

The Role of the Management Accountant in Oversight of the Implementation of the General Budget

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Abstract

The Ministry of Finance, responsible for implementing the general budget, exercises oversight through its representatives. This oversight occurs at several levels. The first level is carried out by the management accountant, who reports to it and is responsible for ensuring the proper implementation of the general budget by public entities. Management accountants are distributed and spread throughout all ministries and public administrations. The management accountant exercises internal financial oversight and serves as the eye through which the Minister of Finance monitors the proper handling of public funds, both in terms of expenditure and revenue. As a result of the above, we learned about the role of the management accountant in oversight of the implementation of the general budget by first discussing his duties and then clarifying his responsibilities. This research was divided into two sections: the first section discusses the duties of the management accountant, and the second section outlines his responsibilities. We concluded this research with a number of findings and finally, we presented some recommendations.

Keywords: oversight, implementation of the general budget, management accountant, expenditure contract, revenue collection, responsibilities.

Introduction:

The management accountant is one of the most important pillars of internal financial oversight, performing an important and effective oversight role over all ministries, departments, and agencies in the country. In carrying out his duties, he not only monitors legitimacy, but also extends his role to accounting and economic oversight. The management accountant performs his oversight role over the implementation of the general budget, both spending and collection, within the administration in which he works. His oversight is of utmost importance due to his direct connection to the implementation of the general budget, monitoring it moment by moment. This gives the management accountant the advantage of knowing and detecting instances of irregularities and deviations in implementation. Numerous laws have stipulated the duties and responsibilities of the management accountant, as he enjoys broad oversight powers through the numerous and precise tasks granted to him by the legislature. However, in return for these powers, he bears significant and complex responsibility in the event of his failure to perform his duties or committing acts that undermine the implementation of the general budget. Based on the above, and to further understand the competencies and responsibilities of the management accountant, we will divide this research into two sections, according to the following headings:

Section One: Competencies of the Management Accountant.

Section Two: Responsibilities of the Management Accountant.

Research Problem:

Despite the growing importance of the role of the management accountant in the internal financial oversight process to enhance the efficiency of general budget implementation, this role still suffers from practical limitations. This raises questions about the extent of its true contribution to oversight of the implementation of the general budget, both in terms of expenditure and collection.

Research Objectives:

The research aims to identify the competencies of the management accountant and to uncover theoretical and practical gaps related to their participation in the oversight processes of the implementation of the general budget.

Research Importance:

The importance of the research, both academically and practically, lies in the following: Academically, the research contributes to expanding knowledge about the competencies and responsibilities of the management accountant in oversight of the implementation of the general budget. Practically, the importance of the research stems from its impact on one of the most sensitive functions, as it works to enhance the quality of internal financial oversight in the implementation of the general budget.

Previous Studies:

1- Dr. Issam Bashour, Public Finance and Tax Legislation, Damascus University Publications, Faculty of Economics, Academic Year 1998-1998.

2- Prof. Abdul Latif Qutaish, The State General Budget (A Comparative Study), Al-Halabi Legal Publications, Beirut, First Edition, 2005.

Research Methodology:

This study required the researcher to use an analytical approach, gathering theoretical and practical information on the competencies and responsibilities of the management accountant and analyzing it to understand the oversight role they play in overseeing the implementation of the general budget.

Section One: Competencies of the Management Accountant

The duties and responsibilities of the management accountant are determined by a decision issued by the Minister of Finance based on numerous laws and legislative decrees that include several legal provisions for the work of the management accountant. Among these competencies are:

First: In the field of alimony contracts. According to the laws, the management accountant performs a supervisory role from the inception of the alimony contract, which is defined as the event that creates an obligation on the part of the public entity. This role is achieved by authorizing it to endorse it prior to its issuance after ensuring that the conditions for the alimony contract are met, which are as follows:^(a) a. It must be concluded by the competent authority; b. It must be consistent in form and substance with the provisions of applicable laws and regulations; c. It must be concluded within the budget allocations and within their limits; d. It must not create an obligation for future fiscal years.

In France, and within the authentic and effective role played by the accountant (the equivalent of the management accountant in Syrian legislation) during the alimony contract, which he signs after verifying the official documents attached to the alimony contract form, which specify the subject of the alimony ^(b), the accountant is responsible for examining the validity and legality of the budget process, the alimony's affiliation to the budget, the availability of accreditation, and the application of provisions at the financial level ^(c). Based on the previous positions of the accountant in France, the alimony contract either takes place because the process and procedures are sound and in accordance with the laws, or the signature is rejected as a formality due to a violation of the laws, and thus the alimony is not

^a -See Article No. 9 of Legislative Decree No. 488 of 2007, which includes the accounting and financial system for public entities of an administrative nature.

^b -Dr. Maurice Duverger, Finances publiques, Presses universitaires françaises, Paris, première édition, [1978](#), p298-296.

^c -See the text of Articles No. 12-13 of the French Decree issued on December 29, 1962.

concluded ^(a). The researcher here supports the authority of reservation that the French accountant enjoys when he proceeds to sign the alimony contract, as the reservation may lead to the revocation of the alimony contract before its liquidation and payment for a reason that may not appear or was not studied fully during the beginning of the formation of the alimony contract. Therefore, the researcher recommends that the Syrian legislator explicitly stipulate the authority of reservation for the management accountant, provided that it is in accordance with specific conditions exclusively so that the alimony contract is not restricted by the personal discretionary authority of the accountant.

Second: In the area of liquidation and expenditure disbursement orders.

The administrative accountant in public entities of an administrative nature endorses the disbursement order after the written order addressed to him by the disbursing authority, which includes an order to pay the specified amount, quantity, and nature of the debt from the appropriations specified in the budget to the rightful owner ^(b). The financial director or financial officer in public entities of an economic nature also signs the disbursement and liquidation order after the competent auditor in the Financial Affairs Directorate has legally and financially audited the disbursement orders and endorses them.^(c)

In France, the French scholar Maurice Hauriot defined the legal nature of the concept of expenditure liquidation as follows: ((The state budget does not provide for specific appropriations to pay each individual public debt. Rather, it is up to the competent ministers to determine which debts are transformed into expenditures, payable from the appropriations opened in the budget. This is liquidation)) ^(d). In France, the accountant's role in settling alimony payments is limited to verifying the validity of the order, meaning that there is an amount corresponding to the specified alimony amount. Consequently, the accountant must verify that the authorization was granted when the alimony contract was concluded. If it becomes apparent that the alimony contract was concluded without an authorization, the accountant must refuse to authorize the disbursement order.^(e)

Third: Regarding the payment of alimony.

The payment of alimony is the final implementation stage of the alimony payment, which means the actual payment of the amount to the entitled party for whom the disbursement order was issued. Among the responsibilities of the administrative accountant is disbursing the alimony after ensuring its legal validity by examining the supporting documents and papers. When disbursing alimony payments, the accountant acts as a

^a -Dr.Jean-Marie Cotteret et Claude Emery, Que sais-je du budget de l'État ? Presses universitaires françaises, Vendôme, France, [1972](#), p114.

^b -See the text of Article No. 13 of Legislative Decree No. 488 of 2007.

^c -See the text of Article No. 32 of Legislative Decree No. 489 of 2007, and Article No. 14 of Legislative Decree No. 488 of 2007.

^d -A. Abdul Latif Qatish, The State's General Budget (A Comparative Study), Al-Halabi Legal Publications, Beirut, First Edition, 2005, pp. 255-256.

^e -Dr. François Derwelle, Droit fiscal, Bibliothèque Dalloz, Quatrième édition, [1981](#), p17.

supervisor, as he only disburses the alimony after verifying the validity of the alimony contract, its settlement ^(a), and the disbursement order. In addition, the accountant also plays the role of treasurer, disbursing the alimony after verifying the eligibility of the person to whom the disbursement order was issued and ensuring that the amount does not belong to anyone other than them ^(b). In Lebanon, Article 89 of the aforementioned Public Accounting Law stipulates that: "A remittance becomes valid for payment after it is endorsed by the Central Accountant (accountant), or by his/her authorized representative with the approval of the competent Director General. This employee must adhere to the following:

A - Refuse the endorsement and return the remittance to its source, stating the reasons for refusal in the following cases:

1. - If the remittance is not signed by the authority authorized to issue it
2. - If the documents proving the alimony are not attached to the remittance.
3. - If the name of the debtor, the subject of the alimony, or its amount do not match the supporting documents.

B - Complete the transaction and place the payment order for the remittance at the disposal of the competent administration within three days from the date of receipt.

The researcher notes that the Lebanese text is similar to the Syrian in terms of the necessity of signing the transfer or check after verifying the supporting documents and the integrity of the procedures for paying the alimony, but the difference between the legislators lies in what was stated in paragraph (b) of the previous article, which explicitly specified the time period necessary to place the payment order at the disposal of the competent administration within a period of three days from the date of receipt of the transaction by the accountant, and such a period is not mentioned in Syrian law, and this, in the researcher's opinion, is a deficiency that conflicts with the nature of financial legislation, so it must be rectified with the necessary legislative amendments.

Fourth: In the area of revenue collection.

Article 28 of the Basic Financial Law, within the framework of oversight of the implementation of the general budget, stipulates that the amounts legally due to the public treasury shall be deposited by the Ministry of Finance through the department's accountants. Legislative Decree No. 489 of 2007, in its second section, which includes the duties and

^a -Settlement or disbursement of expenses is defined as establishing the debt owed by the public entity, determining its amount and entitlement, ensuring that it has not been forfeited by prescription or any other reason, and issuing an order for its disbursement. See Article 1 of Legislative Decree No. 54 of 2006, which includes the Basic Financial Law, for more information.

^b -See the text of Article No. 16 of Legislative Decree No. 488 of 2007, which also stipulates that alimony must be paid in cash, by checks, or by bank transfers, and must be signed by the disbursing and liquidation officer or his authorized representative and endorsed by the administration's accountant... etc. This is also stated by Dr. Issam Al-Shihabi, Tax Legislation, Directorate of University Books and Publications, Publications of the University of Aleppo, Faculty of Law, 2020, p. 444.

rights of the Directorate of Financial Affairs and its employees (including the Financial Controller), also stipulates the necessity of collecting resources and following up on the procedures for collecting them within the specified deadlines. In order to carry out his duties, the Controller is granted the right to review all papers, documents, records, and papers necessary for him, and to request them from other directorates through the Director General or with his knowledge ^(a). Based on the above, we can see the important supervisory role played by the administration accountant over the implementation of the general budget, whether through his supervisory role over the disbursement of public expenditures, as his endorsement of them is considered a notification from him of the availability of the conditions of the alimony contract as defined by the law, in addition to his role in following up on matters of liquidating the alimony by organizing the disbursement orders and endorsement of them after reviewing the documents and papers supporting the legality of the alimony, its soundness and its entitlement to the state, and that there is no obstacle to its payment in whole or in part, such as seizure, deduction or offset.^(b)

Section Two: The Responsibility of the Management Accountant

The broad powers of the management accountant are matched by diverse responsibilities derived from the overall tasks they perform. The legislator has deemed the management accountant responsible for every expenditure authorized in violation of the law. He is also required to follow up on the collection of state debts and resources and to settle them within the deadlines specified by laws and regulations. Accordingly, any financial damages or losses that may occur as a result of the actions of the management accountant expose him to penalties stipulated in numerous laws. As a public employee, in the event of breach of his duties, he is subject to the disciplinary penalties stipulated in the Basic Law for State Employees No. 50 of 2004. Furthermore, in the event of committing a criminal offense, the management accountant is criminally liable before the competent judicial authority, in addition to his responsibility before the Central Agency for Financial Control. From the above, it is clear to us that the responsibility of the management accountant is complex and diverse. It is a financial responsibility, as he is the trustee and guardian of public funds ^(c), and his actions may result in A criminal offense, therefore, the liability here is criminal. We will examine these responsibilities in turn, as follows:

First: The responsibility of the financial management accountant.

The legislator has placed significant responsibilities on the management accountant, amounting to liability with his personal funds for every disbursement or receipt transaction conducted in violation of laws and regulations. The laws stipulate that any employee who intentionally concludes, approves, or liquidates an expense contract in violation of applicable

^a -See the text of Article No. 48 of Legislative Decree No. 489 of 2007, previous reference.

^b -Dr. Issam Bashour, Public Finance and Tax Legislation, Damascus University Publications, Faculty of Economics, Academic Year 1998-1998 AD, p. 316.

^c -Dr. Muhammad Khair Al-Akkam, Financial and Administrative Control, Publications of the Syrian Virtual University, Damascus, Syria, 2018, p. 55.

provisions shall be held liable for it ^(a). Also, the collectors and heads of collection departments, when necessary, are considered to be morally and financially responsible for the statutory funds unless they prove that they have taken all necessary measures against those obligated to pay within the legal period^(b). In the researcher's opinion, and since the administration's accountant, through the collectors, has a role in implementing revenues and preventing them from being statute-barred, as we previously explained during our research into the powers of the administration's accountant, therefore, the ruling of the previous article applies to the administration's accountant and he is financially responsible for the statutory funds. In the same sense, Paragraph No. A of Article No. 47 of Decree No. 489 of 2006, mentioned above, stipulates that: All employees charged with following up on the collection of debts and other resources must take the necessary measures to collect or fulfill them on time and prevent the debts from being statute-barred, under penalty of liability. Also, the administration's accountant is financially responsible before the Central Agency for Financial Control, as stated in the law regulating the agency that any negligence or dereliction is considered a financial violation that requires investigation and accountability. It results in the loss of a financial right of the state, institutions, public bodies, or other entities subject to the oversight of the agency, or causing damage to public funds ^(c). The responsibility of the administration accountant is also established in accordance with what is stipulated in the general rules of the Civil Code, especially what is stipulated in Article No. 164 thereof, which stipulates that every error that causes damage to others obligates the person who committed it to compensate ^(d). Thus, the Syrian legislator followed the example of the Lebanese legislator, who stipulated in Article 173 of the Public Accounting Law that the muhtasib is responsible with his personal funds for every collection or payment transaction that takes place in the muhtasib that he manages in violation of the provisions of the law, but with the difference that the Lebanese legislator returned and reduced the comprehensiveness and breadth of the scope of responsibility, stipulating in a subsequent independent article that the muhtasib is only responsible for his personal will ^(e). This position of the Lebanese legislator can be explained because the collection and payment transactions are purely executive operations, and in Lebanon they are not presented directly to the muhtasib (but rather to his assistants), but the payment orders are presented to the muhtasib, without their supporting documents. As for the collection, the muhtasib deposits the assignment schedules as they were concluded by the Revenue Directorate, and it is not within the powers of the muhtasib to consider the validity of these schedules and collection orders. Because of this, the Lebanese legislator added to the comprehensiveness and breadth of the muhtasib's responsibility and stipulated that he is only responsible for his personal will, according to what we mentioned ^(f). In the researcher's opinion, this is exactly right, as it is There is no room for arranging

^a -See paragraph (b) of Article No. 7 of Decree No. 488 of 2006, previous reference.

^b -See paragraph (b) of Article No. 23 of the previous reference.

^c --See paragraph (e) of Article No. 28 of the Central Agency for Financial Control Law issued by Decree No. 64 of 2003.

^d -See the text of Article No. 164 of the Civil Code issued by Legislative Decree No. 84 of 1949 AD and its amendments.

^e -See the text of Article No. 175 of the Public Accounting Law in Lebanon, previous reference.

^f -A. Abdul Latif Qatish, The State's General Budget (Comparative Study), previous reference, pp. 283-284.

responsibility without corresponding powers, in accordance with the famous principle of “the interdependence between authority and responsibility.” According to this principle, responsibility revolves around authority, in its existence and absence.

Second: The responsibility of the criminal administration accountant.

The work of the management accountant may result in criminal liability if he commits a crime of a criminal nature that leads to harm to public funds and the public interest. Here, the jurisdiction of the competent criminal judiciary is established, whether the work or failure to do the work is punishable according to the Penal Code ^(a) or in special penal laws ^(b). Here, we refer to what is stipulated in Paragraph (c) of Article No. 19 of Decree No. 488 of 2007, which states that the employee in charge of collection may not collect any amount except in exchange for an official receipt, otherwise the aforementioned employee shall be considered an embezzler and legal proceedings shall be initiated against him. The crime of embezzlement is one of the most prominent crimes that may be committed against public funds by an employee. It is mentioned in Part Three of the Penal Code within the first chapter related to crimes that violate the duties of the job, where Article No. 349 stipulates that every employee who embezzles what he is entrusted with managing, collecting or maintaining by virtue of his job, whether money or other things for the state or for a person, shall be punished with imprisonment from one to three years and a fine. The minimum value of what must be returned is the amount due. Article 351 also stipulates that any employee who coerces or induces a person to pay or promise to pay what he knows is not his obligation or exceeds what he owes in taxes, fees, or other revenues shall be punished by imprisonment for at least one year and a fine not less than twice the amount due. This is followed by Article 352, which stipulates that the same penalty shall be imposed on any employee who grants an exemption from taxes, fees, fines, or other revenues without the legal authorization to do so.

Conclusion:

In this research, we examined the role of the management accountant in overseeing the implementation of the general budget. This was done by clarifying his responsibilities in the areas of expenditure contracts, liquidation, disbursement, and payment, as well as in the areas of revenue collection, management of advances and guarantees, and providing the Ministry of Finance with the necessary financial data and statistics. We then discussed his financial and criminal responsibilities to which he may be exposed. At the conclusion of this study, we reached a number of conclusions and made some recommendations, which we will explain as follows:

^a -The Penal Code was issued by Legislative Decree No. 148 of 1949, and several amendments were made to it, the most recent of which was Law No. 15 of 2022.

^b -For example, we mention the Illicit Gains Law No. 64 of 1958, as well as the Economic Penalties Law No. 37 of 1966 and its amendments.

First – Results:

1-The management accountant in France has broader powers than his Syrian counterpart. He may grant the necessary approval for the formation of an alimony contract, or he may refuse it. He may also grant the approval with reservations. However, in Syria, there is no provision authorizing the management accountant to make reservations after approval. Based on the previous positions of the accountant in France, the alimony contract can either be validated because the process and procedures are sound and in compliance with the law, or he may refuse approval as a formality due to a violation of the law. Consequently, the alimony contract is not valid.

2- We urge the Syrian legislator to follow the example of the Lebanese legislator, which stipulates that the transfer or check must be approved after the accountant has verified the supporting documents and the validity of the procedures for paying the alimony. The legislator also specified a timeframe for completing the transaction and placing the payment order related to the transfer at the disposal of the competent authority within three days from the date of receipt.

Second – Recommendations:

1- It would be desirable if the Syrian legislator stipulated the discretionary power enjoyed by the French accountant when approving an alimony contract. Such discretionary power may lead to the revocation of the alimony contract before its settlement and payment for reasons that may not be apparent or were not fully considered at the time of its formation. In the researcher's opinion, the discretionary power should be subject to specific, exclusive conditions to avoid restricting the alimony contract to the accountant's personal discretionary power, which could lead to the abuse of this power by some accountants. Examples of such conditions include: for example, a condition requiring the administration's accountant to reserve consideration for changes in the exchange rate corresponding to the national currency, according to the official bulletin of the Central Bank of Syria. The accountant's endorsement, in the previous example, would be accompanied by the phrase "with approval, provided that the exchange rate stated in the official bulletin issued by the Central Bank of Syria does not change until such a date".

2- It would be desirable if the time period required to place the payment order or alimony check at the disposal of the competent administration in Syria was specified, for example, within three days from the date the transaction is received by the administration's accountant. Because, in the researcher's opinion, not specifying this period is a deficiency that conflicts with the nature of financial legislation, it is preferable to address it through the necessary legislative amendments.

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- 4 - Legislative Decree No. 489 of 2007, which includes the basic financial system for public institutions, public companies, and public enterprises of an economic nature in Syria.
5. - Legislative Decree No. 51 of 2000 and its amendments in Syria
6. - French Decree issued on December 29, 1962
- 7 - Resolution No. 181 of 1982, including the executive regulations of Law No 127 of 1981 regarding Egyptian government accounting.
8. - Public Accounting Law No. 14969 of 1963 in Lebanon
- 9 - Law of the Central Financial Control Agency in Syria, issued by Decree No 64 of 2003.
- 10 - Syrian Civil Code, issued by Legislative Decree No. 84 of 1949, and its amendments.
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