

The Contribution Of Control Mechanisms To Improving The Reliability Of Public Financial Information In The Era Of International Public Sector Accounting Standards (Ipsas) Standards: Case Of Morocco

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Abstract

International Public Sector Accounting Standards (IPSAS) have become one of the popular tools implemented by governments to ensure transparency on a global scale. This research evaluates the contribution of control mechanisms to the reliability of public financial and accounting information in the era of IPSAS adoption and introduces the new guidelines to be put in place in order to achieve a higher level of transparency and hence reliable public financial information that is comparable with previous years and with information from other governments in the world.

Index Terms: IPSAS, control mechanisms, public financial information, public accounting information, reliability, transparency, accountability.

Introduction

The accounting figures affect relations with lenders, creditors, and investors. According to the OECD, "States are fragile when state structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their populations"[1].

Indeed, the way in which elected officials use financial information figures has been a neglected research area (Politt, 2006). Studies have highlighted that elected officials make limited use of general-purpose financial statements and reports, as they are primarily interested in financial performance in most cases. (Ter Bogt, 2004; Askim, 2007; Liguori et al, 2012).

Furthermore, politicians are also interested in financial information issued from financial reports and statements to achieve political objectives. However, agents can use information in a perverse way as far as it can be manipulated (Van Thiel and Leeuw, 2002) and misinterpreted. The manipulation of accounting information in such circumstances obscures accountability threatens the basic principles of democratic governance.

During election campaigns, politicians may attempt to inflict damage to gain political advantage (Gandhi et al, 2016), as financial performance is communicated in political circumstances characterized by power conflicts (Blau, 1964).

By the way of example, when an election campaign begins, incumbents may manipulate the figures in the annual accounts (keeping debts off the balance sheet or expenses, for instance) to show the poor results and transfer the financial burden to new politicians. Alternatively, new politicians may also be incentivized to use the information disclosed in financial reports written by outgoing elected officials to hold them accountable for poor financial results and consequently take credit for improvements.

Consequently, public sector accounting rules, independent

external audit and control by public auditors play a vital role in democracy, providing assurance, integrity of financial reporting and compliance with accounting rules.

Moreover, the abundance of accounting information and data does not imply that users interpret them correctly or wisely. The misuse of data can be encouraged by the characteristics of the accounting system or reporting, as complex rules and technical language can be misunderstood by politicians (Jones and Pendlebury, 2004).

Statement of the problem:

Faced with a considerable number of reforms that have taken place worldwide over the past decades, one of the elements of the New Public Management (NPM) has always been the wave of public financial information system reforms (Carvalho, J; Jorge, S; 2007). This wave constitutes a crucial element in improving management and decision-making processes in government institutions (Guthrie, Olson, and Humphrey, 1999).

Another commonly held belief is that the central element in this reform is the introduction of accrual accounting and the abandonment of traditional accounting systems, with the aim of providing accurate information on assets, government solvency, and the costs of public services.

In a different context, many academics argue that the adoption and use of International Public Sector Accounting Standards (IPSAS) will help the Greek government in its situation (Ian Ball, 2015). However, the benefits of IPSAS standards may take time to materialize since the current context is characterized by a lack of understanding of Greece's true budgetary situation. In such a context, the most immediate way in which IPSAS standards can help Greece is by revealing its current position and preventing it from worsening (Schumacher, Weder di Mauro, 2015).

Studies have shown that "accounting variations" remain a key feature of government financial reports (Antipova and Bourmistrov, 2013, p. 443), even in countries where Government Financial Statistics (GFS) and IPSAS have been adopted.

Several studies have conducted international comparisons regarding the adoption of IPSAS standards (Benito, Brusca, and Montesinos, 2007, p. 293; Christiaens et al., 2015, p. 158; Christiaens, Reyniers, and Rolle, 2010; Pina, Torres, and Yetano, 2009, p. 765; Pina and Torres, 2003, p. 334).

However, research on developing countries and transition economies adopting and implementing accrual accounting is still in its early stages and has mainly focused on a limited number of country-specific cases involving the adoption of IPSAS standards (Deaconu, Nistor, and Filip, 2011, p. 74; Gomes, Fernandes, and Carvalho, 2015, p. 268; Oulasvirta, 2014, p. 272).

Most studies have demonstrated that the failure of financial reporting disclosure is caused by various problems that arise during the implementation process (Allen and Sanders, 1994; Ryan, Stanley, and Nelson, 2002; Pina and Torres, 2003; Giroux and McLelland, 2003; Coy and Dixon, 2004; Tooley and Guthrie, 2007; Benito, Brusca, and Montesinos, 2007).

However, a little attention has been given so far to the reliability of public financial and accounting information after "the adoption of IPSAS standards and the control mechanisms that enable the achievement of the central objective of a true and fair view of public accounts."

Literature Review

A. Corruption Scandals

The act of reporting is an act of public civic order and a constitutional principle in Morocco and is recognized in systems of good democratic governance. The transparency of public finances in the world is deplorable, public management in all countries is characterized by

dysfunction and waste in varying degrees. Few governments escape the phenomenon of squandering public funds, with most of these countries located in North Africa, South America, Asia, Eastern Europe, Sub-Saharan Africa, and the Middle East. These countries often rely on international aid and the exploitation of natural resources (oil, gas, etc.).

Corruption hinders economic progress and delays the fight against poverty. According to a study carried out by IBO in its 6th edition, which aimed to assess the quantity and relevance of budget information made available to the public, using international standards that allow monitoring, the Moroccan public does not yet have access to detailed and timely information that allows them to participate in the budget process and demand accountability. Azzedine Akesbi, a member of Transparency Morocco, submit: "Publication and access to information are supposed to take place throughout the budgetary process, from preparation to audit." This situation encourages inappropriate expenditure related to squandering and corruption, and alienates the public from participation in decision-making, and delaying the fight against poverty and intensifies social inequalities.

Fig 1: Regional average of IBO scores, 2015-2017, Made by us based on Internationalbudget.org.

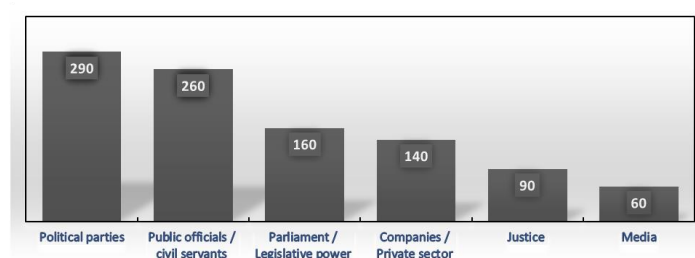
Region	2015	2017	Progress
East Asia & the Pacific	41	44	3
Eastern Europe & Central Asia	54	55	1
Latin America & the Caribbean	50	50	1
Middle East & North Africa	21	20	-1
South Asia	42	46	5
Sub-Saharan Africa	39	29	-11
Western Europe & the United States	74	73	-1
All countries	45	43	-2

The paradox is that public finance, whose focus on studying the financial transparency and the evaluation of financial and budgetary governance systems, is going through a profound teaching crisis and does not enjoy a favourable image either in the public or in academic circles. Public finance is still seen as a complex science, Even the reforms initiated in the education systems of French-speaking countries, including Morocco, have not provided public finance education for future generations to enable them, as Eric Weil says, "Taking a stand on community matters."

An IMF report states that a well-informed public "will allow better access to domestic and international capital markets and will reduce the frequency and severity of crises".

Several corruption scandals around the world have been explored over the last few decades, for instance the Rajoy government affair in Spain, the affair of the former budget minister Jérôme Cahuzac in France, the affair of governments of Honduras and Guatemala, the scandal of the former president of the United Nations General Assembly, and the recent "Qatargate" corruption scandal in the European Parliament. This means that the civil servants and elected representatives are the most corrupt (Transparency International, 2017).

Fig 2: Institution/sector perceived as the most affected by corruption, Made by us.



The Global Corruption Barometer asked people around the world to what extent they considered six key sectors and institutions to be corrupt. Political parties were perceived to be corrupt by 68% of respondents, followed by the civil service and parliament (63% and 60% respectively) [2].

Transparency is an essential tool for combating this phenomenon, and many governments have introduced reforms aimed at holding public entities to account. Therefore, transparency is paramount to prevent corruption (De Mingo, Cerrillo-i-Martinez, 2018).

However, making information available is important, but not sufficient. Transparency refers to the availability of information, but not to its quality.

Therefore, to achieve the ultimate objective, information must be understood by the general public (Naurin, 2010), which refers to making it of good quality.

However, Cardinal Richelieu claimed that "finances are the lifeblood of the State", which must be kept hidden from the public. On the other hand, the French Declaration of Human Rights of 1789 widened the scope of control over the rendering of public accounts by considering them to be an absolute right of citizens, since public financial information makes it possible to better decipher a society. "Tell me who you tax, how you spend, and I'll tell you what kind of society you reflect".

Financial and accounting information involves several actors: politicians, bureaucrats, consultants, and the general public. The Changes that affect this information can be dictated and/or controlled by fund providers such

as the International Monetary Fund, the World Bank, etc. The recent crisis affecting Europe has led to the emergence of a new fund provider, the Troika, whose provide financial support to eurozone member states in need. For Instance, Greece, which is an example in the fact that it made a change in its public accounting standards during the crisis period resulting from the concealment of the poor quality of financial information on the budget deficit and public debt. (Sandra C &Sotirios K, 2015). The memorandum of understanding (MOU) between the government and the Troika included the requirement for reforms aimed at financial consolidation and the modernization of budgeting systems and financial information systems.

The principle of transparency applies to financial and accounting information published by governments. Improving the quality of this information is the subject of several debates linked to the use of the international accounting standards or accrual accounting. As a result, International Public Sector Accounting Standards (IPSAS) and the accounting based on an accruals basis are the tools that provide at time "t" (Benito et al, 2007; Wang, 2002) reliable, comparable, and exhaustive financial information. Many studies (Ball, 2012; Bergmann, 2012; Caba-Pérez and Lopez-Hernandez, 2009; Cohen and Karatzimas, 2015) have argued that public accounting reform can bring several benefits in terms of transparency and accountability.

Ricardo (2014) argues that using accrual accounting and IPSA increase trust in public-private partnerships. This means that IPSAS are a major constraint of corruption because it can disclose reliable financial information in a timely manner (Benito et al. 2016). The reliable information generated using IPSAS enhances public participation in the management of public money and consequently the fight against corruption. Even Cuadraro-Ballestrosand al (2019) find that the adoption of IPSAS reduces the level of corruption in OECD countries because it increases the disclosure of information from politicians to the citizen.

As a result, IPSAS is a set of high-quality international accounting standards that improve the comparability and transparency of government financial reporting and ensure detailed disclosure and timely recording of transactions.

In other words, government officials are supposed to handle public funds in the best interests of citizens. However, because of their selfish attitude, these agents take an interest in information asymmetries (Rogoff & Sibert, 1988).

Guarini (2016) argues that accounting information influences how officials engage in opportunistic activities including corruption (2008).

Consequently, high-level financial disclosure allows citizens to monitor the performance of public officials (Laswadetal, 2005).

From the above, requiring high accounting disclosures and comparable information could deter public officials from engaging in bribery and rent-seeking activities (Cuadraro-Ballesteros and al. 2019). In a study carried out in 12 countries, Wu (2005) found that the number of unreported sales is a significant factor in the payment of bribes, except that audited financial statements have a negative relationship with the payment of bribes.

Indeed, the act of corruption and bribery in the public sector is less likely to occur in isolation from the private sector. As a result, accounting practices in the private sector can affect corruption in the country.

Houque and Monem (2016) find that IFRS have a positive effect on reducing corruption in developed and developing countries. Therefore, the level of accounting globalization measured by the adoption of different accounting standards could modify the relationship between IPSAS and corruption.

Vincent Tawiah (2021) argues that corruption is pervasive and hampers economic development, particularly in developing countries. Therefore, governments are continually adopting best practice and introducing standards to curb the rise of corruption. The adoption of International Public Sector Accounting Standards (IPSAS) used to control corruption. Vincent's study used a sample of 77 developing countries between 2005 and 2017 and found that adopting IPSAS reduces corruption. Despite the advantages of accrual accounting, it does not rule out the use of discretionary measures. However, it remains indispensable thanks to its high level of disclosure and its analysis, which prevent corruption.

Other analyses have found that the benefits of IPSAS are more pronounced in developing countries that have fully adopted IPSAS than in countries that have only adopted cash based IPSAS.

However, IPSAS are not a magic tool for improving government reporting; they require further administrative reforms and political commitment to achieve the desired result (Allen, 2009; Blöndal, 2003).

In this context, a study was carried out by Enrico Guarini at the City of Rome, after the elections, the new mayor of Rome publicly stated that the former mayor had left a hidden deficit due to financial mismanagement and unbalanced liabilities (Il Sole 24 Ore, 2008). The new mayor had asked the General Accounting Department to carry out an audit of the debt existing at the time of the elections to justify his accusation. The audit, carried out on 19 June 2008, confirmed a debt of 6.9 billion euros and off-balance sheet obligations of 1.9 billion euros.

Kaufman, Kraay and Mastruzzi (2010) have proposed World Governance Indicators (WGI) to present the quality of governance through:

- The process of selecting, controlling, and replacing a government.

- A government's ability to formulate and implement public policy effectively.
- Respect for citizens by government institutions.

Government institutions' respect for citizens depends primarily on the disclosure of reliable financial information (Kafman, 2010).

A study was carried out by (Enrico Guarini, 2016) with the aim of discovering to what extent the quality of governance is influenced by public sector accounting, in particular through the use of accrual accounting and IPSAS, and it was found that, despite doubts about accrual accounting and IPSAS (Blöndal, 2002; Barton, 2009), both have had a major impact on transparency and accountability (IFAC, 2003; Bell, 2009). They are also invaluable for decision-making (Sutcliffe, 2003), as they guarantee quality information (Kopits, 2003).

When quality information is assured, the quality of decision-making is improved and consequently the quality of governance will improve (Lee & Whitford, 2009; Charron Dijkstra & Lapuente, 2014).

B. Theories

As there is insufficient literature on control in the public sector, it is appropriate to base our research on the theories already developed (Hay and Cordery, 2018).

Agency Theory: Agency theory has been developed to explain financial reporting and the control and audit issues in previous public sector studies (Baber, 1983; Bradbury & Scott, 2015; Payne, 2015; Zimmerman, 1977). One of the techniques for which control and audit are useful is to reduce agency costs. When one party, usually referred to as the "Principal", delegates power to another party, the "Agent", has a greater incentive to spend money for his own benefit (Wallace, 1987). If nothing is done to avoid or at least limit these risks, the principal will avoid committing to projects. It should be remembered that agency relationships in the public sector are more complex than in the private sector because they contain several levels of relationship. Moe (1984, p.765) states that: "Public relations are loosely converted into terms of principal and agent, citizens are the principals, politicians are their agents, politicians are the principals, bureaucrats are their agents. As a result, government organizations are likened to a simple chain of principal-agent relationships. From citizen to politician". As a result, there are many more agency relationships in the public sector than in the private sector, and many more reasons why control is necessary. Citizens need to hold politicians to account, Parliament needs to keep an eye on government, and government needs to keep an eye on bureaucrats. The asymmetry of information between the principal and the agents destabilizes relationships and can be mitigated by control.

Insurance 'deep pockets': Stakeholders demand audits to enable them to take legal action against the auditor if they need to recover investment losses (Chow, 1982). Wallace (1980) suggests that an audit in the public sector can provide 'political insurance' whereby the government can use the auditors to take some of the blame for mismanagement. Few studies deal with this impact in the public sector, so it would be useful to undertake further research in this area.

Management control: Abdel-Khalik [3] (1993) has shown that the private company is likely to choose an audit voluntarily when it has more hierarchical levels. While the primary purpose of auditing a public entity is not to provide information, it does provide assurance about what is happening in the far corners of the entity.

Corporate Governance: Audit is an important element of corporate governance for organizations whose stakeholders are subject to high risk. Corporate governance is now a feature of NPM (New Public Management) (Ellwood & Garcia-Lacalle, 2016). Indeed, most studies equate audit committees with better quality auditors (Hay, Stewart, Botica Redmayne, 2017).

Confirmation: Corporate announcements such as earnings announcements have a limited impact on share prices (Ball, Brown; 1968). As a result, the publication of detailed, audited financial information is considered less important than price-sensitive information. According to the confirmation's hypothesis, audited announcements that relate to the past financial position are useful to control for prior unaudited announcements (Ball, Jayaraman and Shivakumar, 2012). Audit is important because it makes audited and unaudited information more relevant. Nevertheless, except for Ball et al. 2012, there is no experience of the relevance of audit and control mechanisms in the public sector, so further research is needed. Bonollo (2019) observes that there is a need to theorise public sector accounting research [4]. Although auditing is governed by regulations in most governments (Bini, 2019) economic explanations of auditing are however useful to explain why auditing fills a strong position that has not been weakened by audit scandals and government reforms (Bini, 2019) [5].

Fig 3: Summary of explanations of the value of public auditing, our own research, based on previous studies.

Theories	Explanations / Private sector	Applications / Public sector	Gaps in the public sector based on previous research	Evidence of studies
Agency	Agency relations and costs are improved through control mechanisms and auditing	SAI structure (CCM) and economic performance	The use of auditing to reduce agency costs is limited.	Audit report (with amendments) ; Reports to Parliament and parliamentary committees ;
Signage	Signalling a quality audit can reduce borrowing costs/equity	The audit is an interesting signal on the bond market	Little evidence of a signal for central administration	High-quality audit reports (surveys, assessments, standards)
Insurance	The auditor has deep pockets, and stakeholders can recover any losses.	Reputation insurance	Limited experience of the role of audit in providing assurance to stakeholders	The auditor provides financial assurance.
Management control	More levels of management require more voluntary audit requests	Greater decentralisation leads to more accounting	Limited evidence of the role of audit in management control (mandatory audit)	Recommendations: stakeholder survey.
Corporate Governance	Governance and audit complement each other to reduce risk.	Governance and audit are substitutes for limiting risks	Results in contrast to the private sector	Audit committees, performance audits.
Confirmation	Unaudited information is confirmed by the audit	Not yet studied	No evidence to date	Unaudited ads.

Research questions and methodology

Empirical research analyses the issue of the reliability of public financial and accounting information focuses mainly on one of two approaches: studies examining the control mechanisms relating to the reliability of public accounting information and studies analysing the accounting practices of entities in the context of IPSAS adoption (Tudor, 2010, p. 424).

However, few studies have examined the contribution of control mechanisms to the reliability of public financial and accounting information in the era of IPSAS adoption.

In this context, we consider the following research questions:

- How the control mechanisms and bodies set up by the Moroccan government make public financial and accounting information more reliable?
- What new procedures need to be put in place when adopting IPSAS to provide reliable public financial information?

Consequently, this study has been undertaken to answer the above-mentioned question by means of a literature review (Tashakkori, Teddie, 1998).

We focus on Morocco as a case study mainly because of its demonstration potential for other developing country contexts. First,

Morocco is a fervent practitioner of a wave of public sector reforms with an intense experience of democratization. Secondly, Moroccan politicians have become very ambitious in implementing public reforms, following twinning projects with major international institutions.

Findings and discussions: control institutions

A. The Inspectorate General of Finance (IGF)

Since the early 1960s, Morocco has had a tradition of centralized ministerial inspection services, inherited from the French system. The IGF was created under the Ministry of Economy and Finance to provide financial assurance on the accounts of central and local government bodies. The purpose of this cross-ministerial control and audit body is to carry out audits and investigations in many areas and public institutions (public accounts, companies owned or controlled by the State, local councils, etc.).

The IGF was originally set up to monitor the implementation of the budget. Subsequently, in addition to financial control, this body was given responsibility for monitoring the regularity of all public service operations, and for monitoring the achievement of the objectives set in relation to the resources used by public administrations, local authorities and public establishments and companies. This progression in the role of the inspectorate vis-à-vis government bodies follows the wave of public budgetary and financial reforms. As a result, the IGF has moved from the concept of verification to the concept of financial and performance audit and the judgement of public policies (OECD, 2017).

With a staff of 65 inspectors, the IGF has also been given the task of assessing and certifying the budgetary and financial management capabilities of credit managers, in line with the recent budgetary reforms. The IGF has moved away from the traditional role of auditor, which focuses more on regularity and compliance, to devote itself to assessing the relevance of budgetary actions, their effectiveness, and the reliability of the information system already in place, and to assessing the degree of risk inherent in the system and performance aspects.

In order to achieve the above objectives, the IGF has put in place accounting and financial audit standards in line with international standards in the private sector, while at the same time considering the specific features of the public sector, performance audit standards and a reference framework for assessing the management skills of authorizing officers.

Indeed, the internal audit mission that the IGF fulfils supports public governance by strengthening the principal-agent and principal-agent relationship (Hay & Cordery, 2018). As a result, Inspectors General of Finance serve public organizations by helping them and providing them with usable information rather than simply being "watchdogs" (Ferry et al., 2017).

The aim of the internal audit mission is to serve both the senior financial control bodies (Court of auditors, Chartered Accountants) and the IGF itself, by ensuring that public accounting and financial information is produced in a sound and unbiased manner, by assessing the internal control system in place and making the necessary recommendations.

In practical terms, the control of public accounts can be achieved through an accounting and financial audit, with the aim of issuing an opinion on the fairness and accuracy of the financial statements of the State and government organizations.

It should be remembered that prior and accompanying controls are carried out by the Minister of Finance via IGF auditors. Subsequent audits are carried out by the Court of the Auditors and Parliament.

B. The Inspectorate General of Territorial Administration (IGAT)

Governed by decree no. 2-94-100 of 16 June 1994 on the special status of the Inspectorate General of Territorial Administration of the Ministry of the Interior.

Its mission is to:

- 1) Checks and verifies the administrative, accounting, and technical management of the services provided by the Ministry of the Interior, local authorities, and their groupings.
- 2) Carry out inspections in the provinces and prefectures on the instructions of the Minister.
- 3) Auditing the financial and accounting documents of local authorities (regions, prefectures, provinces, municipalities, and their groupings).
- 4) As part of the coordination between the Court of Auditors and the other audit bodies, any civil servant may be appointed by decision of the First President of the Court of Auditors to take part in audit missions, subject to the agreement of his hierarchical superior.

C. Parliament

The normative theory of representative democracy holds that power resides with “the people”, who delegate their responsibilities to representatives to act on their behalf. In a complex organization, this delegation of responsibilities is more necessary when there are many constituents and the tasks entrusted to the agents are complex. When the group contains a very large number of members, such as a province, a city, a country. The population will have no choice but to elect a few representatives who will take decisions on its behalf.

Mannanig and Stapenhurst summarise the existing literature and state that legislative bodies perform three important functions: Firstly, the

formulation of policy and the adoption of laws. Secondly, the representation of citizens. Thirdly, monitoring and controlling government action, specifically with the ability to demand accountability [6]. This is indeed the mission of control.

It is important to note that notwithstanding the growing interest of researchers in legislative control, specifically its dimension relating to the strengthening of parliamentary power, there is no consensus on the definition of its control mechanisms. Schick (1976) suggests that control consists of ex post monitoring of the policies and programs implemented by the government. Maffio (2002), on the other hand, insists on a logic that does not exclude ex ante oversight [7].

A study carried out by (Imbeau, Louis, Stapenhurst, Rick, 2019) with a view to expressing an opinion on the parliamentary control capacity of French-speaking countries, according to statutes (mandate, members, quorum), practices (public nature of proceedings, scheduling of activities, access to witnesses, fate of the report, follow-up to the report) and resources (human resources dedicated to finance committees, financial resources, supervision of members, use of external expertise).

Although Article 90 of the Rules of Procedure of the House of Representatives stipulates that the chairmanship of standing committees may only be held by representatives of the opposition. Morocco ranks below average in terms of the index of parliamentary control according to practices and statutes.

This low yield will be tempered by the resources from which Morocco is harvesting an advanced score.

However, one of the aims of the accounting reform in question is to rewrite the relationship between parliament and government by increasing parliamentarians' powers of control. As this reform is largely inspired by a business philosophy, control will be based more on a logic of results rather than means, which is more like being interested in the amount of credit allocated.

In the Kingdom of Morocco. As has been acknowledged, the prevailing logic was purely retrospective. The main purpose of the General State Account appended to the Settlement Act submitted by the executive to Parliament, which led to a declaration of compliance by the Court of Auditors, was to check whether budget implementation was in line with parliamentary authorization. The main purpose of this was to check whether budget implementation was in line with parliamentary authorization, to ensure that it did not differ too greatly from the authorizations given. Parliament could therefore hold the government to account. However, this control alone is not sufficient to verify the proper execution of public finances.

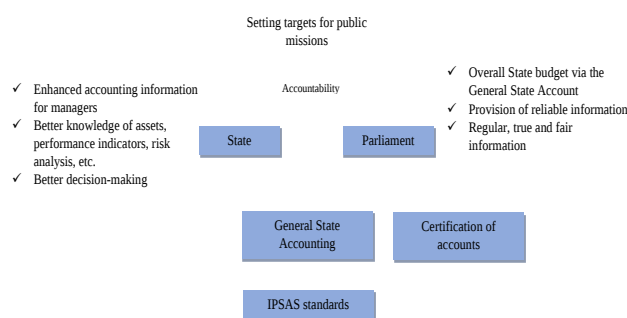
The organic law relating to the finance laws marks a consequent change in the control of public finances by Parliament and hence in the process

of formalizing public financial and accounting information. It is seen as a move towards providing Morocco with a new financial constitution. The LOLF (Organic law on Finance laws) confirmed the executive's monopoly on the budgetary process. The executive's main concern was flexibility in the execution of the budget, while the parliament's main concern was the creation of reliable financial and accounting data that would enable it to discuss and influence the debate on policy objectives.

The IPSAS standards redefine the State's financial statements, and Morocco has made a commitment to go beyond the philosophy of reporting and compliance with parliamentary authorization in favour of a decision-making accounting system that makes it possible to rationalize the choices made by the government and decision-makers. The information contained in the State's general accounts is thus enriched to enable an assessment of the room for manoeuvre allowed by public finances and the consequences of political choices.

Parliament has several bodies that participate directly or indirectly in the control of public financial information. These bodies may be internal or external to Parliament. The main extra-parliamentary body is the Court of Auditors. As for the internal bodies, they are numerous and specific to each of the chambers. These audit bodies are mainly standing committees on public finance audit, parliamentary committees of enquiry, fact-finding missions, and temporary exploratory missions [8].

Fig 4: The process of accountability and reporting after IPSAS adoption, Prepared by us.



Parliamentary committees of enquiry are governed by the provisions of Organic Law No 085-13, pursuant to Article 67 of the Constitution. These committees may be set up on the initiative of the King or at the request of members of the House of Representatives or Councillors to gather information on specific facts. The Chairman and the Rapporteur of the said committee are vested in the opposition, the work of the committee ends with the submission of the draft report for deliberation, within a period of 6 months the report must be submitted to the Constitutional Court for a ruling.

The Standing Committees on Public Finance, as the main parliamentary body dedicated to controlling the management of public funds, play an ambivalent role. Indeed, the mission of this body depends heavily on the reports issued by the various bodies as well as those drawn up by the constitutional institutions, and its work only takes place once the sectoral budgets have been implemented. Moreover, its main tasks include controlling and monitoring public spending, as well as examining thematic reports from the Court of Auditors and legislative texts relating to the control of public finances.

To sum up, the LOLF (Organic law on Finance laws), with its two budgetary and accounting facades, is likely to profoundly modify Parliament's control mechanisms.

D. The Court of Auditors

Like the supreme audit institutions of the jurisdictional type, the Court of Auditors has the ultimate objective of safeguarding a particular financial public order by auditing public organizations. The Court of Auditors is therefore a symbol of accountability. It is therefore there to serve citizens by providing them with information on how public money is managed by public administration officials.

The control function is the founding function of the legitimacy of the Court of Auditors, even though the notions of responsibility and accountability are at the heart of its missions. It is for this reason that the act of rendering an account is an act of public order that is widespread in systems of good governance, and which has constitutional value in Morocco.

Furthermore, the act of producing the accounts has its historical origin in the act of producing the account *a priori* by the public accountant to the Court of Auditors; this is an act that precedes and justifies the *a posteriori* intervention of the Court of Auditors, assimilated by the literature to the act of compulsory tax declaration. In fact, this act does not exclude authorizing officers, public managers and the agents who are subordinate to them.

As a constitutional institution, the Court of Auditors is responsible for overseeing the implementation of the Finance Acts, aiding Parliament, and the Government in the areas within its remit, auditing the expenditure of political parties, making compulsory declarations of assets, and certifying the accounts of projects funded by international organizations.

Although it collaborates with both, the Court of Auditors maintains its independence from the legislative and executive powers, which gives it an advantage in being awarded the task of auditing the accounts and financial statements drawn up in accordance with the new IPSAS standards.

In fact, the quality of accounting and financial information is a decisive concept in public management. It aims to provide managers with reasonable assurance of compliance with standards to achieve the objectives of regularity, fairness and a true and fair view of the financial position and assets. However, although IPSAS require entities to prepare financial statements similar to those of companies, they do not replace the traditional principle of budgetary control.

As a result, the public control bodies, the Court of the Auditors in Morocco's case, retain their role as guardians of the budget but are also given an additional role of supervising and auditing the financial statements based on IPSAS standards. These standards are accompanied by a series of measures designed to strengthen traditional means of control by introducing audit and internal control practices that are well known in the business world. In this way, IPSAS have the advantage of promoting the transparency and relevance of public accounts. As it will no longer be possible to defer charges for more than a year, even if it means passing the responsibility on to the next people in charge.

It is true that IPSAS allow the accounts to be relevant, which in turn provides decision-makers with all the information they need to make decisions, but it is also the audit standards that will strengthen a posteriori control in order to reinforce the benefits of a priori control. As a result, IPSAS promote good governance by providing a single framework for information and analysis of government accounts that can be understood by all stakeholders.

The Court of Auditors plays a decisive role in improving the reliability of public financial and accounting information by reserving the right to certify the State's accounts, in addition to its reports, which are an important source of information for the Government, Parliament and the general public.

The twinning project between the TGR and the DGFIP lasted 24 months, with the aim of exchanging information on various areas of interest, the new public financial management that the 2015 LOLF (Organic law on Finance laws) intends to promote, which is based on the development of accounting logic through the introduction of the principle of the fairness of accounts, and which is intended to be structured around the State's new accruals-based accounting system.

It is worth remembering that the TGR had initiated the project to draw up public accounting standards in line with international standards well before the adoption of the LOLF (Organic law on Finance laws). These standards were validated by the National Accounting Council.

In addition to this project, the Court of Auditors has also made efforts in this direction, in the knowledge that the certification of the State's accounts is a milestone in the chain of reform of public finance management and a reinforcement of the constitutional provisions calling

for transparency and the principles of good governance and accountability.

the Court of Auditors has also benefited from a two-year Morocco-EU twinning arrangement, with a view to benefiting from foreign experience in the exercise of its new responsibilities introduced by the 2011 Constitution and the 2015 LOLF (Organic law on Finance laws). This project focuses on three areas: certification of government accounts, monitoring of the implementation of finance laws, and performance auditing.

On the other hand, the mission entrusted to the Court of Auditors constitutes a major challenge that calls for the convergence of the efforts of all public administrations. In this respect, the Court of Auditors has, over the last few years, had a forward-looking vision to prepare itself for this new mission, and it has carried out three important missions from 2019 onwards:

Assessing the internal control and internal audit systems of the various ministries.

Evaluation of the information systems of the Ministry of the Economy and Finance

The introduction of general State accounting.

In addition, the Court of Auditors, in its capacity as the body authorized to certify the State's accounts, chaired an exploratory mission in 2020 to assess the progress of the measures taken to implement the provisions relating to the adoption of the State's general accounts by the Kingdom's General Treasury, the institution responsible for drawing up the State's annual accounts.

Then, in accordance with the provisions of article 69 of the LOLF (Organic law on Finance laws), the General Treasury of the Kingdom transmitted to the Court of Auditors on 27 May 2022 the balance sheet and other financial statements as well as the evaluation of off-balance sheet commitments for the year 2020. the Court of Auditors is thus carrying out the due diligence required by the certification mission.

Control Mechanisms

Accounting and financial information systems are called into question when scandals or financial crises erupt. This reality applies to both the private and public sectors, For instance, the oil broker and the Italian firm PARMALAT. For public organizations, the New York financial crisis illustrates the colossal damage caused by shortcomings in public financial reporting. In the early 1970s, New York's finances were in disarray because of spending excesses covered by excessive debt in a context of severe crisis. The accounting system in place suffered from shortcomings in terms of the accuracy of revenue and expenditure.

In addition, the introduction of IPSAS is likely to have a positive effect on the State's financial information, which will enable stakeholders, in particular citizens, Parliament, economic partners, and international organizations (IMF, WB, etc.), to assess the government's actions and the choices it makes. As a result, all actions will be reflected in the public accounts and compared with those of other countries and entities.

As a result, the control of public money is seen as a democratic phenomenon. This control was supported by the French Declaration of the Rights of Man and of the Citizen of 1789, which stipulates in Article 14 that "All citizens have the right to ascertain, themselves or through their representatives, the need for public contributions, to consent to them freely and to monitor their use", and Article 15 of the same Declaration stipulates that "society has the right to hold any public official accountable for his administration". As well as the 2011 Constitution, which made the Court of Auditors "a protector of the principles and values of transparency and accountability within the apparatus of the State and public bodies".

Following the constitutionalizing of the Court of Auditors, citizens who are both users of public services and taxpayers must be regularly and fully informed about everything to do with governance and the management of public funds.

In the language of INTOSAI, the value of responsibility relates to the legal aspect that governs the audit institution and the way it carries out its functions. This covers the scope and nature of its competences, the conditions under which they are implemented and its capacity to be a unique, credible, and objective source of public information. These aspects relate to the strategic and operational planning of work, working methods such as the development of strategies based on international accounting and auditing standards, techniques for gathering and analysing information, and communication rules and strategies (Hamid Daoudi, 2018).

The XX1st INCOSAI (Beijing, 2013) endorsed the standard that deals with the usefulness of audit work, specifying that the impact of auditing must be felt in the lives of citizens. To achieve this, auditors must demonstrate the ability:

- To exercise adequate oversight of the rendering of accounts by acting in a professional manner.
- To conduct relevant audit activities.

Consequently, aligning with the global public sector accounting framework by drawing on the high-quality public sector standards, 'IPSAS', is a remarkable step towards establishing a foundation of transparency and good governance. However, in order to achieve the said objective, which is the true and fair view and credible financial position of

the State, the implementation of the said standard is not sufficient without the establishment of a rigid, effective control mechanism to ensure the accounting quality of the entire information chain, and to ensure the fair application of these new standards. This requirement is reinforced by the growing demand for transparency in public finances from global organizations, donors, Parliament, and citizens.

On the other hand, the European Court of Auditors (ECA) has issued several critical opinions on the Community's Financial Regulation, and the shortcomings detected concern control and accounting. To ensure that the accounting information system covers the full scope and reality of public financial operations, the SAI recommends the implementation of IPSAS standards [9].

In General, the auditor communicates with stakeholders through the audit report. Studies conducted in New Zealand examined the audit reports for the year 2016, these audit reports received qualified opinions on the limited control of information from other parties. For example, one entity received an adverse audit opinion for failing to recognize museum assets. On their government website [10], 40 of 720 audit reports were modified, three with a disclaimer, five with an adverse opinion and 32 with a qualification (Controller and Auditor-General, 2016). However, there is evidence that committees find audit reports interesting, these committees include parliament and the range of constituents to whom government is accountable under the agency relationship.

At the time of the financial reforms of the New Zealand public sector, the directors of public institutions and companies defended the idea of having to choose audit firms from among the "Big 8" in order to give them credibility in the financial field.

After adopting IPSAS [11], audits of the New Zealand sector resulted in favourable ratings from Moody's, Fitch and Standard & Poor's, and higher interest rates for bank deposits (Chaston, 2017; Gibson, 2014).

As far as the Kingdom is concerned, taking inspiration from international accounting standards is an unprecedented step towards inaugurating a culture of transparency and good governance. Nevertheless, in order to achieve the desired results, the introduction of IPSAS alone is not enough without the implementation of effective control mechanisms to ensure the quality of the entire information chain leading to reliable public financial and accounting information and the correct application of these standards.

Types of control of public institutions

There are three types of state control: control exercised by the executive, in particular the supervisory ministries and the Ministry of Finance, political control exercised by Parliament and judicial control exercised by the Court of Auditors.

A. Political control

Legislative power is exercised over public establishments, particularly those that receive subsidies from the State.

Political control is applied during the discussion of the Finance Act and the general State budget, and via written and oral questions put by Parliament to the heads of public bodies or within the framework of parliamentary committees.

B. Judicial review

The Court of Auditors audits the management of public institutions. the Court of Auditors is a financial court that carries out supreme audit of Moroccan public finances by ensuring the regularity of the revenue and expenditure operations of the public bodies subject to its control, to improve public management and contribute to the improvement of financial governance.

C. Control of executive power

This control is either technical or financial:

- 1) Technical control: exercised by the ministerial department to which the public body is attached. This type of control may take the form of prior approval of certain decisions or acts relating to the sector of activity of the Public Body concerned.
- 2) Financial control: exercised mainly by the Ministry of Finance under the provisions of Law 69-00. This is an audit that focuses primarily on the expenditure of the public body concerned. There are three types of this control: a preliminary control, an accompanying control, and a conventional control.
 - a) Prior control: is the regular monitoring of the management of a public body to ensure the regularity of its economic and financial operations. This control is exercised by the Minister of Finance, a State Controller, and a Paymaster.
 - b) Accompanying control concerns companies in which the State or a local authority has a direct holding. It is carried out by the Minister of Finance and a State Controller. Its purpose is to check that the organization's management complies with its missions and predefined objectives, particularly its economic and financial performance.
 - c) Conventional control: exercised over companies in which the State or a local authority does not hold a direct stake and public subsidiaries. It is carried out by a Government Commissioner under a control agreement.

Control mechanisms exercised by the Court of Auditors

The main mission of the Court of Auditors is to ensure the proper management of public money and to enlighten public opinion. In fulfilling its role as an independent court, the Court of Auditors assists Parliament and the Government in their areas of competence, in accordance with article 147 of the Constitution.

To ensure the regularity and transparency of the management of public bodies, the Court of the Auditors has several financial control mechanisms at its disposal:

- 1) Auditing and assessment of accounts: The mission of the Court of the Auditors is to verify, control and judge public accounts, as well as those of public companies and establishments with a public accountant.
- 2) Instruction: The investigation begins with the appointment of a Reporting Counsel. To carry out this task, the Reporting Adviser has extensive powers of investigation. During the investigation procedure, the Reporting Adviser, within the limits of his powers, may ask the authorizing officer, the controller, the public accountant, or any other person responsible for the accounts, to provide information on the management of the public body concerned. Following his investigations, the Reporting Adviser draws up two reports, one presenting the results of the investigation of the accounts and enclosing supporting documents, the second containing observations on the management of the public body concerned. In order to verify the accuracy of the data subject to control, the first report is given to a counsellor counter-rapporteur appointed by the President of the Chamber concerned, in order to give his opinion, within one month, transmit it to the Public Prosecutor of the King, who, in turn, returns this report accompanied by his conclusions, to the President of the Chamber for inclusion in the list of hearings.
- 3) Judgement of the accounts: After examining the report, if the court finds no irregularities attributable to the public accountant, it rules on the account or the accounting situation by means of a final judgment. On the other hand, if the court considers that there are irregularities caused by the fact that the public accountant has not carried out the activities relating to the collection of revenue or the exercise of control over the validity of the expenditure that the public accountant is required to carry out by virtue of the laws and regulations in force, the court requires him, by means of a provisional ruling, to produce his justifications in writing or, failing that, to repay or reimburse the sums that it deems to belong to the public body in question, setting a deadline that may not be less than three months. If this period expires, the court may give a final ruling within a maximum of one year from the date of the provisional ruling.

- 4) De facto management: De facto management is therefore the management of public funds by a person who is not a public accountant. This violates the principle of separation of duties between authorizing officers and accountants. De facto management assimilates the de facto manager to a public accountant, who must therefore account for his management under the same conditions as a public accountant and may be sanctioned according to a specific procedure by the financial jurisdictions.

Overview of the contribution of IPSAS standards to the reliability of public financial information

It is imperative that every government works to build trust with its various stakeholders. The establishment of trust is done through effective information sharing. Governments must present accurate and complete information on their income, expenses, and other transactions, to demonstrate greater responsibility in management and thus win the trust of the public and voters. In other words, governments must present clear and complete information on the consequences.

IPSAS was introduced by the International Federation of Accountants (IFAC, 2012; 2014) through one of its standard setting boards: the International Public Sector Accounting Standard Board (IPSASB) in response to increasing calls for greater transparency and accountability in the management of public funds in the wake of the global financial crises (Ademola et al., 2017; Bello, 2001, IFAC, 2017, Schaik, 2018). Thus, the core motivation for embracing IPSAS by the government of Morocco as part of the financial management reforms was to overturn the existing weakness hampering accountability and transparency in the country.

Ademola et al. (2017) argues that the appropriate application of IPSAS standards has facilitated good financial management practices in many countries due to its tendency to comprehensively disclose all material transactions and thus highlight the financial transaction irregularities that exist within public sector institutions.

Chan (2006) indicated that it is appropriate the application of IPSAS standards in developing countries plays a leading role in maintaining high standards in the use of public funds. He stressed that IPSAS standards will remain a leading catalyst for the preparation and submission of transparent financial reports to various user groups.

Let us cite the example of Liberia, Various investigations have confirmed that disbursements were created from several bank accounts spread over various ministries, departments, and agencies, and this presented fertile ground for misuse and mismanagement of public funds and other corrupt practices (Clark, 2008). To eliminate this corruption-prone environment, where the processing of many transactions have been initiated and completed without appropriate government authorization to further

facilitate a holistic and timely reporting of the operations and the financial position of the government, the government has decided to introduce the IPSAS standards with a view to obtaining the perceived benefits acclaimed by a number of implementing countries.

Note that before the introduction of IPSAS standards, there was no recognized international standard specifically designed to guide reporting on the use of public funds by governments to interested parties (Brown, 2013; Ijeoma and Oghoghomeh, 2014; Nkwagu et al. 2016).

The lack of a recognized, credible, and high-quality international reporting framework for the public sector has led to numerous reported cases of impairments and debt defaults. for example, no fewer than 25 sovereign debt restructurings were reported between 1990 and 2011 (IFAC, 2012, Price Waterhouse Coopers PwC, 2018).

Unfortunately, most sovereign debt crises have been caused by the lack of transparent and accountable governance of resources, inefficient management of public finances, poor institutional tax arrangements and poor public sector financial reporting practices in many countries. Note the case of Greece, which after calculating its debt based on IPSAS standards, its debt burden was much lower (from 68% of GDP to 18% as net debt) (Ian, Ball; 2015)

The rapid evolution of world events requires that private and public sector institutions address crucial issues related to transparency and accountability.

Indeed, transparency and accountability in the public sector imply the responsibility of the government towards taxpayers, lenders, donors, and other resource providers who have invested their resources, their trust in people assigned to appointed or elected positions.

According to lisa (2012), IPSAS standards represent a unique institutional arrangement on which governments around the world can and must rely to protect the general public and other investors in the use of resources entrusted to them.

It is said that IPSAS-compliant financial reports provide information that facilitates good governance by guaranteeing greater transparency and accountability in the procurement and use of public funds and by making public financial information more reliable (Babatunde, 2017; IFAC, 2012). The question then is how accountability will be able to provide transparent public information?

According to Adegite (2010), accountability is the obligation on the part of the assigned agent to demonstrate that a specific task has been completed in accordance with the agreed standards and rules and that the reports provided fairly and accurately reflect the actual performance regarding the mandated roles and plans.

While Rondinelli (2007) is of the opinion that accountability occurs when government decision-makers, civil society organizations, private sector actors as well as institutional stakeholders are accountable to the public.

Murphy and Sagar (2009) explain that financial transparency manifests itself in four ways: reporting entities accurately and completely disclose all transactions, including information about the stakeholders who have beneficial ownership of the entities, the management and shareholding structure of the entities; reporting entities and the substance of their transactions in accordance with internationally recognized accounting standards; reporting entities and the substance of their transactions; the regulatory authorities having access to all the information they may need in the published financial statements; and there are no exceptions to the above three, except in cases of national security.

Lowenstein (1996) affirms that transparency manifests itself in the insistence on holding public hearings on government transactions in all government structures, opening to public scrutiny and not concealing transactions under the guise of confidentiality, obliging all public officials to file declarations of all their commercial transactions.

He argues that transparency is essential because citizens have the right to know, exhaustively, how their resources are managed.

Fig 5: Respondents average score on the extent to which IPSAS adoption leads to effective management of public funds.

	Totally Agree	Agree	Uncertain	Disagree	Strongly disagree	Average
revenue collection	21	49	4	9	0	3.99
revenue budgeting	25	33	6	17	2	3.75
amounts incurred are	10	31	12	21	9	3.14
revenue leakage	6	13	10	39	15	2.47
spending processes followed	7	34	11	30	1	3.19
kept records of public are	22	33	5	19	4	3.60
government's advance	16	27	14	18	8	3.30
s adequately represented	11	31	14	23	4	3.27
ent project grants are evaluated	32	42	7	1	1	4.24
e of public resources is used						
average						3.44

The new control directives

As we have already seen, the task of auditing public entities is assigned by the constitution to the Court of Auditors and the regional Courts of Audit, but this does not prevent these institutions from auditing the wider scope of the accounting reform and the introduction of IPSAS standards. The Court of Auditors or the institutions may call on the services of chartered accountants to assess the quality of public financial and accounting information.

A. Diagnosis of the internal control system

Internal control [12] is defined as all the organized, materialized, and permanent systems and processes defined by management and implemented by all operational staff in order to sustainably control the operation of their activities with a view to providing reasonable assurance as to the achievement of their objectives (Jacques Bernard, 2017). Accounting and financial internal control is one of the components of the internal control system in the public sector and should therefore be treated as such. Its purpose is to ensure that revenue, expenditure, and account management operations are carried out and optimized, that assets and financial resources are safeguarded, that accounting and financial information is reliable, that laws and regulations are complied with and, lastly, that the public services provided are of high quality [13].

The introduction of an internal accounting and financial control system has become compulsory as part of the accounting reform, in order to ensure that the State has put in place the necessary procedures to produce reliable information in accordance with the new public accounting standards.

The steps to be taken can be summarized as follows:

- 1) Assessment of risks having an impact on the financial statements relating to the business, information systems and structural organization.
- 2) Identification and assessment of key controls in place.
- 3) Examination of risks not covered by the internal controls in place.
- 4) Identification of areas for improvement.

The first stage in the diagnosis (which will be carried out as part of the overall initial diagnosis) is to carry out a diagnosis of accounting quality and a risk map. Four tools can be used for this purpose:

- 1) Critical analysis of the document base: existing procedures, workflows, mapping, etc [14].
- 2) Administering a self-assessment grid to staff from a panel of departments. The grid will be used to assess the entity's maturity in terms of the main accounting processes; the higher the score, the more committed the entity will be to improving the reliability of public financial information:
 - a) The production and reliability of budgetary and accounting data.
 - b) The operation of departments and the associated chain of tasks and controls, and the mobilization and allocation of resources.

- c) Identifying the associated accounting, financial, tax and legal risks.
 - d) Commitment accounting.
 - e) The nature of the incidents: rejection or suspension of mandates and revenue vouchers, application of default interest, incidents relating to public contracts.
- 3) Carrying out several targeted interviews on the implementation of accounting procedures.

Collecting and using this data will be essential for carrying out a diagnosis and formalizing a mapping of financial and accounting risks.

Based on this diagnosis and a risk analysis, the process of creating a reference system will also involve validating:

- 1) The comprehensiveness of operational processes in terms of their interaction with accounting processes
- 2) The separation of tasks between those who authorize, those who carry out and those who control, so that control should not reveal a failure at this level, given that the separation between authorizing officer and accounting officer is a cornerstone principle of public accounting.
- 3) The exhaustiveness of the accounting cycles used by the entity.

Fixed assets cycle

- 1) Justifying and valuing fixed assets: maintaining and monitoring the asset inventory, determining components, determining, and applying depreciation periods, commissioning and fixed assets in progress, scrapping, etc.
- 2) Accounting for the disposal of an asset and the matching of income and expenses (recognition of the proceeds from the disposal of the asset and removal of the asset from the inventory)
- 3) Accounting for transactions carried out on behalf of third parties (transactions under mandate), with specific monitoring to ensure that transactions carried out on behalf of third parties are excluded from the entity's assets.

Income and expenditure cycle

- 1) The allocation of income and expenses to the correct financial year.
- 2) Adjusting entries when the service has been certified and monitoring these entries.
- 3) The possibility of deferring income and expenses.

- 4) The procedures for allocating revenue and expenditure to the investment or operating sections, and the allocation of this revenue and expenditure to the various management accounts.

Cycle of provisions and off-balance sheet commitments

- 1) The assessment and exhaustiveness of provisions recorded: in particular, provisions for impairment of unrecovered receivables arising from royalties, provisions for impairment of receivables related to loans or advances to structured entities, and provisions.
- 2) monitoring and valuing pledges and other off-balance sheet commitments.

Closing cycle

- 1) Clearance of suspense accounts.
- 2) Transactions relating to cancellations and reductions of revenue vouchers, cancellations, and write-offs of irrecoverable debts.
- 3) Justification for carryovers and outstanding commitments.
- 4) Flows between the main budget, ancillary budgets and third parties.
- 5) Identifying, analysing, and correcting discrepancies between the management account and the administrative account: these discrepancies may be due to clerical errors, changes in information systems, etc.
- 6) Monitoring outstanding debt.
- 7) How information systems are considered in the analysis of internal control (as a separate process or included in the various cycles, application mapping identifying the various types of control and the impact on processes, etc.).

B. Review of the information system

Given the scope of the task [15] entrusted to the information system following the implementation of accrual accounting, the review of this system is significant.

Indeed, information, like knowledge for Hayek (1945), is at the heart of current issues in organizations, and proponents of the theory of organizational architecture (Jensen and Meckling, 1976; Brickley, Smith and Zimmerman, 2001) also include information as a key element in the value creation chain.

Information systems can be seen as an organized set of resources enabling information to be collected, processed, stored and transmitted (Reix, 2004) in order to facilitate optimal decision-making [16].

Similarly, financial information systems can be seen as systems for collecting and disseminating public financial information, enabling effective control to be exercised over the use of funds; in another sense, they enable the value and performance of the organization to be measured [17].

In this context, the introduction of efficient financial information systems tends to concern all stakeholders. Information systems now occupy a central place in the process of producing public financial and accounting information, steering activity, and making decisions, and understanding them and assessing their intrinsic strengths and weaknesses is a fundamental factor in evaluating risk control and assessing the reliability of the information produced [18].

C. Accounting and financial diagnosis

The diagnosis will be the same as that carried out by the chartered accountant for private companies, while ensuring that the specific characteristics of the public sector are respected and considered. The work to be carried out will depend on the objectives of the diagnosis, the areas of risk identified, and the information gathered on the ground. It may include the following aspects:

- 1) Reviewing the various accounting documents required to produce the financial statements (journals, analysis of balances, bank reconciliation statements, etc.)
- 2) Understanding the composition of the main asset and liability items
- 3) An analytical review of the main asset and liability items and an explanation of historical variations.
- 4) Validation, on a test basis, of the transactions that justify the content of the analyses of the balances of the balance sheet accounts as well as those relating to expenses and income.
- 5) Validation that the accounting methods and principles used comply with the newly adopted standards.
- 6) A comparison of budget figures with actual figures and an explanation of any significant variance from forecasts.
- 7) Analysis of risks, particularly those relating to liquidity, arrears of receivables and debts.
- 8) Analysis of the cost structure, in particular expenditure on civil servants, transfer expenditure, etc.

- 9) Assessing the reliability of the accounting values used, the adjustments and restatements required and the components of the accounting result.

Conclusion

The aim of this study was to assess the contribution of control mechanisms to the reliability of public financial and accounting information, by reviewing the existing literature in this area and re-reading it. This research extended the current literature on the reliability of public financial and accounting information, particularly in developing countries.

The study revealed that the adoption of IPSAS is likely to improve the reliability of public financial information, given that the meaning of the information changes with the adoption of IPSAS (the case of Greece).

However, the research found that inadequate reporting of public expenditure is an obstacle to more reliable public financial reporting.

Consequently, the article concludes that the introduction of IPSAS is likely to influence the control mechanisms that need to be put in place to make public financial information more reliable, by abandoning the logic that prevailed in the public sector and adopting entrepreneurial characteristics in the management of public funds. As a result, an update is necessary to match this change.

Based on the findings of the research, some recommendations are considered useful for decision-makers:

A monitoring and evaluation team made up of committed experts should be set up to ensure that the expected results of all the reforms are achieved.

The Government should put in place plans to facilitate a rapid migration to full accrual IPSAS to maximize the benefits.

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