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## **Implementation of public expenditure in the context of the modernization and reform of public finance in Algeria: A review of Law No. 23-07 concerning the Rules of Public Accounting and Financial Management**

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**Abstract**--This study aims to highlight the recent legal and regulatory reforms of the public accounting system in Algeria in line with the project to modernize the budgetary and accounting system based on managerial responsibility, performance evaluation, and transparency in the implementation of public expenditure and the management of public funds. The study found that Law No. 23-07 concerning the rules of public accounting and financial management is the new legal foundation for the transition from cash accounting to accrual accounting, by adopting financial accounting mechanisms as an accounting reference based on a three-dimensional accounting framework, and a State Accounting Plan (PCE) as a financial disclosure mechanism inspired by the International Public Sector Accounting Standards (IPSAS). Additionally, the establishment of an integrated information system (SIGB) accompanies the reform and ensures the efficiency of the new public management model, while also addressing the aspect of financial management represented by the role of agents responsible for execution and their new tasks and responsibilities in the field of public spending and financial management.

**Keywords**--Public Expenditure, Budgetary Reform, Accounting Reform, Public Accounting, Financial Management.

## **Introduction**

Law No. 90-21 dated August 15, 1990, concerning public accounting ([Law No. 90-21, 1990](#)), which is considered one of the oldest laws applied in the field of budgetary accounting execution in Algeria, no longer meets the requirements of growing public expenditure, its increasing rates, and the expansion of state programs and activities. The components of this law can no longer continue to organize public finance, which is experiencing significant changes due to the proposed financial reform. This situation led to the enactment of Law No. 23-07 dated June 21, 2023, concerning the rules of public accounting and financial management ([Law No. 23-07, 2023](#)). This law introduced new concepts within the framework of modernizing public finance, which directly impact the current accounting system aimed at improving public management, in addition to ensuring transparency in the execution of public expenditure and financial management. This necessitated the redrafting of technical provisions and rules applied in the field of public accounting.

This study invites us to trace and clarify these provisions and rules by examining the main aspects of budgetary and accounting reform and reviewing the key provisions of the law concerning the rules of public accounting and financial management. Therefore, we pose the main research question as follows: How does Law No. 23-07 concerning the rules of public accounting and financial management organize the fundamental provisions applied to the execution of public expenditure in the context of budgetary and accounting reform in Algeria?

## **Study problem**

The problem of the study can be formulated in the following main question:

- The main aspects of budgetary and accounting reform;
- The fundamental provisions of Law No. 23-07 concerning the rules of public accounting and financial management.

The legislative and regulatory framework serves as the fundamental basis for structuring the components and elements of public finance, particularly those inspired by the International Public Sector Accounting Standards (IPSAS). Like other countries, Algeria aims to adopt this reference by enacting Law No. 23-07 concerning the rules of public accounting and financial management. This article provides a descriptive and analytical review of its legislative and regulatory framework as follows:

### **1. Main Aspects of Budgetary and Accounting Reform**

Public finance and financial management occupy an important place for officials responsible for budget execution. To establish a model of public management that elevates public expenditure to a level of efficiency and effectiveness, Algeria embarked on this reform, which is part of the requirements for implementing the strategic plan for the modernization of public finance in Algeria.

### **1.1 Motivations for Public Finance Reform**

Political and economic conditions prompted the legislator to consider reforming and renewing the entire public financial system by issuing Organic Law No. 18-15 concerning financial laws as a framework for subsequent financial laws ([Law No. 18-15, 2018](#)). The main motivations for this reform include:

#### **1.1.1 Political and Legal Motivations**

- The legal nature of the rules of Law No. 84-17 concerning financial laws ([Organic Law No. 84-17](#)) became inconsistent with the constitutional principles in the field of financial legislation, which must take the form of an organic law (financial constitution).
- Algeria's agreement to the financing loan agreement No. 7047 signed between Algeria and the International Bank for Reconstruction and Development concerning the modernization of the budgetary system ([Presidential Decree No. 01-140, 2001](#)).
- Algeria's effort to comply with international standards in budget documents to enable the people's representatives to have a clear and transparent understanding of their true content (Abdel Samia, p. 146).

#### **1.1.2 Economic and Financial Motivations**

- The previous economic model proved ineffective and did not keep pace with the requirements of financial management tools in investment, employment, banking, and industry, due to:
  - The incompatibility of the pre-reform financial system tools with the new economic and political orientations of the country.
  - The failure of all previous financial laws to achieve the targeted macroeconomic objectives, leading to a significant gap between the achieved program and the planned program ([Abdel Samad Saoudi, 2021, p. 345](#)).

#### **1.1.3 Motivations for the Ineffectiveness of the Accounting System**

Resulting from certain deficiencies in the public accounting system, its inability, and inefficiency, including ([Organic Law on Financial Law, 2024](#)):

- The lack of dynamism in planning the chart of accounts and the complexity of accounting documents, along with the separation between the operating budget and the capital budget.
- Accounting documents are difficult to read and lack transparency regarding the true financial position of the state.
- The absence of an integrated information system accompanying the stages of budget preparation, execution, and financial operations.
- The pre-audit nature of expenditure accounting subject to formal control based on compliance with current laws and regulations.
- The focus on the consumption of payment appropriations without objectives and the absence of managerial responsibility.
- Accounting management in Algeria is far from the principles and pillars of governance and efficiency, such as cost accounting, etc.

Notably, the legislator added the term "financial management" alongside public accounting to indicate areas of modernization and to focus on the legal framework of financial management instead of limiting it to the accounting framework.

### **1.2 Objectives of Public Finance Reform in Algeria**

The legislative authority in Algeria aimed to modernize public finance as a strategic objective aligned with governmental plans as follows ([Mourad Bouaichaoui, pp. 15-24](#)):

- Integrating budget discussions into the core of parliamentary debates and introducing multi-year programming for managing public expenditures, along with establishing what is called a management dialogue.
- Embedding the principles of freedom, responsibility, and accountability for managers, with monitoring and performance evaluation, and mandating the presentation of management results and the level of efficiency achieved.
- Adopting the principle of governance in managing public finance, and promoting a results-based management approach rather than a means-based management approach.
- Introducing new rules and provisions related to public accounting based on the principle of accrual accounting.
- Reducing special funds and accounts and integrating them into the program budget.
- Enhancing partnerships between the public and private sectors to finance investment operations.

### **1.3 Reform of the Legislative and Regulatory Framework of Public Accounting Provisions**

The project for reforming the public accounting system relies on fundamental principles in designing state accounts, in addition to establishing an automated information system that includes a comprehensive chart of accounts aligned with international public sector accounting standards (IPSAS). All of this is translated into legal and regulatory texts adapted to applying results-based budget management. In this section, we highlight the key parts of the reform as follows:

#### **1.3.1 Updating Legal Texts**

The enactment of Law No. 23-07 concerning the rules of public accounting and financial management is the first step in this transition. It led to the creation of four implementing texts allowing its execution, as follows:

- Executive Decree No. 24-90 dated February 22, 2024, which specifies the content and application methods of public accounting ([Executive Decree No. 24-90, 2024](#)).
- Executive Decree No. 24-91 dated February 22, 2024, which outlines the procedures for public expenditure payments. ([Executive Decree No. 24-91, 2024](#))
- Executive Decree No. 24-92 dated February 22, 2024, which determines the conditions and methods for replacement, delegation of signature, and appointment of responsible authorizing officers ([Executive Decree No. 24-92, 2024](#)).

- Executive Decree No. 24-93 dated February 22, 2024, which specifies the categories of Treasury agents and the methods for managing money deposit accounts ([Executive Decree No. 24-93, 2024](#)).

### **1.3.2 The State Accounting Reference**

The state accounting reference includes a conceptual framework for general accounting, accounting standards, and an accounting plan that allows for the preparation of financial statements ([Article 37 of Executive Decree No. 24-90, 2024](#)).

The content is outlined as follows:

#### **A. Principles of Public Accounting in Algeria**

The execution of public expenditure accounting operations requires an accounting framework that includes the scope of application and the statement of assets, liabilities, net position, revenues, and expenses ([Article 38 of Executive Decree No. 24-90, 2024](#)). However, it is fundamentally based on respecting certain rules and principles, some related to organizing the relationship between those responsible for executing public expenditure and others related to the financial operations to be executed. These principles are summarized as follows ([Beloul & Aboud, 2019, pp. 190-191](#)):

#### **B. The Administrative Principle**

This principle refers to the separation between the function of the authorizing officer and the function of the public accountant. This separation is enshrined in Article 32 of Law No. 23-07 concerning public accounting and financial management, which states: "The function of the authorizing officer is incompatible with the function of the public accountant." Additionally, Article 33 of the same law expands this incompatibility to include spouses, parents, children, and first-degree siblings, whereas previously it was limited to spouses only. This principle reflects the legislator's justifications in combating fraud and misuse of office, as well as enhancing mutual control, distributing tasks, and dividing work. However, the incompatibility cannot be invoked against public accountants of financial agencies when collecting the revenues due to them, known as the organization of public accountants' functions ([Mohamed, 2003, p. 8](#)).

#### **C. The Legal Principle**

The execution of public expenditure is subject to the principle of legality, which is divided into two parts. One part relates to the appropriateness of certain aspects required by the authorizing officer in managing the public service and necessitates the disbursement of funds. The other part relates to legality and the conformity of administrative actions to legal texts. This compliance is monitored and verified by the budgetary controller and the public accountant in its financial, accounting, and procedural aspects. This does not absolve the authorizing officer of responsibility for the legal conformity of public expenditure, as stipulated in Article 54 of Law No. 23-07, which mandates that public expenditures must be allocated in the state budget or authorized by financial laws, meaning that no expenditure occurs without legal authorization.

#### **D. The Accounting Principle**

This principle refers to the comprehensiveness or universality of the budget, complementing the principle of the unity of the general state budget. It implies

the inclusion of all revenues and expenditures in the state budget without allocating specific revenue to a particular expenditure. This includes preventing the offsetting of revenues and expenditures and prohibiting the allocation of certain revenue to specific public expenditures, except for annexed budgets and special treasury accounts or procedures for earmarked funds for contributions or credit recovery. Exceeding the authorized expenditures results in the joint responsibility of both the authorizing officer and the public accountant ([Article 38 of Law No. 18-15, 2018](#)).

### **1.3.3 Establishment of a Three-Dimensional Accounting System**

One of the most significant innovations brought by the modernization project of the public accounting system is the application of three-dimensional public accounting. This involves the simultaneous implementation of three types of accounting: budgetary accounting, which is based on the cash principle managed by the authorizing officer and the public accountant; general accounting, which is based on the accrual principle managed exclusively by the public accountant using double-entry bookkeeping (debit, credit); and cost accounting, managed by the authorizing officer to analyze the costs of various activities committed within the framework of programs. This new accounting structure serves as a standard framework for public accounting, aiming to implement accrual accounting as stipulated in Article 65 of Organic Law No. 18-15 concerning financial laws.

### **1.3.4 Adoption of the State Accounting Plan (PCE) as a Financial Disclosure Mechanism**

According to Article 40 of Executive Decree No. 24-90, which specifies the content and application methods of public accounting, the accounting plan is defined as "a document that sets out the rules and principles of valuation and accounting registration followed to keep accounts. It is a tool for management, information, control, and analysis of the financial operations of the entity." It plays a crucial role in the preparation of financial statements, which are considered an organized financial presentation of events affecting the executed operations. These financial statements, prepared annually by public accountants, include the balance sheet, the statement of financial performance (income statement), the cash flow statement, the statement of changes in net financial position, and the notes ([Article 41 of Executive Decree No. 24-90, 2024](#)).

### **1.3.5 Adoption of International Public Sector Accounting Standards (IPSAS)**

One of the pillars of the public accounting reform project in Algeria is the adoption of state accounting standards inspired by IPSAS. These standards aim to achieve financial transparency, provide accountability, and improve the financial management of public entities. They establish rules for the valuation and accounting registration of assets, liabilities, expenses, and revenues, as well as the content and presentation format of financial statements ([Article 39 of Executive Decree No. 24-90, 2024](#)). These standards are designed to apply to the financial statements of central and regional public services aimed at public benefit, such as ministries, provinces, municipalities, and other entities ([IFAC, IPSASB, 2014, p. 20](#)). Developed by the International Public Sector Accounting Standards Board (IPSASB), these standards aim to enhance the quality and transparency of financial reporting in the public sector ([Fatiha & Abdelhamid, p. 251](#)). The application of these standards offers several advantages, including

improved quality of financial data issued by public administrations (Ahmed Helmy, 2015, pp. 66-67), enhanced automatic control in public administrations with increased transparency, comparability, and consistency (Ijeoma, 2014, p. 26), and ensuring the correct accounting treatment of financial operations related to accrued rights and obligations (Jean-François des Robert, 2008, p. 25).

However, despite the advantages of applying these standards, several obstacles hinder their implementation in many countries. These include the standards' similarity to private sector accounting models, the requirement for extensive accounting skills and training for staff and implementers, and the varying political and judicial systems of countries, which hinder the adoption of these standards despite their flexibility (Fatiha & Abdelhamid, p. 252).

### **1.3.6 Establishment of an Integrated Information System (SIGB)**

Another important requirement and innovation of the budgetary and accounting reform project is the introduction and integration of an information system (SIGB - Integrated Governmental Budget Management System). This system contributes to organizing and processing information and facilitates the preparation and presentation of the budget from the proposal stage to the arbitration and allocation of appropriations during the execution phase.

## **2. Fundamental Provisions of Law No. 23-07 Concerning the Rules of Public Accounting and Financial Management**

Algeria, like other countries, is striving to reform its public accounting system to align with a results-based management approach and comply with international public sector accounting standards (IPSAS). This involves updating the legislative, regulatory, and technical provisions of accounting rules and moving towards accrual accounting as an effective tool for directing the state's financial management. This section addresses the key fundamental provisions of the new accounting framework in the execution of public expenditure operations as follows:

### **2.1 Reform of the Public Expenditure Execution Methodology**

Law No. 23-07 concerning the rules of public accounting and financial management aims to change the accounting execution model for financial operations. This law adopts a new philosophy related to improving the accounting function by equally dividing responsibilities among the agents tasked with executing the budget and financial operations, linking each agent to specific accounting tasks to avoid the repetition of execution and control procedures among them (Sihem, pp. 325-326). Additionally, this law introduces a new methodology aligned with an objectives and results approach, redefining the responsibilities of public expenditure actors and restructuring the content of public accounting to comply with IPSAS. It also introduces the principle of state accounts approval by the Court of Auditors and outlines the execution of public expenditure operations, control, and responsibilities of those in charge. These changes are discussed as follows:

#### **2.1.1 Accounting Content and Substance**

Article 80 of Law No. 23-07 concerning the rules of public accounting and financial management states: "Public accounting includes budgetary accounting,

general accounting, and cost accounting." Article 3 of Executive Decree No. 24-90, which specifies the content and application methods of public accounting, states that public accounting includes budgetary accounting to show budget execution, general accounting to show the financial position and assets of legal entities, and cost accounting related to activities undertaken within programs. Thus, the content of public accounting that the state will adopt according to the new approach will consist of three dimensions:

#### **A. Budgetary Accounting**

According to Article 84 of Law No. 23-07, budgetary accounting is divided into two types: commitment accounting, which records budgetary expenditures in the budget of the year in which they were committed, and cash accounting, which records revenues and expenditures in the budget of the year in which they were collected or paid by public accountants ([Article 81 of Law No. 23-07, 2023](#)). This accounting must be maintained no later than January 31 of the following year as an additional execution period ([Article 36 of Law No. 18-15, 2018](#)).

#### **B. General Accounting**

According to Article 87 of Law No. 23-07, general accounting records all movements that affect assets, financial position, and results. This accounting is based on the accrual principle established by authorizing officers through the inventory of movable and immovable assets and stocks maintained by an agent appointed by the authorizing officer ([Article 35 of Law No. 18-15, 2018](#)).

#### **C. Cost Accounting**

According to Articles 92 and 93 of Law No. 23-07, cost accounting is based on general accounting data and aims to analyze the cost of various activities committed within the framework of the presented programs. This enables the study and monitoring of profitability and the evaluation of efficiency, thereby determining responsibilities at the administrative level. It is maintained by authorizing officers.

#### **D. General Account of the State**

According to Articles 94 and 96 of Law No. 23-07 concerning the rules of public accounting and financial management, the general account of the state provides comprehensive information prepared by the accountants (public accountants) in the form of financial statements. These statements include an organized financial presentation of events that affect executed operations ([Article 41 of Law No. 18-15, 2018](#)) and allow for a true representation of the state's assets and financial position. The general account includes the general trial balance, financial statements such as the balance sheet or financial position, the income statement or financial performance statement, the cash flow statement, the statement of changes in net financial position, and the annex containing the principal accounting rules and methods, along with other explanatory notes. These accounts must comply with applicable rules and procedures, be regular and truthful, and be prepared consistently to ensure comparability between fiscal years ([Article 97 of Law No. 18-15, 2018](#)).

### **2.2.1 Agents Responsible for Executing Public Expenditure**

Financial administration, as an aspect of the executive authority, is tasked with overseeing the execution and monitoring of public funds ([Zohir, 2014, p. 147](#)). Law No. 23-07 concerning the rules of public accounting and financial management includes two types of agents responsible for executing public

expenditure: the authorizing officers, who are responsible for establishing rights and commitments, and the public accountants, who handle the collection and payment. The budgetary controller, however, is not considered an agent responsible for execution but is tasked with verifying the legality of public expenditure and ensuring financial coverage. The agents responsible are divided as follows:

### **A. Authorizing Officers**

According to Article 4 of Law No. 23-07 concerning the rules of public accounting and financial management, an authorizing officer is defined as any appointed, elected, or designated person authorized to execute budgetary, financial, and property operations of legal entities (the state, local communities, public administrative institutions, public health institutions, and other legal entities tasked with executing all or part of the state program within the meaning of Organic Law No. 18-15 concerning financial laws). As defined by Article 2 of Executive Decree No. 24-92, which specifies the conditions and methods for replacement, delegation of signature, and appointment of authorizing officers, an authorizing officer is any public agent appointed or elected to program and provide financial appropriations and to distribute and/or execute budgetary, financial, and property operations. Authorizing officers are tasked with ([Article 4 of Law No. 23-07, 2023](#)):

- Establishing rights and commitments.
- Liquidating revenues and issuing related revenue orders.
- Ensuring the commitment, liquidation, and authorization of expenditure or issuing payment orders within the limits of open or delegated appropriations, except for evaluative appropriations.
- Issuing movement orders affecting the property and materials of the state and other public entities mentioned in Article 1 of this law.
- Preserving the property placed under their control.
- Ensuring the programming, provision, and distribution of financial appropriations, a key innovation in this law.

### **B. Categories of Authorizing Officers**

According to Article 5 of Law No. 23-07 concerning the rules of public accounting and financial management, authorizing officers can be primary, secondary, or regional for the state budget, as detailed below:

- **Primary Authorizing Officers** These include ministers and other government members for whom appropriations are registered, heads of public bodies, and, where necessary, those responsible for financial management. For local community budgets, they are the governors and presidents of municipal councils. For public institution budgets, the primary authorizing officers responsible for execution are the heads of public administrative institutions and public health institutions, and, where necessary, the officials appointed according to applicable legislation and regulations ([Article 6, Law No. 23-07, 2023](#)).
- **Secondary Authorizing Officers** According to Article 7 of Law No. 23-07, secondary authorizing officers are individuals who receive a delegation of financial appropriations from the primary authorizing officer regarding the

distribution of the program's financial appropriations and the delegated program management appropriations.

- **Regional Authorizing Officers for the State Budget** According to Article 8 of Law No. 23-07, regional authorizing officers for the state budget are program managers of regional bodies when tasked with executing all or part of a program or implementing a complementary program. This category replaces the previous sole authorizing officer (the governor), indicating that the new financial philosophy is characterized by flexibility and a move towards autonomy in executing programs and activities through the expanded scope and application of the law concerning the rules of public accounting and financial management.

### **C. Conditions and Methods for Replacement, Delegation of Signature, and Appointment of Authorizing Officers**

Law No. 23-07 concerning the rules of public accounting and financial management includes new rules for managing situations where the authorizing officer is absent or unable to perform their duties. The conditions and methods for replacement, delegation of signature, and appointment of authorizing officers are specified by Executive Decree No. 24-92. Here are the details for each case:

- **Replacement of the Authorizing Officer** According to Articles 9, 10, and 11 of Law No. 23-07, in the event of absence or impediment, the authorizing officer is replaced by a substitute who performs all the duties of the replaced authorizing officer. This replacement is done by an appointment order prepared by the authorizing officer and communicated to the relevant public accountant and the qualified budget controller. In the case of a temporary vacancy of the authorizing officer's position, an acting authorizing officer is appointed by the supervisory authority pending the completion of the appointment process for a permanent official. The conditions and rules for replacement, as stated in Articles 3 and 4 of Executive Decree No. 24-92, require that the appointment be made in advance, the substitute must compulsorily belong to the administration or public body, and the substitute must hold a high position. The replacement order takes effect from the fourth day of absence or impediment and cannot exceed ninety-eight days.
- **Delegation of Signature** According to Article 12 of Law No. 23-07, authorizing officers may delegate their signature within the limits of their powers and under their responsibility by an order of delegation of signature to qualified public employees and agents under their direct authority. This order must be prepared and communicated to the relevant public accountant and the qualified budget controller. The conditions and rules for delegation, as stated in Articles 5, 6, and 7 of Executive Decree No. 24-92, require that the delegate hold a high position, the delegation must be within the delegate's powers and under their responsibility and authority, and the delegate is authorized to sign documents related to expenditure and revenue operations and the property operations specified in the delegation order. The delegation automatically ends when the delegator's powers or the delegate's function ends.

- **Appointment of Authorizing Officer** According to Article 13 of Law No. 23-07, authorizing officers, their delegates, and their substitutes must be accredited by the relevant public accountants for the operations they execute. This situation occurs in the event of a temporary vacancy of the authorizing officer's position due to the absence of a duly appointed authorizing officer, the departure of the authorizing officer, or the absence of a substitute. The supervisory authority must appoint an acting authorizing officer, and this officer must be qualified and accredited by the Ministry of Finance for a renewable one-year term. The qualification and accreditation file prepared by the supervisory authority includes the qualification and accreditation request and the appointment order of the authorizing officer.

These provisions demonstrate the legislator's intention to establish a fiduciary management model in budgetary and financial operations management to ensure speed, flexibility, and continuity of public service.

#### **D. Public Accountants**

According to Articles 15, 16, and 17 of Law No. 23-07 concerning the rules of public accounting and financial management, a public accountant is defined as any public agent appointed or legally accredited to carry out the operations mentioned in Article 24 of this law. Public accountants are appointed by the Minister of Finance and are exclusively subject to his authority. Additionally, any person who performs the operations mentioned in the same article without being a legally recognized public accountant or without explicit authorization from the competent authority is considered a de facto accountant. This distinction separates the de facto accountant from the appointed and accredited public accountant. However, Article 7 of Executive Decree No. 24-90, which specifies the content and application methods of public accounting, exclusively lists those who hold the status of public accountants: the central treasury accounting officer, the central treasury treasurer, the chief treasurer, provincial treasurers, municipal treasurers, public health institution treasurers, tax collectors, heads of state property inspections, land registrars, customs collectors, accounting agents, and agents responsible for collecting fines and legal costs.

#### **E. Categories of Public Accountants**

According to Article 18 of Law No. 23-07, public accountants are classified as specialized or delegated accountants, primary or secondary accountants, or accountants of funds and values or accounting consolidation. The classifications are as follows:

- **Specialized Accountants** Those authorized to make final entries in their records for the operations they are ordered to execute on funds.
- **Delegated Accountants** Those who execute operations on behalf of specialized accountants.
- **Primary Accountants:** Those who present their accounts directly to the Court of Auditors. These include the central treasury accounting officer, the central treasury treasurer, the chief treasurer, provincial treasurers for the provincial budget, municipal treasurers for the municipal budget, public health institution treasurers, and accounting agents ([Article 23 of Executive Decree No. 24-90, 2024](#)).

- **Secondary Accountants** Those whose operations are centralized by a primary accountant and who also present their accounts to the Court of Auditors. This includes provincial treasurers, municipal treasurers, tax collectors, heads of state property inspections, customs collectors, land registrars, and agents responsible for collecting fines and legal costs ([Article 24 of Executive Decree No. 24-90, 2024](#)).
- **Accountants of Funds and Values** Primary or secondary accountants responsible for handling and safeguarding the funds, values, and securities owned by the legal entities mentioned in Article 1 of the same law ([Article 25 of Executive Decree No. 24-90, 2024](#)).
- **Accounting Consolidation Accountants** Those who consolidate and record the financial operations executed by other accountants in their records and accounts. Their function does not conflict with that of the accountants of funds and values ([Article 26 of Executive Decree No. 24-90, 2024](#)).
- **Agents at the Authorizing Officers** Individuals legally allowed to handle cash and deal with postal and treasury checks, appointed by the authorizing officer and subject to accreditation by the public accountant, with notification to the budget controller.

#### **F. Powers of Public Accountants and the Possibility of Delegation**

According to Articles 23 and 24 of Law No. 23-07, the legislator assigned public accountants' specific tasks, requiring them to take an oath and ensure compliance with the conditions stipulated in this law concerning budget execution. Budgetary, financial, and property operations are recorded by the public accountant ([Article 02 of Executive Decree No. 24-90, 2024](#)). Public accountants are tasked with ([Article 24 of Law No. 23-07, 2023](#)):

- Collecting revenues and/or paying expenditures.
- Safeguarding and preserving funds, securities, values, objects, or materials under their charge.
- Handling funds, securities, values, and movements of asset accounts.
- Maintaining budgetary accounting based on the cash accounting principle.
- Maintaining general accounting based on the accrual principle.
- Accounting for non-fixed values.
- Preparing financial statements and management accounts.

#### **G. Termination of Duties of the Public Accountant and Incompatibility of the Authorizing Officer's Function with the Public Accountant's Function**

The termination of a public accountant's duties follows the same procedures as their appointment, except in cases of death or resignation. Terminating a public accountant's duties requires the preparation of a handover report. The Minister of Finance or his legally authorized representative can appoint an interim public accountant until a permanent public accountant is appointed.

#### **H. Incompatibility of the Authorizing Officer's Function with the Public Accountant's Function**

The function of the authorizing officer is incompatible with that of the public accountant. Under no circumstances can spouses, parents, children, or first-

degree siblings of the authorizing officers be appointed as their public accountants. This incompatibility does not apply to public accountants of financial agencies when collecting certain revenues due to them.

## **2.2 Execution of Public Expenditure**

Before the execution of public expenditure, it must be included in the state budget and/or authorized by financial laws. For local communities, expenditures are represented by the use of voted financial appropriations.

### **2.2.1 Stages of Executing Public Expenditure**

The payment of expenditures goes through the following stages:

#### **A. Administrative Stage**

Before payment, expenditures must be committed, liquidated, and authorized for payment or a payment order must be issued. However, some expenditures can be paid without prior commitment, prior authorization, or payment order. These types of expenditures are defined by the provisions of the financial law. The administrative stage of public expenditure includes the following procedures ([Article 56](#), [Article 57](#), [Article 58 of Law No. 23-07, 2023](#)):

**a. Commitment Procedure** This legal procedure establishes or confirms a debt resulting in expenditure. The commitment must respect the budgetary authorization and its limits.

**b. Liquidation Procedure** This involves verifying the existence of the debt and determining the exact amount of the expenditure based on supporting documents of the creditors' acquired rights, including the service performance certificate issued by the authorizing officer.

**c. Authorization for Payment Procedure** This involves issuing the payment order for the public expenditure.

#### **B. Accounting Stage**

This stage, known as the payment stage, involves settling the public debt. Authorizing officers of the legal entities mentioned in Article 1 of this law may use the payment by credit method according to the provisions of Executive Decree No. 24-91, which specifies the procedures for payment by credit from public expenditures.

#### **C. Compulsion of Public Accountants**

In accounting terms, compulsion refers to issuing an order to a person outside the hierarchical system of the order issuer. It involves issuing an order from the authorizing officer to the public accountant to execute a payment operation. This procedure requires a final refusal from the public accountant, must be directed to the competent accountant, must not be based on the reasons mentioned in Article 62 of the public accounting and financial management law, must be written and include the phrase "the public accountant is requested to pay," and must be justified by the proper functioning of public service and achieving the public interest ([Boujelal, 2010, p. 119](#)).

### **2.2.2 Control of Public Expenditure Execution**

The operations related to the execution of budgets of public entities mentioned in Article 1 of this law are subject to administrative, parliamentary, and judicial control summarized as follows:

### **A. Administrative Control**

Administrative control includes internal control, which consists of procedures and methods that allow the head of the service to ensure its proper functioning, particularly in risk management. It also includes hierarchical control, which is the administration's control over its services, regulatory control exercised by inspection bodies and qualified regulatory authorities, and budgetary control exercised by a budget controller under the authority of the Minister of Finance. This control aims to ensure the conformity of expenditure commitments with applicable legislation and regulations, authorized appropriations, open or authorized job positions, and the prior verification of the availability of appropriations and financial job positions.

### **B. Judicial Control**

Authorizing officers and public accountants must submit their accounts to the Court of Auditors according to the conditions, methods, and deadlines set by applicable legislation and regulations. The accounts are approved by the Court of Auditors, which prepares a report on account approval attached to the draft budget settlement law.

### **C. Parliamentary Control**

The Parliament monitors the execution of financial appropriations it has approved through financial laws. Parliament members monitor the execution of the state budget annually by voting on the budget settlement law. They can also ask oral or written questions to government members regarding the use of state financial resources. Additionally, both houses of Parliament can discuss the government report on the evolution of the national economy and the orientation of public finances according to the provisions of Article 72 of Organic Law No. 18-15 concerning financial laws.

### **2.2.3 Responsibility of Agents Responsible for Executing Public Expenditure**

Regardless of the legislative and regulatory provisions governing the use and management of public funds and material resources, authorizing officers, delegated authorizing officers, their substitutes, and their delegates are personally responsible for errors and violations that may harm the public treasury or a public entity. These errors and violations are punishable according to applicable legislation and regulations. Budget controllers and their assistants are personally responsible for the approvals and opinions they grant and the refusals they communicate, ensuring compliance with legislative and regulatory rules related to budgetary and financial discipline. Public accountants, their delegates, agents under their authority, and financial agents are personally and financially responsible for any deficit in the treasury and for errors and violations that constitute a clear breach of legislative and regulatory provisions governing the use and management of public funds, which may harm the public treasury and a public entity.

### **Conclusion**

As we have seen, the importance given by comparative financial legislation to the system, structure, and reference of public accounting is of utmost importance. For the public financial industry, it acts as a fundamental pillar. Consequently, there is a strong focus on the structure and scope of intervention of the participants and actors in the implementation of its legal and technical rules,

which are necessary for effective control and follow-up in line with recognized principles in the field of public expenditure. It is worth noting that the execution of public expenditure in Algeria is carried out by the agents responsible for execution, primarily consisting of the authorizing officer and the public accountant. This process is based on the provisions of the law related to financial laws and the law concerning public accounting and financial management.

In Algeria, as we have seen, the experience of public accounting reform is still relatively new, despite its potential to yield positive results for the national economy. The implementation of public expenditure still relies heavily on decrees, instructions, and exceptional rules inspired by Law No. 18-15 concerning financial laws. This will continue until the budgetary and accounting reform axes, particularly the informational and accounting aspects, are fully realized, elevating the role of public finance to that of financial accompaniment and intervention. This transition aims to shift from means-based expenditure to goal- and results-oriented expenditure.

### **3. Study Results**

The following results were reached through the discussion of this study:

- Law No. 23-07 concerning the rules of public accounting and financial management includes concepts and terms reflecting the new approach to public finance in Algeria, marking the first step in the reform and modernization of public accounting.
- The financial reform project in Algeria adopts the State Accounting Plan (PCE) as a financial disclosure mechanism and an accounting reference, transitioning public accounting from cash accounting to accrual accounting.
- The application of International Public Sector Accounting Standards (IPSAS) is seen as a significant step towards reforming and modernizing public finance in Algeria, enhancing transparency, financial disclosure, and oversight to achieve governance in managing public funds.
- Restructuring the execution of public expenditures requires the implementation of the integrated information system (SIGB) to support the reform and coordinate between budgetary and accounting aspects.
- The new public accounting law values the role of agents responsible for executing public expenditure by granting them significant flexibility in managing appropriations while holding them accountable.
- Financial oversight has been simplified, and the principle of state accounts approval by the Court of Auditors has been introduced.

### **4. Suggestions**

Based on the conclusions drawn, we can offer some suggestions to enhance the effectiveness of financial and accounting rules, ensuring the activation of elements and components of public finance in Algeria:

- Strengthen the role of public accounting experts in training the agents responsible for executing public expenditures.
- Encourage research and training programs in public accounting and financial management, raising awareness of IPSAS and integrating them into a legal framework with detailed implementing texts.

- Integrate the fundamental provisions related to the public procurement system within the digital space for their accounting processing and execution.

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