

Financial control and its role in the performance of public institutions and companies

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Abstract:

For several years now, Morocco has been engaged in a vast modernization project aimed particularly at modernizing the country and accelerating its rate of development.

So the executive power oversees the execution of public spending through solid institutions in order to place Morocco on the path of the new public financial governance

That is why it is multiplying to a variety of organizations with moral personality and financial autonomy, this shows that the power of public finances is more widespread today, and the thing that explains the broad meaning of the expression: public finances.

Financial control by the state over public institutions and companies is a crucial step, which allows the state to ensure that the allocated budgets are used effectively and efficiently, so that public institutions can achieve performance.

Key words: Corporate governance, Public institutions and companies, Control, Financial performance

I. INTRODUCTION

The modern State alone is no longer able to ensure the enormous tasks which assign to it the satisfaction of the common interest of the national collectivity of which it is the representative, for this reason it is multiplying to a variety of bodies having the moral personality and the financial autonomy, to which it entrusts some tasks of general interest this shows that the power of public finances is today more widespread, the thing that explains the broad meaning of the expression: public finance.

The responsibility of the public authorities for the tasks of general interest does not only meet economic and social objectives, but also to a political concern of the State, that of ensuring its authority and justifying its Continuity and legitimacy.

The budget is the instrument that can be put at the service of its multiple purposes.

The current government cannot function without finances, since they must make revenues and expenditures in order to achieve the objectives they have set for themselves.

This taking over of large sectors of economic and social activity by public bodies, and in particular by the State, requires the mobilization of significant financial resources. These means, which are partly constituted by taxes levied on taxpayers, must be used to finance the programs to be carried out, without being wasted, thus justifying the existence of careful regulation of revenue and expenditure transactions (general tax code, code of recovery of public debts). That is why legislators have adopted public accounting regulations and texts to guide budgetary and financial action.

Similarly, the concern to preserve so-called public funds prompted legislators to put in the hands of the public institutions that use them (public funds) the means to control their jobs. This explains why control will take place not only within the public body, but also within private bodies receiving public financial assistance.

There is a variety of public finance supervisory bodies: the first encompasses bodies external to the administration having some independence, the second category consists of supervisory bodies integrated into the administration in particular public institutions. At this point questions should be asked:

II. WHAT ARE THE BODIES OF THE STATE'S FINANCIAL CONTROL?

III. HOW DOES THIS CONTROL WORK?

The organs of internal control in the administration depend on the Ministry of Economy and Finance, which is responsible for major budgetary and financial matters, it is through this

ministry that the finance bills are prepared, it ensures their execution and control and it must give its approval for all measures that have a direct or indirect financial impact.

The Moroccan Ministry of Economy and Finance, as it stands today, controls in addition to the revenue and expenditure of the State, the operations carried out by the decentralized authorities or by anybody benefiting from the financial assistance of the State or another public authority.

The financial power of the Ministry of Finance is also measured by the development of the means of control between which the general inspection of the finances and the financial control. It also holds under its authority the body of public accountants who play a significant role in the implementation and control of the budget through its various means, the Ministry of Finance can intervene at any stage of the implementation of the budget and thus plays a major role in the control of public finances.

Traditional budgetary controls are classified either according to their nature (political, jurisdictional or administrative) or according to their position in relation to the audited bodies: internal, external.

In general, however, budgetary controls are one or other of the instruments available to the State and public bodies to help them clarify their financial management by submitting them to some regularity.

IV. EXTERNAL CONTROL

The organs of state control in the administration enjoy a relative independence, the latter must not be apprehended in the absolute because they are part of a political-administrative system where a limitation is imposed on the exercise of power.

Despite these institutional limitations, external controls can still play a role in budgetary and financial matters if their actions exploit all the opportunities available to them. Two main reasons for the existence of state control are:

- They capture all public operations performed not transaction functions such as internal control.
- They have the opportunity to put into play the responsibilities of the budget enforcement officers.

External controls are exercised either in political or jurisdictional form, the former are the work of the parliament or the deliberative bodies and the latter are the responsibility of the financial judge.

V. INTERNAL CONTROL

Inter-administrative checks on the implementation of the budget must meet a number of objectives, including remedying the imbalance in favor of external controls in the administration

and, above all, preventing irregularities and mistakes before they happen.

Thus different bodies of control exist within the administration some have general tasks encompassing the financial aspect this is the case of the general inspection of the administration, others are specialized in the control of the budget, it is the general inspection of the finances, the control of commitment and the expenditure and the body of the public accountants (accounting control by the general treasury of the kingdom).

The inter-administrative budget control process links authorities which are an integral part of the Ministry of Economy and Finances and which keep under its authority the internal administrative controls which are three in number: CCS the Control of commitment and spending (expense) which is the financial control, FGK The Finance general of the kingdom which is the accounting control and control of the general financial inspection and all these controls constituted by the administrative means to control the budget implementation process, each means of control put at the disposal of the administration intervenes at a certain stage of the budget implementation procedure which reflects the concern to ensure that the fate of public finances and public funds is monitored within the administrations, public services by means of laws and doctrines for the performance of an effective and efficient management of the state finances.

Similarly, the functioning of public bodies is characterized by a division of tasks between authorizing officers who have the power to carry out all the transactions of entry or exit of public funds. The two functions mentioned above are carried out by means of the legislation in force. This segregation of the two functions is one of the rules of public accounting which aims at delimiting each action of each party within the framework of a division of work.

Inter-administrative control was established in Morocco before the colonial era, during the time when the country had instituted a body of "Oumanas", public control was governed by Muslim rules governing the organization of public funds. These rested on the body of the Oumanas (amine plural). The latter are recruited from among the noble merchants who applied to the state finances the accounting rules in use in their profession (commerce) and answer by their own fortune for the sincerity of their management. The Oumanas were placed under the direct authority of the Amine El Oumanas, which acts as finance minister.

- The Amine Eddakhl: (Amine of revenues) responsible for the recovery of state revenues.
- The Amine Elkharaj: (Expenditure Amine) responsible for the payment of state expenditure

- Amine Elhassab: Who was in charge of the accounts and controlled the accounting transmitted by the oumanas.

In the absence of precise budgetary rules the oumanas applied rules of revenue and expenditure often disparate.

Moreover, the traditional Moroccan public ethic derives its origins from the Muslim administrative organization when the Sultan of the Amir surrendered several Wali assisting him to exercise his duties as protector of believers against abuse. In this respect we find the Wali of Alkadae (Minister of Justice) the Wali of the Hisba (Financial Control Authority) and the Wali of Al Madhalim (Ombudsman).

This previous organization modernized under the influence of the colonial passage through Morocco, the latter instituted control bodies that operate according to procedures, subject to legal texts.

Internal administrative control takes two forms:

- The hierarchical control is the work of any head of the Executive Administration in particular the Secretary General and the Directors.
- The General Inspectorate is directly attached to the Minister and informs him regularly about the operation of the services.

It is also responsible for examining any request entrusted to it, for carrying out any inspection, investigation or study.

The control by means of inspection may relate to the operating conditions of the services. It may also be a check of regularity.

The control of Public Finance takes several forms. It is prioritized and posteriori, and covers the various categories of public services. The concern for good management of public's funds led especially the ministry of finance to extend control along the circuits of expenditure and revenue of public services

The GIF is now active to get out of control, mainly tax collectors. It organizes its work in a wider and more balanced field, which includes more and more administrations and public institutions.

Priority control is exercised by accounting officers and financial controllers placed with public administrations and institutions.

The control of Finance is also exercised quite strongly by the Budget Directorate and by the Control of Expenditure Commitments.

The reform of the Directorate of Public companies and privatization in 1978 and the 2003 project were aimed at

reducing the burden of financial control on commercial and industrial public companies.

These laws organizing the operation and implementation of the budget and those relating to its controls have undergone several reforms that have affected the substance and the form of each State function and the control of public finances and that in particular is involved and is also the subject of several reforms aimed at modernizing it.

Internal control in the administration of consists of three authorities which are internal administrations in the Ministry of Economy and Finance in particular the CCE and financial control, the FGK which ensures the control of the body of public accountants and which practices accounting control and general financial inspections. Being organized from the following achievement:

Commitment and expenditure control should control the initiation of the authorizing officers' expenses and should give its approval so that the scheduling can take place, once the order of expenditure or revenue is received by the public accountant, the latter should in turn check the legality and regularity of this order before committing or making any money or generating revenue, on behalf of the public treasury, these public accountants are in turn controlled by the FGK with which they must make an accounting report.

The general financial inspection carries out a control that succeeded the two controls that were initially applied to public funds.

In a context of international administrative modernization, public authorities have been forced to follow a pace of development of administrative management, in a constantly evolving international context, the thing that has pushed administrative and political powers to make changes in the system of management of public affairs as a whole by introducing decrees and legislation as part of an administrative reform aimed in particular at the modernization and adoption of public management at an international rate of modernization, this is due to the gradual implementation of results-based management within the various departmental departments and also within the public institutions in order to make available to them a new management tool aimed in particular at achieving effectiveness and efficiency in the management of public funds.

As a result of the reforms that have made Morocco and its administrations a vast project of modernization of its services and its operating tools (scheduling, accounting and control).

Inter-administrative control has undergone some changes which have affected the position of the control against the supervised bodies. This is due to the very remarkable merging of commitment control and expenditure and the general treasury of the kingdom in the old structure, this form applies

the will of the public authorities to give more flexibility but also a huge accountability, to the authorizing officers and who must carry out their functions as part of a results-based management with the help of new management systems, which will allow through a program contract the central services and those deconcentrated and has action plans, to achieve more effectiveness and efficiency in public management.

VI. CONCLUSION

The control of public finances as it currently exists is a powerful tool to help the public authorities and to ensure the proper functioning of public funds.

To answer this concern that various controls are involved in the development and implementation of budget decisions through legislation and new management approaches to promote public management and modernize administration, while ensuring the audit and regularity of budget decisions.

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