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Oversight and the Fight Against Corruption to Achieve Good Governance of Public Spending

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Abstract:

The world has witnessed profound and radical transformations that have significantly affected the concepts of public finance, particularly in the context of a complex and changing economic environment, global crises, and the widespread phenomenon of financial and administrative corruption associated with the management of public expenditure. The repercussions of this corruption impact the overall development process, given that public spending is the primary source of funding for development at its various levels and for the welfare of citizens. In order to combat financial and administrative corruption and mitigate its negative effects, many countries have adopted modern approaches to public management, most notably governance. Oversight and the fight against corruption are among the key mechanisms for consolidating governance, due to their role in building sound and effective public administration capable of managing public expenditure wisely and directing resources toward development projects and essential services. Accordingly, this study aims to determine the extent to which oversight and anti-corruption measures contribute to the realization of good governance in public spending. It seeks to clarify certain concepts related to oversight, corruption, financial governance, and public expenditure, while highlighting the role of oversight and anti-corruption as mechanisms for reinforcing the governance of public spending through the rationalization and sound management of public resources.

Keywords: Oversight, Anti-Corruption, Public Finance, Governance of Public Spending.

Introduction:

In recent decades, there has been increasing interest in the management of public funds, particularly with respect to public expenditure and the growing societal demand for improved performance, given its direct impact on people's standard of living and quality of life. Public expenditure serves as an instrument of government intervention across all fields to achieve economic, social, and political objectives through spending on various sectors. On the other hand, the spread of corruption in all its forms, alongside the multiplicity of embezzlement methods and misappropriation of public funds in recent times, has heightened the importance of oversight and anti-corruption measures in managing, rationalizing, and ensuring the sound functioning of public expenditure. Oversight compels compliance with the principles and foundations of the state budget, subjecting all stages of expenditure implementation to legal and regulatory scrutiny carried out by auditing bodies, with the purpose of safeguarding public funds by detecting errors and loopholes before they occur, while also uncovering embezzlement, misappropriation, and waste.

Problem Statement:

Given the significance of governance and its central role in public financial management, as well as the diversity of its principles and mechanisms in ensuring efficiency and effectiveness in the administration of public funds—through the adoption of prudent spending policies and the safeguarding of public resources from all forms of corruption—and considering oversight as a tool or mechanism for ensuring that the financial activities of the state achieve their intended goals and objectives as defined in the general budget to promote sustainable development, optimize resource utilization, and rationalize expenditure, the following research problem arises:
Financial oversight plays a critical role in public financial management, ensuring transparency in budget execution and the legitimacy and credibility of accounting operations to safeguard public funds and assess the efficiency and effectiveness of financial and accounting management.

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Main Research Question:

To what extent do oversight and anti-corruption measures contribute to the realization of governance in public expenditure within the framework of modernized public budgeting?
In light of this main problem, several sub-questions can be raised to guide the study's axes:
- What role does financial oversight play in the realization of governance in public expenditure? What are its characteristics?
- What is the relationship between financial oversight and the governance of public expenditure?

Objectives:

This study aims to:
- Highlight some of the key concepts of oversight and corruption.
- Define general concepts related to financial governance and public expenditure.
- Demonstrate the role of oversight and anti-corruption in achieving the governance of public expenditure.

Significance of the Study:

The importance of this study stems from the pivotal role that oversight and the fight against corruption play in the governance of public expenditure. Such governance ensures the rationalization of spending and its efficient allocation toward the achievement of targeted economic and social objectives, while reducing the risks of public fund mismanagement and embezzlement, particularly in the context of limited resources and the recent alarming spread of corruption.

Study Axes:

To address the research problem, the study will be divided into the following axes:
1. Fundamentals of public expenditure, financial oversight, and anti-corruption.
2. General concepts of public financial governance.
3. The role of oversight and anti-corruption in implementing the governance of public expenditure.

First Axis: Fundamentals of Public Expenditure, Financial Oversight, and Corruption
Public expenditure is considered one of the key instruments of fiscal policy, used by the state to achieve its objectives and implement its economic and social programs. The importance and volume of public expenditure have grown significantly with the increasing needs of society in the context of limited resources.

1. The Concept of Public Expenditure
1.1 Definition of Public Expenditure:
Before addressing the concept of public expenditure, it is necessary to first consider the state budget.
- "Public expenditure is a monetary amount spent by a public authority with the aim of achieving a public benefit[i]."
- "It is an amount of money disbursed from the state treasury to meet public needs. The government provides various public services aimed at protecting citizens and improving their welfare, which necessarily requires government spending[ii]."
- "It is an amount of money spent by the state from its treasury to satisfy a public need in order to achieve its objectives[iii]."
- "It refers to the disbursement of a certain sum by public bodies and administrations in order to meet a specific public need[iv]."

The Concept of Rationalizing Public Expenditure:

- "Rationalizing public expenditure does not mean reducing it, but rather achieving the highest possible level of public productivity with the least possible waste or excess. Its scope can be defined when spending rises far above the state's resources, or when the productivity of public spending falls to the lowest possible level[v]."
- It is also defined as: "The optimal use and most appropriate allocation of expenditures toward the best available alternatives, thereby maximizing benefits to the individual undertaking the expenditure, while minimizing losses and the sacrifice of alternative opportunities. The issues of public expenditure and its rationalization are closely tied to the extent

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to which government bodies adopt rational and prudent methods in allocating their programs so as to ensure the best, most effective, and most efficient use of resources in meeting public needs[vi]."

1.2 Rules of Public Expenditure

In order for public expenditures to achieve their intended objectives and to contribute to improving the welfare of society, they must be governed by a set of principles and rules, as follows[vii]:

- **Rule of Authorization:** No funds may be disbursed unless they are duly authorized by the competent authority.
- **Rule of Utility:** Expenditure must generate the maximum possible benefit or gain. In this regard, when preparing its budget, the state must prioritize expenditures according to their importance and utility.
- **Rule of Equity in Public Expenditures:** Equity is realized when the tax burden collected to finance public spending is distributed fairly, ensuring that expenditures are not directed to certain groups at the expense of others.
- **Rule of Economy in Expenditure:** This is a fundamental principle of spending, requiring the avoidance of waste and extravagance, limiting disbursements to only necessary expenditures and at the lowest possible cost, in order to achieve rationalization. It also entails maximizing the benefits obtained from public expenditure at the lowest possible cost. To ensure compliance with this rule, states establish strict systems to monitor public spending before, during, and after implementation.
- **Rule of Certainty:** Public expenditures must be estimated with precision to prevent manipulation and misuse of public funds.
- **Rule of Transparency in Public Expenditures:** This is achieved by publishing the state's general budget for the public, thereby enhancing transparency.
- **Rule of Surplus:** Public expenditure should be managed in a way that allows the realization of a surplus in revenues.

2. The Concept of Oversight

Oversight has existed since ancient times, when individuals realized they could not personally manage all their possessions and needed to delegate responsibilities to others, while requiring reports on financial matters in return. Its importance increased with the advent of the Industrial Revolution, when factory owners were separated from management, as they could no longer handle the operational and technical aspects themselves. This separation led to the emergence of systematic accounting practices to ensure accuracy in reporting and to prevent fraud and embezzlement. Over time, oversight functions evolved and became an integral part of institutional efforts, with financial matters entrusted to independent auditing bodies.

2.1 Definition of Oversight

- Oversight is considered one of the essential functions performed by multiple bodies, aiming to ensure that the state's financial activities achieve their purposes as outlined in the general budget, without waste, extravagance, or violation of budgetary principles, thereby maintaining the sound financial functioning of public administration.
- Oversight is the function that ensures the balance of operations with predetermined standards, with its foundation resting on the information available to managers[viii].
- From a legal perspective: Oversight is carried out by bodies established through a law, regulation, or other legal instrument that defines their jurisdiction. Its aim is to ensure that financial activities comply with the law—or, more precisely, with the various legal rules governing them—whether in their legal form or substance. This type of oversight examines the nature, content, and components of financial transactions, particularly in relation to expenditures[ix].

2.2 Objectives of Oversight

Oversight seeks to ensure respect for the use of public funds and to protect them from loss, embezzlement, and all forms of manipulation that could undermine the national economy. Its primary function is to monitor the financial situation, verify the legality of public expenditures, and ensure their conformity with applicable laws and regulations. Its objectives include[x]:

- Verifying the collection of resources in accordance with applicable legal and regulatory provisions.
- Ensuring that expenditures are directed to their intended purposes, without waste or deviation.
- Preventing tax evasion, financial irregularities, and the misappropriation of public funds.

2.3 Types of Oversight

The general budget passes through successive and interconnected stages: preparation and drafting, discussion by the legislative authority, approval and ratification, and finally implementation by various official bodies. Accordingly, it is essential to monitor both expenditures and revenues. Thus, the forms of oversight differ and its types are multiple. Oversight can be classified according to:

- The body that exercises oversight;

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- The timing of the oversight process;
- The authority empowered to conduct the oversight operation.

2.3.1 According to the Body Responsible for Oversight

- **Internal Oversight:** This refers to all monitoring practices and organizational procedures carried out within the organization to ensure the legality of various operations.
- **External Oversight:** This consists of legal procedures exercised by external auditing bodies.

2.3.2 According to the Timing of Oversight

- **Ex-ante Oversight (Preliminary Oversight):**

To ensure the legality of public expenditure and prevent it from exceeding the allocated appropriations, the responsibility of preliminary financial oversight is entrusted to the financial comptroller and the public accountant. They verify all documents to ensure that public expenditures comply with the applicable laws and regulations. This form of oversight is essential, as it provides prior authorization for certain projects and initiatives. It plays a positive role in promoting transparency and preventing financial errors and irregularities.

- **Concurrent Oversight (Ongoing Oversight):**

This is continuous monitoring carried out throughout the different stages of execution. Its purpose is to detect deviations during implementation and to take immediate corrective measures, such as the ongoing monitoring performed by the public accountant over public expenditures.

- **Ex-post Oversight (Subsequent Oversight):**

This involves corrective measures targeting past operations, aiming to address shortcomings and remedy deficiencies. It begins with the examination and review of accounts from their inception until their closure.

2.3.3 According to the Authority Empowered to Conduct Oversight

- **Administrative Oversight:** This form of oversight relies on collecting and analyzing data to draw specific conclusions, ensure the achievement of objectives, and verify compliance with regulations. It is carried out through the examination of documents and records (documentary oversight), as well as on-site verification (substantive oversight), where a superior visits the workplace of subordinates to ensure the accuracy of operations.
- **Judicial Oversight:** This type of oversight ensures the legality of financial operations and is vested with the authority to impose penalties and sanctions. In Algeria, this function is performed by the *Court of Accounts* (*Conseil de la Comptabilité* / *Cour des Comptes*).

2.3.4 From the Perspective of Accounting and Economics

There are three types:

- **Documentary Oversight:** Conducted through the examination and review of documents and records.
- **Performance Oversight:** Evaluative oversight involving all processes that measure actual performance and compare it with predetermined objectives.
- **Comprehensive Oversight:** Conducted after the end of the fiscal year.

3. The Concept of Corruption

Corruption is a dangerous phenomenon of human behavior. It is ancient in its origins and emergence, yet modern and constantly evolving in the methods, forms, and manifestations through which it appears and is practiced among individuals, societies, and states. It is not a phenomenon of today, as it has accompanied the trajectory of human civilizations and was among the causes of the downfall of both ancient and modern civilizations.

Financial corruption is considered the most serious type of corruption due to its direct association with money. No country—whether developed or developing—has been immune to it. However, it is far less prevalent in developed countries and much more widespread in developing ones. This has led states to establish oversight bodies to ensure the rational and prudent use of public funds, as well as to protect them from all forms of corruption.

There is no universally agreed-upon definition of corruption that satisfies all researchers. This is due to the multiplicity of sources addressing corruption and the different perspectives from which it is examined—whether legal, administrative, social, economic, or political—as well as the diversity of its forms and the fields in which it spreads. Accordingly, corruption has been defined as follows:

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3.1 Definition of Corruption

- From a legal perspective: it is a deviation from compliance with legal rules.
- According to *Transparency International*: corruption is a workplace practice involving the use of public office for private gain, either for oneself or one's group[xi].
- According to the *World Bank*: corruption is the misuse of public office or authority for private benefit. It often occurs when an official accepts, requests, or extorts a bribe to facilitate a contract or public tender. It may also occur when agents or intermediaries of private companies offer bribes to benefit from public policies or procedures, thereby outmaneuvering competitors and generating profits outside the framework of the law. Furthermore, corruption can occur without bribery, such as through nepotism, appointing relatives, or directly embezzling public funds[xii].
- Generally: corruption is the misuse of public roles or resources for private benefit[xiii].

3.2 Forms of Financial and Administrative Corruption[xiv]

- **Bribery:** Receiving money for the benefit of an individual or group (e.g., family, region) without entitlement.
- **Favoritism:** Granting preferential treatment to a certain party over another in service delivery without legitimate grounds.
- **Mediation (Wasta):** Intervening in favor of an individual or group without regard to merit or professional standards, often based on kinship or partisan affiliation.
- **Embezzlement of Public Funds:** Illegally appropriating state funds and misusing them under various pretexts.
- **Extortion:** Obtaining money from others in exchange for carrying out a service by someone in a position of power.

Second: General Concepts of the Governance of Public Expenditure

In terms of usage, the concept of *governance* has been employed in scholarly writings for more than seventy years, notably by American economists. The term first appeared in 1937 when economist Ronald Coase published his seminal article *"The Nature of the Firm."* At that time, its use was limited to the field of the firm, focusing on its organization, pricing, and internal relations—specifically in the context of *corporate governance*.

It was not until the late 1980s and early 1990s that the term began to be used in public affairs, i.e., in the management of state and society. The United Kingdom imported the concept into the field of political science when the government funded research on the reconstruction of local authority. Its use expanded significantly in the late 1990s, becoming widespread after being adopted by international financial and development institutions such as the *World Bank*, the *International Monetary Fund (IMF)*, and the *United Nations Development Programme (UNDP)*, which used it as a key term in their literature on economic development[xv].

Since then, the scope of the concept has broadened, moving extensively into the political sphere. Governance has become one of the most prominent topics attracting attention at governmental, organizational, academic, and professional levels. Nevertheless, its meaning and scope remain ambiguous due to a lack of conceptual clarity. However, its flexibility has allowed it to be adapted to various contexts. Thus, the term *governance* has become linked to many issues, and no single universally agreed-upon definition exists.

1. Definition of Governance:

1.1 Definition of Corporate Governance:

The term "governance" has multiple meanings, like many terms used in management and economics.

- **According to the International Finance Corporation (IFC):** it is the system by which companies are directed and controlled[xvi].
- **Adrian Cadbury defined it as:** "the system by which companies are directed and controlled.[xvii]"
- **According to the International Finance Organization:** it is a set of organizational and structural frameworks, control processes, and corporate guidance mechanisms that aim to regulate the relationship between management, owners, shareholders, and other stakeholders[xviii].

Thus, in the narrow sense, corporate governance refers to the relationship between the company and its shareholders; in the broad sense, it is the relationship between the company and society as a whole.

- **According to Martin Hilb:** it is the system that enables strategic management, integrated governance, and comprehensive oversight in an entrepreneurial and ethical manner, tailored to each specific context.

1.2 Definition of Public Sector Governance:

In light of financial collapses, global crises, weak mechanisms of transparency and accountability, and lack of efficiency and effectiveness in performance, countries have sought to develop management systems to govern their sectors by introducing new mechanisms such as governance.

- **According to Johnson:** governance consists of legitimate and effective methods of accountability—sometimes misleading—used to obtain public authority and resources and employ them to pursue widely accepted social objectives. Governance is built on the rule of law, transparency, and accountability, embodying a partnership between the state, society, and citizens[xix].
- The term **good governance** is generally linked to political, economic, and social objectives deemed essential for achieving development.

Thus, governance is defined as:
- The process by which public institutions manage public affairs and resources in a way that reinforces the rule of law and the realization of human rights (civil, political, economic, social, and cultural rights).
- **According to the IMF (1996):** strengthening good governance in all its aspects, including ensuring the rule of law, improving efficiency and accountability in the public sector, addressing corruption, and establishing a framework in which economies can flourish.
- **According to the World Bank:** the manner in which power is exercised in managing a country's economic and social resources for development[xx].
- **According to the OECD:** the process by which decisions are made and implemented, and public affairs and resources are managed.
- Governance is also defined as the mechanisms through which public sector entities seek to achieve sustainability by engaging stakeholders in decision-making, rationalizing public administration, and developing resources.

Public sector governance refers to a set of rules, laws, legislations, and regulations through which the public sector seeks to achieve efficiency, effectiveness, and transparency in performance, to meet society's needs and ensure the optimal use of available resources.
- Governance can also be defined as managing the public sector properly, based on efficiency, effectiveness, optimal use of resources, cost rationalization, accountability, and transparency in a way that promotes citizens' rights, meets their aspirations, and ensures the public interest[xxi].
- Another definition states: governance is a set of legislations, policies, organizational structures, procedures, and controls that shape how a government agency is directed and managed to achieve its goals in a professional and ethical manner, with integrity and transparency, within a system of monitoring, evaluation, and strict accountability to ensure efficiency and effectiveness in performance on the one hand, and equitable provision of government services on the other[xxii].

Governance is a system of control and direction at the institutional level that defines responsibilities, rights, and relationships with all stakeholders, and clarifies the rules and procedures necessary for sound decision-making within the entity. It is a system that supports fairness, transparency, accountability, and enhances trust and credibility in the working environment.

2. Objectives of Public Financial Governance[xxiii]:
Among the main objectives of governance are:
- To achieve the principle of accountability for government entities and their employees, and compliance with laws and regulations.
- To ensure integrity, fairness, and transparency in the use of authority and the management of public funds and state resources, while limiting the misuse of public authority for private purposes.
- To ensure the necessary protection of public property while safeguarding the interests of stakeholders.
- To increase citizens' satisfaction with the services provided by the public sector.

3. Rules of Financial Governance[xxiv]:
The rules of financial governance include:
- **The principle of transparency:** refers to simplicity and clarity, making processes transparent and free from ambiguity or overly complex procedures that hinder monitoring. It means presenting a true picture of everything that happens.
- **The principle of accountability:** refers to the ability to evaluate the work of the board of directors and executive management, and to empower citizens and stakeholders—individuals and non-governmental organizations—to monitor and hold public officials accountable through appropriate channels and tools, without obstructing work or causing unjust harm.
- **The principle of participation:** refers to enabling citizens, individuals, and civic associations to participate in policy-making and in setting rules for work in various fields.

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4. Principles of Public Financial Governance:

- **Setting direction:** placing public administration within the framework of the rule of law, where users of the public system become rights-holders, able to legally demand services and hold public officials accountable.
- **Embedding ethics:** good governance requires ethical values, competent and honest leadership, and effective internal control. To achieve this, clear lines of accountability must be established, holding individuals responsible for their actions and motivating them to perform properly.
- **Accountability reporting:** governments use resources because they are entrusted with the authority to achieve required goals. However, they must be held accountable for how these resources are used and what is accomplished. Governance therefore requires periodic performance and financial reporting, verified by independent auditors. At the same time, it requires enforcing accountability and imposing sanctions on anyone who abuses authority or misuses resources for unintended purposes.

Third: The Role of Oversight and Combating Corruption in Implementing Governance of Public Expenditure

Oversight, combating corruption, and governance are closely interconnected elements. Among the features and mechanisms of governance are oversight and the fight against corruption and corrupt behavior. The idea of financial governance revolves around various oversight tools over the management of public funds and protecting them from different forms of financial and administrative corruption. One of the methods of public expenditure governance is oversight over public funds, where public expenditures must be authorized by the legislative authority in order for the government to implement them.

Oversight and anti-corruption are an essential part of the system of financial and administrative governance, aiming to ensure the use of public funds in an efficient, transparent, and equitable manner. On the other hand, oversight and the fight against corruption play a crucial role in achieving the governance of public expenditure, as public spending represents a vital part of any country’s economy. Governments must therefore be responsible and transparent in its management and use, in an effective and fair way. To achieve this, oversight and accountability are critical in applying the principles of transparency, accountability, and fairness in public expenditure processes.

1. Oversight as a Mechanism for Implementing Governance of Public Expenditure

Oversight of expenditure is a necessary procedure to preserve public funds, while also contributing to the improvement of spending efficiency, since managers become aware of the presence of oversight, which drives them to comply with financial management laws and regulations.

For public expenditure governance to succeed, oversight of spending programs is required. Oversight embodies governance by enforcing accountability, transparency, integrity, and fairness in public spending, while also combating corruption. It is among the most important means of instilling accountability, transparency, integrity, and fairness through[xxv]:

- Oversight of all kinds ensures sound management of public funds by combating all forms of excesses, waste, and embezzlement that may occur during budget execution, and by applying specific standards that regulate oversight work to ensure it has a positive effect.
- Internal and external oversight play a vital role in strengthening transparency in the management of public funds. Internal oversight consists of regulating and monitoring financial and administrative operations within government bodies and ensuring the application of professional and ethical standards in financial management. External oversight, on the other hand, is carried out by independent institutions such as audit bodies, donor agencies, and non-governmental organizations that evaluate and monitor the use of public funds and combat corruption.
- Oversight serves accountability and is among the most cost-effective means to enhance transparency and openness in how government agencies operate and improve their performance. This requires the adoption of new, effective oversight approaches aligned with performance-based budgetary reforms.

Thus, implementing governance of public expenditure requires the presence of effective oversight mechanisms, including:

- Strengthening oversight and auditing: enhancing the role of oversight bodies and audits in monitoring public expenditure, with mechanisms for independent review and financial auditing of government agencies and related institutions.
- Strengthening community participation: civil society and the public must take part in monitoring and oversight of public expenditure. This can be achieved through encouraging participation in tenders, public reviews, and independent reporting.
- Activating the role of oversight institutions and strengthening their independence.
- Transparency and electronic participation: using technology to strengthen transparency and enhance e-participation in spending processes, such as creating electronic platforms to publish financial and expenditure data for public review

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by citizens and NGOs, and employing blockchain technology to record and document all public financial transactions, including contracts, payments, and public procurement, to improve monitoring.
- Financial oversight: including financial audits and reviews to ensure that public spending is conducted according to applicable laws and regulations, through providing an integrated financial oversight system covering annual budgeting and accurate monitoring of revenues and expenditures.
- Legal oversight: a strong legal framework must exist to regulate public expenditure and provide guidance and procedures for those responsible for spending public funds, ensuring compliance with laws and punishing any legal violations.
- Administrative oversight: this includes policies and procedures for internal monitoring within government bodies, by clearly defining and distributing powers and responsibilities, providing mechanisms to monitor performance and evaluate results, and ensuring systems are in place for reporting corruption and violations and punishing those responsible.
- Transparent oversight: ensuring transparency and clarity in public expenditure processes through the provision of information on public procurement, contracts, and expenditures.
- Oversight of spending programs: by providing effective accounting and auditing systems that contribute to tracking public expenditures.

The openness of public administration to its economic environment has led to the emergence of a new concept of public management known as New Public Management (NPM). This new management style aims to achieve pre-defined objectives and requires the use of modern tools and techniques borrowed from the private sector, while respecting the specificities of the public sector, such as governance.

2. Combating Corruption as a Mechanism for Implementing Governance of Public Expenditure

Governance emerged as a response to the prevalence of economic and financial corruption in institutions, aiming to achieve effective oversight that protects the shared interests of all stakeholders in organizations through mechanisms, procedures, laws, and systems that ensure discipline and transparency in order to serve the public interest and stakeholders. Thus, combating corruption and applying governance are closely linked elements, as one of the main features of governance is that it incorporates mechanisms for fighting corruption and corrupt practices. Combating corruption is therefore an essential component of public expenditure governance, since corruption causes serious damage to a country’s financial and economic system and negatively affects wealth distribution and societal progress.

To address this, several strong mechanisms and measures have been established to fight corruption, eradicate it, and punish those involved. Strategies for combating corruption in implementing governance of public expenditure include several mechanisms, such as:

Mechanisms for Combating Corruption

- **Disclosure and Transparency:** Transparent and detailed information must be provided regarding public expenditure and various development projects. This information should be easily accessible to the public, whether through websites or public reports.
- **Legal Framework:** Establishing clear, effective, and explicit laws and legislation, alongside advanced administrative regulations, to prohibit corruption, enhance transparency and accountability, and create highly efficient executive and oversight institutions supported by firm political will to follow up on corruption cases[xxvi].
- **Culture of Accountability and Integrity:** Strengthening a culture of accountability and integrity within government bodies, providing training and awareness for employees about the importance of ethical values and sound standards in managing public funds.
- **Strengthening Oversight Functions:** Enhancing monitoring and control by providing the necessary resources and tools for follow-up, and ensuring qualified human resources with the required expertise to fully perform their oversight tasks.
- **Activating Oversight Institutions:** Empowering oversight institutions with the authority to supervise and follow up on cases of administrative and financial corruption, reinforcing their independence, and enhancing accountability of public office holders through an independent and impartial judicial system that enforces the rule of law.
- **Independent Reports and External Review:** Encouraging the formation of independent review and monitoring teams composed of local community members, who evaluate financial activities and projects and issue independent reports on their findings.
- **Strengthening the Judiciary:** Reinforcing judicial independence and activating the role of the Supreme Court and other judicial bodies to oversee the constitutionality and implementation of laws enacted by the legislature and the procedures taken by the executive authority, in addition to allowing any citizen to request verification of such laws.

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- **Deterrent Penalties:** Establishing strict and dissuasive penalties for corruption and financial mismanagement through an effective judicial system that prosecutes those involved in corruption and applies appropriate sanctions.
- **Technology and Digital Solutions:** Utilizing technology and digital solutions to combat corruption, such as implementing integrated financial management systems to track and monitor financial operations, and applying data analytics and artificial intelligence to detect patterns of corruption and financial manipulation.
- **Rationalization of Public Expenditure:** Rationalizing spending helps reduce the annually increasing budget deficit caused by growing public expenditures, often driven by mismanagement at a rate higher than revenue growth.
- **Participation in Tendering Processes:** Establishing mechanisms for community participation in tendering processes and the selection of suppliers and contractors by offering opportunities for public consultation sessions or allowing comments and suggestions on submitted bids.
- **Transparency in Tendering Processes:** Creating a unified and transparent system for tendering procedures and the selection of suppliers and contractors, with mechanisms to combat bribery and manipulation.
- **Simplification of Procedures:** Simplifying tax and customs procedures and ensuring they are surrounded by transparency and clarity.
- **Adoption of Governance Principles:** Adopting principles of governance, good governance, transparency, accountability, and ethical conduct in public service.
- **Community Meetings and Forums:** Organizing community meetings and forums to discuss issues of public expenditure and local development projects with citizens, enabling them to express their opinions and suggestions.
- **Networks and Community Organizations:** Enhancing cooperation with community organizations and local networks to strengthen civic participation in monitoring public expenditure, as they play a vital role in awareness-raising, participation, and providing information and training.
- **International Cooperation:** Promoting international cooperation in combating corruption and exchanging information and experiences among states.
- **Confidential Reporting Mechanisms:** Encouraging whistleblowing through confidential reporting channels for corruption and financial violations, such as hotlines or anonymous electronic reporting systems, and ensuring witness protection.
- **Administrative Reform:** Establishing a fair system for recruitment, performance evaluation, and promotion of employees and officials, along with improving salaries and living conditions to address root causes of corruption.
- **Monitoring Public Officials:** Tracking and holding government employees accountable by subjecting them to questioning before their superiors, who are also accountable to higher authorities in the administrative hierarchy[xxvii].

Conclusion

Oversight and combating corruption play a decisive role in realizing the governance of public expenditure through the enhancement of transparency, accountability, and fairness in managing public funds. This ensures equitable wealth distribution and fosters sustainable development. By adopting strict anti-corruption measures and reinforcing a culture of integrity and accountability, a strong and reliable system of governance is built that serves the public interest.
Oversight bodies play a major role in combating financial corruption by ensuring financial investigation, which entails rationalizing public expenditure and preventing the misuse of public funds. These bodies are also responsible for detecting, monitoring, and following up on all forms of financial corruption stemming from the exploitation of public funds by financial managers, authorizing officers, or public accountants.
To implement its policies and meet citizens' needs, the state undertakes public spending as a means of intervention in economic and social fields to achieve sustainable economic development. Detecting and preventing manipulation and errors requires financial oversight. With the state's adoption of result-oriented budgetary reform, new oversight procedures were introduced in line with financial reforms to achieve expected goals. This included modernizing the public budget system to enhance transparency and accountability, alongside reforms in public accounting (the Public Accounting Modernization Project) in line with international public sector accounting standards. This aims to provide transparency and credibility to public finance, ensure accountability under parliamentary and other oversight bodies (notably the Court of Accounts and the General Inspectorate of Finance), improve the quality of financial information available to stakeholders, redefine the scope of ex-ante and ex-post control, strengthen risk-based oversight, and introduce new methods for monitoring public services under Organic Law 18-15.

Study Findings

- Financial oversight is the cornerstone of integrity and transparency and a tool to combat financial and administrative corruption by embodying an accountability system that ensures the soundness of financial, accounting, and administrative procedures. It preserves public funds from waste and mismanagement, serving as a necessary method for rationalizing

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public spending. It is carried out through an integrated chain of oversight bodies that intervene before, during, and after the expenditure of public funds. All these institutions share the common goal of protecting public funds from corruption in all its forms.

- The role of oversight has been reinforced through modernization of the general budget and public accounting.
- A prerequisite for successful governance of public expenditure is the oversight of expenditure programs through effective accounting and auditing systems that facilitate tracking of public spending.
- Governance of public expenditure is achieved by embodying oversight and combating corruption, which ensure the effective and transparent use of public funds, thereby enhancing trust and transparency in public financial management. This is supported by a strong legal framework, transparency in spending and decision-making, civil society participation, transparent tendering processes, independent audits, and deterrent sanctions against corruption.
- There is a complementary relationship between governance, anti-corruption, and oversight in rationalizing and managing public spending.
- The reform of the state budget through the modernization project aligns with international public sector accounting standards. This shift from line-item budgeting to program- and performance-based budgeting represents a transition from traditional financial control based on conformity to performance control, ensuring efficient, effective, and economical spending of public funds.

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