b>	<b>Prénom</b>	<b>Nom</b>	<b>Fonctions</b>
SENEGAL	Abdoulaye	SAMB	Coordonnateur de la DGCPT - Coordinator
SENEGAL	Amadou Bousso	FAYE	Head of the Modernization and Strategy Department
SENEGAL	Abdoulaye	FALL	Treasury General Paymaster
SENEGAL	Serigne Amadou	SEYE	Head of the Internal Control Department
SENEGAL	Bassine	THIARE	Head of Department
SENEGAL	Amy Rosalie Gomis	MBAYE	Head of Department
SENEGAL	Adama Racine	SOW	General Treasurer, Central accounting Officer
SENEGAL	Léopold Abba	DIATTA	Representative of the Treasury General
SENEGAL	Cheikh Moussa	CAMARA	Paymaster for Foreign Countries
SENEGAL	Abdou	SEYE	Representative of the Paymaster for Foreign Countries
SENEGAL	Cheikh	NDIAYE	Head of the Local Public Sector
SENEGAL	Amadou Tidiane	GAYE	Head of the Parapublic Sector
SENEGAL	Coumba Awa Odette	NGOM	Head of department
SENEGAL	Galy	SARR	Technical Advisor
SENEGAL	Bassirou	TALL	Technical Advisor
SENEGAL	Alassane	DIA	Senior Treasury Inspector
SENEGAL	Moussa	TOURE	Regional Paymaster of Kaolack
SENEGAL	Babacar	CISSE	Head of the Public Debt Department
SENEGAL	Souleymane	SENE	Head of Department
SENEGAL	Ramatoulaye Gadio	AGNE	Treasury Receiver General
SENEGAL	Mamadou Oumar	BOCOUM	Accounting Officer for major projects
SENEGAL	Gorgui	FALL	Head of the Economic and Statistics Studies Department
SENEGAL	Saloum	DIOP	Head of the IT Department
SENEGAL	Ibrahima	TOURE	Tax collector of the municipality of Dakar
SENEGAL	Moussa	NIANG	Senior Treasury Inspector
SENEGAL	Marguerite Ndew	CISS	Head of Department
SENEGAL	Mame Diama	DIOUF	Representative of the General Paymaster

<b>Pays</b>	<b>Prénom</b>	<b>Nom</b>	<b>Fonctions</b>
SENEGAL	Ahmadou Bamba	TINE	Treasury Inspector
SENEGAL	Abdou	DIOUF	Treasury Inspector
SENEGAL	Virginie Dora	DIOUF	Head of Department
SENEGAL	Astou Guèye	DIALLO	Head of Department
SENEGAL	Ousmane	SIDIBE	Treasury Inspector
SENEGAL	Baidy	NIANG	Head of Department
SENEGAL	Sokhna Mbaye	DIOP	Tax collector of Guédiawaye
SENEGAL	Mamadou	DIOP	Paymaster of Rufisque
SENEGAL	Amoro Ntaby	BADJI	Senior Treasury inspector
SENEGAL	Fatimata Baba	WONE	Head of Department within the General Treasury Paymaster
SENEGAL	Aida Mbène	TOP	Tax collector of Dakar-Plateau
SENEGAL	Ibrahima	DIEME	Head of the Administration and Staff Department
SENEGAL	Abdou Khadre	DIALLO	Regional Paymaster of Diourbel
SENEGAL	Mamadou Ibrahima	LY	Regional Paymaster of Thiès
SENEGAL	Ndèye Arame	FALL	Representative of the General Paymaster of Treasury
SENEGAL	Marième	GUEYE	Head of Departement
SENEGAL	Diégane	THIAM	Tax collector of Dakar-Bourguiba
SENEGAL	Maxime Déthié	SENE	Head of Communication and Protocole Department
SENEGAL	Ibrahima	DIOP	Head of the Center of Improvement and Professional Training
SENEGAL	Amy	DIONE	Treasury Inspector at the Economic and Statistics Studies Department
SENEGAL	Emanuel	GOMIS	Head of Department at the Treasury General
SENEGAL	Mamadou Doudou	SY	Head of office at the Public Debt Department
SENEGAL	Serigne Mbaye	NDIAYE	Treasury Inspector at the Modernisation and Strategy Department
SENEGAL	Aminata Diack	THIAW	Technical Advisor of the General Director
SENEGAL	Mbaye	NDIAYE	Technical Advisor of the General Director
SENEGAL	Mamadou Yaké	BA	Head of Departement
SENEGAL	Aboubakry	BOCOUM	Treasury Controller
SENEGAL	Chérif Habidine	BA	Treasury Inspector

<b>Pays</b>	<b>Prénom</b>	<b>Nom</b>	<b>Fonctions</b>
SENEGAL	Cheikh Tidiane	DIOP	Secretary General of the ministry of Economy, Finances and Planification
SENEGAL	Ibrahima	GUEYE	Director of the Central Directorate for Public Procurement
SENEGAL	El Hadj Bassirou	GAYE	Regional Paymaster of Ziguinchor
SENEGAL	Gabriel Abdel Kader	ATTIBA	Regional Paymaster of Fatick
SENEGAL	Mouhamadou	THIAM	Regional Paymaster of Saint-Louis
SENEGAL	Chérif El Ayouba	CISSÉ	Regional Paymaster of Tambacounda
SENEGAL	Mame Alassane	DIAGNE	Regional Paymaster of Kolda
SENEGAL	Vieux Malang	DIEME	Regional Paymaster of Louga
SENEGAL	Bara	SECK	Tax collector of Dakar- Port
SENEGAL	Abdou Lahat	LÔ	Tax collector of Pikine
SENEGAL	Chérif	GAYE	Controller of financial operations
TOGO	Mashoud Yérima	AMADOU	General Director of Treasury and Public Accountancy
TOGO	Bidénam Gnimtètè	ALLOUKY	Head of the Monetary and Financial Affairs Department
TUNISIA	Noura	DOUGUI	General Paymaster
VIETNAM	Quang Dau	TRAN	Deputy Head within the International Cooperation Department
VIETNAM	Hoang Nam	VU	Deputy Director of the Expenditure Control Department
VIETNAM	Thi Thuy	DANG	Deputy Director General of Vietnam State Treasury
VIETNAM	Thi Ngoc Anh	NGUYEN	Directeur adjoint-Ressources Humaines Deputy Director of HR Department

<b>Organisation Internationale</b>	<b>Prénom</b>	<b>Nom</b>	<b>Fonctions</b>
EXPERTISE FRANCE	Joëlle	LOYER	Deputy Head of the Public Finance Department
IMF	Bruno	IMBERT	Technical Adviser
PÔLE DAKAR	Laurence	JACQUET	Coordinator
PÔLE DAKAR	Serge	RAMANGALAHY	Regional Advisor in Budgetary implementation, Accountancy and Internal control

<b>Secrétariat général</b>		
Secretary-General	Didier	CORNILLET
Auditor	Laurent	ROUSSEAU
Adviser	Thierry	MOUGIN
Adviser	Clément	CARRUE
Adviser	Cristel	VOLPI