

# Financial Control of Local Authorities in Morocco

Nabil BOUCHARMOU

<sup>1</sup>Hassan II University, Faculty of Legal, Economic and Social Sciences, Casablanca, Morocco

**Abstract:** *Administrative control of a financial nature over local authorities is a legal guarantee against any deviation or imbalance that may result from the freedom and independence of financial management. The practice of financial control over local authorities faces a set of obstacles mainly represented by the passage of time for these traditional supervisory bodies and the lack of clarity of their strategic vision, through a weak culture of responsibility and monitoring the work and performance of the elected dirt units. After finance and accounting, and do not reach the level of management control, which remains an inherent competence of the judiciary because of its strong influence on the governance of local finances, because this performance or regulatory selection in the long term is translated into financial and management waste. What are the aspects of this financial control? To what extent are they effective in creating public affairs and increasing the profitability of local authorities?*

**Keywords:** Financial control, administrative control, local authorities and financial management

## 1. Introduction

The introduction of the method of territorial decentralization and the necessity for the enjoyment of the territorial units independently from the central authority in managing and managing local issues, does not mean at all to leave these bodies free, to act on their whims and according to their own perspective to manage the local public affairs, but rather their submission to administrative and financial control is considered a basic component of The fundamentals of the principle of decentralization[1]. Out of keenness on ensuring that the actions of the dirt groups coincide with the spirit of law and suitability with the policy and general approach adopted in the field of development at the national level.

The development path of the financial control of decentralization was distinguished by the Moroccan administrative system, as it is the embodiment of a severe guardianship system that reflects the dependency of the central authority and its transformation from a supervisory mechanism to a mechanism for controlling and affecting the independence of territorial groups and limiting their initiatives. This has resulted in criticism of political and human rights activists and local elected officials, as they limit the effectiveness of the elected councils, nullify their decisions, disrupt their programs, and block the path to implementing their policy[2]. As the calls for bringing this control closer to the councils and converting them to dimensional administrative control, while upgrading the administrative judiciary to the level of the legal guarantee of any interference in the work of the elected councils or a departure from the latter side from the legitimacy of legitimacy[3]. These demands and desires are followed by long-term response under Chapter 145 of the Constitution and the provisions of the new territorial decentralization laws. As for the level of financial management, the financial paths of the local authorities are subject to a set of supervisory processes assigned to them by administrative bodies, which are prior to financial management.

The most important thing that distinguishes the control of money from local authorities is the multiplicity of entrants and time consuming stations, and it is based on the examination of the legitimacy of the local financial decision and on the fight against all that could affect public money.

This surveillance begins with the establishment of collective detention, through the general store of the Kingdom, then the supervision of the General Inspectorate of Finance and the General Inspectorate of the Earth administration, with the presence of representatives of the ministry. of the Interior registered throughout the financial decision as an administrative supervisory authority.

## 2. Accompanying financial control

One of the most prominent forms of control to accompany the financial disposal, in addition to the control imposed by the central authority of the Ministry of Interior.

### 2.1 Financial and accounting control of the holding

The collective clutch fulfills a double task, on the one hand, it monitors the validity of the maintenance obligation, and on the other hand examines the legitimacy of local expenditure, that is to say the validity of the debt and the legitimacy of income-related operations, i.e. the validity of extraction, this twinning of jobs and other factors that led to the limits of this administrative control in establishing the system of governance financial. When the financial and accounting control aimed at controlling the soil groups aims to comply with the rules of legality of financial operations and to verify their compliance for local financial rules and texts.

As its tasks are divided between monitoring the validity of the obligation to support, and controlling the financial work of the two commanders of exchange.

With regard to monitoring the validity of the obligation, the clutch verifies the availability of a set of underlining and objective conditions related to local expense, by examining that the obligation on which the spending decision is based is available and within the capabilities of the territorial group or its affiliate body, and that the accreditation is in conformity with the proposed budget section to deduct the accreditation from. This control is limited mainly to researching the principle of legality without extending to the control of suitability, as if the aid in charge of oversight when examining the obligation presented on the visa doubts

the importance or benefit of the commitment committed to this, he informed the Minister of the Interior and the Minister of Finance without the consequence of this news Turn off visa status.

As for the supervision of the financial actions of the person who commands the exchange, the clutch in this section performs dual tasks, in addition to being in charge of monitoring the validity processes of compliance with his practice of the role of controlling its legitimacy and the extent of its conformity with the laws, legislations and regulations in force, it is charged by a second role with the role of accounting control of financial actions For the two commanders in exchange, in order to activate the principle of separating the functions of the chief of exchange and the public accountant. This chapter finds its justifications in the distribution of work and the division of jobs to ensure good completion, which corresponds to a major justification in finding primary monitoring between the two important practices whose purpose is to preserve local public money[4], separating them would contribute to the lack of opportunities for collusion and the override of distortions and transgressions.

As this is regarded as legitimate control of the clutch, it takes place after the work accomplished and the embodiment of alimony is achieved. Where a number of points are monitored related to the status of the person commanding the exchange or its representative, the availability of credits, the availability of funds, the restriction of expenditures in the budget sections related thereto, the proof of the work performed, the validity of the liquidation accounts, the conduct of previous legal oversight activities, evidence, respect for the statute of limitations, the fall of the right, and the power to discharge payment. Where the financial clutch in this regard plays an important role in monitoring orders for incomes as well as orders for expenditures, as after he makes sure of their validity, he puts a recyclable phrase for income and a performance that can be performed in relation to expenses[5].

As for the evaluation of the practical practice of administrative control over the finance of earthen groups applied by the financial clutch, whether in relation to the control of the validity of the commitment to expenditures or related to the control of the work of the directors of exchange of a financial nature, they have proven limited due to the weak legal and regulatory framework framing its competencies from one side as well The duplication of tasks entrusted to the latter on the other hand, which resulted in transforming this control level into a formal control with limited feasibility and cost-effectiveness. The weakness of the legal framework regulating the duties of the clutch is evident in the fact that the legal provisions have focused on monitoring the legality. Which makes this type of control take a formal character[6]. In addition to the lack of this regulatory institution on the material means and the necessary training, but even the time required to study the files[7]. This is what causes the clutch to not go deep into this control as much as respecting the legal deadlines and taking into account the formal requirements required for marking, which makes the procedure for monitoring compliance with local expenditures unable to reach the

target set for them, which did not help to exploit the preventive goal that this type is based on. From censorship, especially at the local level [8].

The duplication of tasks entrusted to the financial clerk as an observer of the legitimacy and validity of commitment to local expenditures, and a general auditor and accountant for the financial business of those who spend, are objective obstacles to the limited experience of this type of financial control. On the basis that the observer, and before the legal deadlines pressure, tends towards not giving the necessary importance to the previous control of the commitment in so far as the matter is postponed until he has taken the authority to mark the performance of the debt, which makes the monitoring of compliance with local expenditures void of their content and deviates from the goal assigned to it by the legislator and related to He drew attention, before any actual commitment, about the unlawful behavior that would compel the local authorities financially [9], this is on the one hand, and on the other hand, the responsibility of the holding company with collecting state taxes along with local fees and taxes weighs on his shoulders with additional tasks that negatively affect his performance in collecting domestic tax resources, This is manifested by the exacerbation of the phenomenon of extraction of the remainder for the benefit of the territorial groups, which makes them lose important financial resources which are able to contribute positively to the respect of their financial commitments, and therefore to increase their ability to support development costs imposed on them. The financier (s) remain formal and do not go beyond the question of examining the legitimacy of the financial decision and do not extend to examining its adequacy. What makes this type of control limited and profitable. This necessitates a reform aiming to simplify the procedures of this surveillance and to review the functions of the clutch in the control of the respect of the local expenses in order to widen its role to include also tasks of council, outside its role in the improvement of local finance management and its benefits to local managers[10].

## 2.2 Financial control of the Ministry of Interior

The central authority of the Ministry of the Interior, represented by the General Directorate of Local Communities, occupies a basic position in the series of prior administrative control over the budgets of the territorial groups, whether at the level of oversight respecting the principle of balance or control to respect the inclusion of mandatory expenditures legally defined within the section of expenditures. Where the budgets of the dirt groups are framed with the same principles that frame the general budget of the state, with some advantages and specificities, which in its content are restrictions on the independence of the decentralized units, along with the issue of the visa on these budgets that remain in the hands of the executive authority. Besides the principle of annual budgeting, the principle of unity, the principle of allocating credits and the principle of allocating income, we find the principle of budget balance, which is considered one of the most basic principles of local finance. As it is assumed in the budget that they come balanced between incomes and expenditures in each of the first and second parts, and that this balance be

real, as incomes should not be amplified or expenditure reduced, given that the imbalance of the local budget may have negative repercussions and it could also harm economic development And social local authorities[11]. Failure to respect this principle in preparing, studying, discussing and voting on the local budget exposes it to the penalty of non-marking by the relevant authority. The Ministry's exploitation of the guiding patrol mechanism that is sent annually to dirt groups in which it shows the total legal and regulatory requirements framing the process of preparing its budgets and urging compulsion to adhere to some special financial rules commensurate with the general foundations of state policy, embodies the great power of the central authorities in influencing the finances of these decentralized units.

Control over the inclusion of compulsory expenses comes to include both salaries and compensation for employees and employees, as well as insurance premiums, contribution to reserve and pension funds, contributions to mutual expenses, expenses related to water, electricity, and transportation consumption, outstanding debts, contributions and resources that must be transferred to benefit institutions of cooperation between groups, groups of workers, and regions And groups of entities and groups of earthen groups, as appropriate, financial obligations arising from the agreements and contracts concluded, and expenditures related to the implementation of decisions and final judicial rulings issued against them.

It is noted here that the legislator has worked to expand the list of expenditures, as at the management level the portion related to debt return has been identified within the management expenses and the expansion of the base of campaigns to include the supplies granted, and these expenses have been compiled and revised on axes for the dirt groups at their three levels, while working to expand The quality of these mandatory expenditures to include additional costs, especially the financial obligations arising from the agreements and contracts concluded and the total allocation for the running of districts in relation to urban groups that have districts.

### **3. The role of the central inspectors**

After the implementation of the local budget, that is, after the process of collecting resources and paying expenses, subsequent administrative control takes two main forms, especially after the provisions of the regulatory laws for the new decentralization abolished the political control exercised by the Managing Council by voting on the administrative account. As it became confined to the control of the central authorities by its inspectors.

#### **3.1 Administrative control of the Ministry of Finance**

The General Inspectorate works to monitor the finances of local authorities and various public establishments and institutions, and focuses mainly on the work of accountants. It does not take place on directors of exchange only in an indirect manner when it comes to verifying the correctness

of the operations recorded in the expense and income accounts that they accomplish. In this way, it exercises dimensional control over the implementation of the budget, whereby the Inspector-General of Finance interventions are subject to the direct authority of the Minister of Finance according to an approved annual program, according to requests for intervention, investigation, and review submitted by the Ministry of Interior. This program, which may undergo some adjustments according to the urgent tasks, which makes this administrative control periodic monitoring far from the character of permanent and systematic oversight.

The inspectorate monitors documents on the spot and conducts investigations regarding the interests of the fund, accounting, money and materials, and by examining the various procedures and rulings related to monitoring the financial management of members of dirt groups, verifying the integrity of the documents and documents proven for the accounting management of accountants, and ensuring the validity and legality of the operations associated with the implementation of their budgets and listed In the accounts of the two commanders in exchange and all administrators, whether it comes to income or expenses. This control is not limited to legality, but rather extends to the organization and management of collective facilities and their management methods.

Also, in addition to the theoretical importance of control exercised by this inspectorate at the level of management and financial management of earthen groups, the outcome of the experiment resulting from the exercise of its functions in this section was not at the level of aspirations and goals set to protect public money. The limited supervisory performance is due to a set of difficulties of a legal, structural and functional nature, in addition to the limited competence and ruler during and after investigations, where the supervisory reports depend on the dual ruler by granting the dust groups and the supervisory administrative bodies the right to respond to their observations within fifteen days. At most who received the report[12].

The weakness of the approved sanctions and the absence of tracking reports, as the legislator did not provide for any means to push those responsible for the unit that was inspected to follow up and implement the summaries of these reports. Where the role of the inspectorate is limited to the situation in which violations are confirmed in the accounting and financial management, by informing the Minister of Interior through its serial head, that is, the Minister of Finance with a request to correct these violations.

As for the case in which violations of budgetary and financial discipline are identified, it submits the report to the Supreme Council of Accounts, and when it counts a case of embezzlement of the local public money, it directs its reports to the Minister of Justice in order to move the judicial process.

This is in addition to the structural and functional damages suffered by the inspectorate, related firstly to the lack of human resources working in the inspectorate, as many

inspectors composed, experienced and experienced are allowed to move to work in different public departments and institutions in order to supervise the administrative aspects of the financial nature, which is an issue, even if In a positive way to develop the public administration and provide it with high qualifications capable of good framing of financial management, on the one hand the inspectorate loses its most prominent frameworks, to the extent that a group of inspections in dirt groups or their facilities are supervised by trained inspectors, which clearly indicates the absence of the necessary care for this body to play Its role with the required seriousness in controlling the management of local public funds. As for the second reason, it is manifested in the absence of a clear control vision and vision based on a clearly defined scheme and the programming of a specific strategy that makes its oversight functions on decentralized units an automatic and continuous issue in time.

In order to overcome these obstacles and the difficulties that make the oversight performance of the General Inspectorate of Finance less than the desired goals, it remains for the Ministry of Finance officials to reconsider the legal and human system framed for this administrative body in the direction of working to develop a strategic plan for the inspector's intervention programs in the field of audit and oversight until it becomes automatic And sustainable, with clarification of the areas of its intervention and its legal implications, and why not working to create regional inspectors of it, it will be a management close to the dirt groups, with an expansion of its competencies to include the accompaniment role of the work of these groups by providing advice and human support in order to achieve the goal of creating the collective public affairs and protecting public money from All the negatives that lead to its waste and thus contribute to the consolidation of the principles of territorial governance of responsibility and accountability.

### 3.2 Control of the General Inspectorate of Territorial Administration

The supervision exercised by the General Inspectorate of Territorial Administration on the actions of the territorial groups and their bodies plays an important role in controlling and limiting responsibility for those who are spending and contributing to the improvement of management methods and simplification of rulers. Out of its competencies in verifying administrative, technical and accounting management and carrying out the task of study or planning.

As the legislator granted the inspectors, while exercising this oversight form, the authority to claim all documents that enable them to carry out their tasks, and the right to do all research and investigations that they deem necessary, according to an annual program of work written on the basis of objective data. This program aims to cover all decentralized territorial units in a specific period of time commensurate with the human potentials available to the General Inspectorate, in addition to the exceptional programs not pre-programmed and that are based on the missions of the Minister of Interior.

The tasks of inspection and control are carried out according to an established administrative procedure and in a serial manner, starting with the formation and examination of the inspection file and the appointment of the central committees for inspection, monitoring and investigation, through preparing reports and proposing the measures to be taken and ending by following the outcome of the recommendations issued on the accomplished tasks. Provided that he retains within the reporting process the right of defense for violators according to the confrontational procedure, where the results of the research are transmitted after the completion of reporting on the concerned parties to express their observations and comments on the violations observed by them by the inspection committees.

Based on the accomplished reports and the submitted comments, penal measures are taken to remedy the registered defects according to their gravity, whether by referring the file to the judiciary in order to activate the judicial follow-up or the approval of administrative penalties stipulated in the regulatory laws of the dirt groups. Where the penal procedures remain for the elected on the occasion of proving that they have committed violations, which are required to take the penalties of arrest or removal, surrounded by a set of guarantees of an administrative and judicial nature that will protect their rights.

Also, to reach important results and cost-effectiveness for these oversight responsibilities, the General Inspectorate of Territorial Administration has worked to adopt a strategic planning methodology defined in time and clear goals, and this is due to its belief in the need for serious and constructive involvement in the selection of public authorities for the territorial governance system and the creation of public life and the development of management methods for various management wheels Decentralized dirt. Accordingly, the General Inspectorate of Dirt Administration worked on approving the strategic plan for defining the main directions and reforms of this institution during the period between 2006 and 2009, which envisaged the rehabilitation of this institution in order to enable it to do all the necessary means and enable it to carry out its tasks in the best way by seeking to achieve a set of The objectives can be summarized in the following basic points:

- Rehabilitation of the General Inspectorate of Territorial Administration;
- Enabling the territorial administration and groups to adopt the principle of internal scrutiny and control as tools of good management and governance;
- Strengthening the independence and objectivity of the work of the inspectorate;
- Emphasizing the important role of the Inspectorate as a consulting and support agency;
- Strengthening the tasks related to tracking, examination and evaluation studies.

In order to make monitoring and inspection tasks a mechanism that contributes effectively to achieving the set goals, a special tracking cell has been created and monitoring of the response to the recommendations of the monitoring committees.



#### 4. Conclusion

The previous, accompanying, and subsequent monitoring of the local authorities through administrative and financial control was characterized by continuous development, where the issue of their effectiveness remains dependent on the extent of their activation according to modern monitoring systems, and this matter will not come without a holistic view of reforming the supervisory administrative system and seriously considering reforming its system through placing it within a framework of governance Financial based on performance appraisal, internal control and examination mechanisms. The abolition of the concept of administrative guardianship and its substitution in the concept of administrative control remains an important progress at this level and an implicit recognition by the public authorities of reaching the maturity groups in the stage of maturity in their management of their affairs and the exercise of their functions, competencies and powers in all merit and merit in line with the principle of free management stipulated in the Constitution of the Kingdom. As for the level of financial control, and in front of the limited performance of the supervisory institutions in their multiplicity, the issue of supporting and strengthening the role of the local clutch is of great importance in the direction of eliminating the imbalances in the work of this institution in its relationship with the two commanders in exchange, to overcome the problem of duplication of employment, which is to monitor each of the health Commitment to expenditures and control the validity of the extraction and the health of the debt. The same applies to the control of the public treasury who performs the task of settling accountants' accounts before submitting them to the financial courts. This oversight function remains classic monitoring and does not rise to the level of examination and evaluation of local management processes.

The same observation applies to the work of the General Finance Inspectorate, whereby in this framework it is necessary to review and update the legal framework regulating the work of the Inspectorate and vaccinate it with qualified and qualified human resources, while extending its organizational structure at the regional level in order to achieve the objectives of proximity and control effectiveness. Especially as its currently scheduled tasks that go into material control of the performance of alimony in relation to materialism of accomplishments on the field, results remain limited.

As for the supervision exercised by the General Inspectorate of Territorial Administration, it is distinguished by its effectiveness and the strength of the results obtained from its reports, and perhaps the reason for this is due to its organizational subordination to the Ministry of the Interior, which was the guardian of the dirt groups, and therefore has a lot of legal mechanisms to enjoin every violation or transgression by the elected.

#### References in Arabic

- [1] رضوان بوجمعة: *المقتضب في القانون الإداري المغربي*، مطبعة النجاح الجديدة، الدار البيضاء، 1999.

- [2] أمل المشرفي: *الوصاية الإدارية في مشروع إصلاح الميثاق الجماعي*، عدد 32 من سلسلة مواضيع الساعة، أعمال اليوم الدراسي حول اللامركزية الإدارية بالمغرب بتاريخ 21 يوليوز 2001 منشورات المجلة المغربية للإدارة المحلية والتنمية، 2001.
- [3] *أعمال المناظرة الوطنية السابعة للجماعات المحلية المنعقدة بالدار البيضاء بين 19 و20 أكتوبر 1998*.
- [4] سعيد جفري: *الرقابة على المالية المحلية بالمغرب محاولة نقدية في الأسس القانونية السياسية الإدارية المالية، أطروحة لنيل دكتوراه الدولة في القانون العام، جامعة الحسن الثاني عين الشق الدار البيضاء، 1998*.
- [5] نعيمة موييني: *إشكالية الرقابة المالية المحلية: مؤسسة القابض عدد 34 كنموذج، المجلة المغربية للإدارة المحلية والتنمية، شتبر - أكتوبر 2000*.

#### References

- [6] SABONI Ben youssef: *Le Percepteur Receveur Municipal et sa place dans le système administratif local, Mémoire de cycle supérieur ENAP, Rabat, 1984-1985*.
- [7] Hamdiatou (B): « *le contrôle des finances publiques au Maroc, situation actuelle et perspective* ». *Mémoire de fin de cycle national ENA, rabat 1995, p. p : 41-53*.
- [8] El adaoui (Z) : « *le contrôle de la régularité exercé par la cour des comptes marocaine* », *op. cit, p: 26*.
- [9] El adaoui (Z) : « *le contrôle de la régularité exercé par la cour des comptes marocaine* », *op. cit, p: 25*.
- [10] Fikri (A) : " *le régime financier de la commune*", Ed maghrébines, Casablanca, 1989, p. p: 85-99.
- [11] Fikri (A) : " *le régime financier de la commune*", Ed maghrébines, Casablanca, 1989, p. p: 90.
- [12] El adaoui (Zineb) : « *Le Contrôle de régularité des finances publiques exercé par la cour des comptes marocaine* », mémoire de DES en sciences économiques, université Mohammed V, rabat, 1991, p : 55

#### Author Profile



**Nabil BOUCHARMOU**, doctor of law, researcher in administrative law and territorial governance. Legal and tax advisor; temporary professor in Hassan II University, Faculty of Legal, Economic and Social Sciences, Casablanca, Morocco.