

The Role of Public Sector Governance in Mitigating Financial and Administrative Corruption in Light of Organic Law No. 18-15

Houli Rachid

University mujahid of AbdAlhafid Boussouf-Mila, Algeria, R.houli@centre-univ-mila.dz

Article Information

Article history

Received: 29 February 2026

Accepted: 29 March 2026

Published: 31 March 2026

Corresponding Author

Houli Rachid

Email: R.houli@centre-univ-mila.dz

Copyright© 2026, University of Abdelhafid Boussouf, Mila. This is an open access article under the CC BY-NC-ND license.

Suggested Citation

Houli, R. (2026). The Role of Public Sector Governance in Mitigating Financial and Administrative Corruption in Light of Organic Law No. 18-15, Finance and Business Economics Review, Vol.10 , No. 1, pp. 171-185. DOI : 10.58205/fber.v10i1.2086

Abstract: This study aims to highlight the contribution of public sector governance, as introduced by the amended and supplemented Organic Law No. 18-15 related to finance laws, in reducing the phenomenon of financial and administrative corruption. This is examined through the analysis of Articles 33 and 86, which respectively address the discretionary authority granted by the law to public accounting officers in reallocating and transferring budget appropriations, and the oversight function of the Budget Settlement Law.

The study reached several key findings, most notably that Organic Law No. 18-15 enhances governance principles, thereby improving the efficiency of public resource utilization. The flexibility granted to public accounting officers facilitates oversight bodies in carrying out their duties and increases the level of transparency. Furthermore, the Budget Settlement Law strengthens the effectiveness of public spending oversight, identifies areas of waste and corruption, and promotes accountability and sound governance in public financial management. It also contributes to empowering oversight institutions and guiding fiscal policies toward efficiency and transparency.

Keywords: Public sector governance, financial and administrative corruption, Organic Law, oversight

1. Introduction

FBER

171

Financial and administrative corruption represents one of the most significant challenges facing nations and institutions today, as it negatively affects economic growth, social stability, and the efficiency of public sector performance. In light of these challenges, public sector governance has emerged as an effective tool for promoting transparency, accountability, and efficiency in the management of public resources.

The concept of public sector governance has recently gained prominence due to its advantages in combating financial and administrative corruption. This is achieved by emphasizing the core principles of governance, such as transparency, accountability, and the rule of law, and analyzing their impact on reducing unlawful practices and promoting integrity within governmental institutions. This discussion takes place within the framework of the amended and supplemented Organic Law No. 18-15 on finance laws, which was

enacted to align with international standards and implement International Public Sector Accounting Standards (IPSAS).

Research Problem:

The central research question is as follows:

To what extent have the principles of public sector governance, as introduced by Organic Law No. 18-15, contributed to reducing financial and administrative corruption?

Sub-questions:

To answer the main research question, the following sub-questions were proposed:

- How does public sector governance limit unlawful practices?
- Has Organic Law No. 18-15 contributed to reducing financial and administrative corruption?

Hypotheses:

To address the main research question, the following hypotheses were formulated:

- The implementation of governance in the public sector enhances the principles of transparency and disclosure, thereby limiting opportunities for fraud and manipulation.
- Organic Law No. 18-15 aims to strengthen financial governance by reinforcing the principles of accountability and participation.

Study Objectives:

The study aims to achieve the following objectives:

- To provide a comprehensive understanding of the concept of public sector governance and the phenomenon of financial and administrative corruption.
- To highlight the key provisions of the Organic Law in relation to public sector governance and efforts to combat fraud and corruption.

Significance of the Study:

The significance of this study stems from its focus on one of the most pressing issues of the current era, financial and administrative corruption, and the key legislative response by the Algerian government, namely Organic Law No. 18-15. This law represents a step toward aligning with international public sector accounting standards and promoting good governance practices.

Research Methodology:

To achieve the aforementioned research objectives and to comprehensively address all aspects of the topic, the **descriptive method** was employed to explain key concepts related to the study variables. In addition, the **analytical method** was used to examine Articles 33 and 86 of Organic Law No. 18-15 and to identify the key principles they introduce with the aim of combating corruption.

2. Public Sector Governance

2.1. The Concept of Governance in the Public Sector:

Public sector governance is defined as a set of legislations, policies, organizational structures, procedures, and controls that influence and shape the way a government entity is directed and managed in order to achieve its objectives in a professional, ethical, transparent, and accountable manner. It involves mechanisms for monitoring and evaluation, along with a strict accountability system to ensure performance efficiency and effectiveness on one hand, and to ensure the fair delivery of public services on the other. (Dharifi, 2019, p 11-12)

Public sector governance is also considered an administrative model based on the participation of individuals, governmental, and non-governmental organizations in enhancing governmental performance, contributing to the effectiveness and quality of public programs and services, and promoting development. (El bessam, 2020, p 184)

2.2.Characteristics of Public Sector Governance:

Governance in the public sector is based on a set of characteristics, which are summarized in the following figure: (Meddouri, 2023, p 668-669)

- **Discipline:** This refers to the adherence of all relevant stakeholders within the organization to ethical behavior in the performance of their duties.
- **Transparency:** It means providing a clear and accurate picture of all that takes place within the organization. This includes disclosing financial objectives, publishing financial statements and annual reports in a timely manner, and presenting accounts in accordance with internationally accepted accounting principles without reservations.
- **Independence:** Independence refers to the autonomy of the board of directors and its affiliated committees, meaning they are free from any internal or external pressures.
- **Accountability:** Shareholders have the right to hold the board of directors, its committees, senior management, internal and external auditors, and executive management accountable for their decisions and to assess their performance accordingly.
- **Responsibility:** This entails bearing responsibility toward all stakeholders involved in or affected by the organization.
- **Fairness:** Fairness implies respecting stakeholders' rights and ensuring they are treated equitably and with integrity.
- **Social Responsibility:** This refers to the organization's obligation to be accountable for its actions toward stakeholders in particular, and society and the external environment in general, as a responsible corporate citizen operating within a legal framework

2.3. Objectives of Public Sector Governance:

The objectives that public sector governance aims to achieve include: (Kelakhi, 2023, p105)

- Increasing citizen satisfaction with the services provided by the public sector;
- Ensuring accountability of government departments and their employees, and adherence to laws and regulations;
- Promoting integrity, fairness, and transparency in the exercise of power and the management of public funds and state resources, while limiting the abuse of power for personal gain;
- Ensuring equal opportunities among citizens;
- Providing adequate protection for public property while safeguarding the interests of relevant stakeholders;

- Supporting the achievement of national strategic goals and ensuring the financial stability of government entities;
- Enhancing the capabilities of public institutions by promoting institutional performance through continuous monitoring and evaluation;
- Establishing effective systems for managing institutional risk and mitigating the impact of financial risks and crises.

2.4. Principles of Public Sector Governance:

Given the close link between public sector governance and anti-corruption efforts, many of its principles also serve as fundamental anti-corruption principles. The main ones are outlined below:

- **Accountability:** Refers to the social relationship in which the actor feels obliged to justify their actions to others. In the context of the public sector, accountability traditionally concerns the relationship between politicians and citizens, as well as between public managers and other stakeholders.
- **Participation:** Involves fostering community participation in the decision-making process, engaging individuals in identifying needs and priorities, preparing plans and budgets, ensuring transparency in decision-making, and providing public access to information related to corruption. (Chedidi, 2020, p 134)
- **Rule of Law:** This principle refers to a system through which the ways in which citizens appeal to the state are defined, enabling them to defend their rights and interests. These mechanisms are typically embodied in democratically accepted laws in whose formulation citizens have participated either directly or indirectly. The rule of law is based on a fair, impartial, unbiased, and predictable legal and judicial framework. A legal system with these characteristics allows citizens to fully participate in all aspects of political, economic, and social life. It also fosters a sense of belonging to the state and promotes active citizenship. (Touk, n.d, p76)

FBER

174

2.5. The Role of Governance in Reducing Financial and Administrative Corruption:

Former United Nations Secretary-General Kofi Annan viewed public sector governance as a guarantee for the respect of human rights and the rule of law, as well as an enabler of democracy, transparency, and administrative competence. According to Annan, the realization of governance depends on a democratic transition and the establishment of a state governed by the rule of law, in which the law prevails and human rights are respected.

He also emphasized that public sector governance serves as an effective tool for achieving transparency in the management of public affairs, particularly in the fight against corruption, which is especially prevalent in countries of the Global South. Furthermore, governance, as he defined it, contributes to enhancing the capacity and efficiency of public administration.

Annan argued that a democracy lacking distributive justice and failing to embody the principle of equal opportunities cannot serve as a sound foundation for the establishment of public sector governance. In this context, the implementation of governance is closely tied to efforts to reduce all forms of corruption, with particular emphasis on financial corruption. (Mihoubi, 2022, p 1469)

3. Financial and Administrative Corruption:

3.1. Definition of Corruption:

There are several definitions of corruption, including the following:

3.1.1. World Bank Definition: The World Bank defines corruption as the abuse of public office for private gain. This can occur when an employee accepts bribes or extortion to facilitate a contract or tender, or when the officeholder exploits their position, such as appointing relatives or misappropriating public funds. (El-Rubaie, 2019, p 189)

3.1.2. African Union Convention Definition:

Any act or omission committed by a public official or any other person in the performance of their duties with the intention of unlawfully obtaining benefits for themselves or for another party. (Aggoune, 2018, p 306)

3.1.3. International Monetary Fund (IMF) Definition:

Corruption is the abuse of power for private gain, whether through the commercialization of the office, extortion, favoritism, waste of public funds, or manipulation of public resources, whether directly or indirectly. (Dhif Allah, 2019, p 1170)

3.2. Characteristics of Corruption: Corruption is characterized by a set of features, including: (Aggoune, 2018, 305-306)

- Corruption acts and practices are characterized by complete secrecy, especially in countries with stringent anti-corruption measures.
- The involvement of multiple individuals engaged in this act in the form of groups or teams, where various parties share in mutual benefits and profits.
- Corruption is carried out through deception, bypassing laws and regulations, fraud, falsification, and the creation of false documents and seals.
- It is practiced using diverse and complex methods, rapidly evolving with technological advancements.
- The prioritization of private interests over public interests by exploiting the authority granted to public employees, leading to the violation of duties and responsibilities outlined in laws, regulations, and instructions.

3.3. Types of Corruption: (Ali, 2017, p 86-91)

Corruption typically exists at both the political and bureaucratic levels. Political corruption can be independent of bureaucratic corruption, or there may be a high degree of overlap between the two. Political corruption is often linked to financial corruption when senior bureaucratic positions are turned into tools for personal enrichment. The manifestations of corruption are often interconnected, with the spread of one type contributing to the spread of others. Financial and administrative corruption is a direct consequence of moral and ethical decay, and it represents a broader pattern of ethical and behavioral deviations. Based on this, the types of corruption are as follows:

- **Political Corruption:** This refers to the misuse of political power for personal gain, which deprives those in need of basic services and contributes to the erosion of trust and the rise of violence and conflict. As Peter Eigen, the former president of Transparency International, emphasized, efforts should be made to introduce integrity and accountability into government institutions, to stop bribery by multinational corporations, and to prevent the flow of stolen assets into secret accounts in the West.
- **Administrative Corruption:** Administrative corruption refers to deviations from the official rules of conduct in the public administration. It involves informal administrative behavior that replaces formal administrative conduct, referred to as "functional norms." It manifests in various administrative, organizational, and functional deviations, such as

violations committed by public employees in the performance of their duties and breaches of existing laws and regulations. Examples include failure to comply with orders from superiors, leaking confidential information, disrespecting the dignity of the office, and ignoring principles of objective justice.

- **Financial Corruption:** This refers to financial deviations and violations of financial rules that regulate the conduct of administrative and financial affairs in the state and its institutions. Financial corruption involves breaches of financial oversight rules, such as those related to the central audit institutions. It is often evident in bribery, embezzlement, abuse of office, and tax evasion. When the government is involved as a buyer or seller of goods and services, such activities provide fertile ground for corruption. Bribery in contracts is a core example of financial corruption. Hence, the financial realm is the primary motivator of financial corruption, where individuals exploit their positions to achieve material gains in violation of legal and financial rules. Money plays a critical role in human life and in managing public affairs, and is often seen as the ultimate goal and driving force behind corruption.
- **Judicial Corruption:** Judicial corruption is a major factor contributing to the spread of corruption throughout society and the state. The judiciary is the balance that regulates the relationship between individuals and the state, as well as among individuals. Judicial corruption leads to a breakdown in the justice system, making it one of the most dangerous forms of corruption. The judiciary, as the guardian of the law, is supposed to apply legal principles and punish corrupt individuals, but in the presence of judicial corruption, judges may become tools in the hands of criminals, turning courts into venues for financial and public interest auctions. The betrayal of trust by judges means the collapse of the rule of law and societal order, as corrupt officials manipulate laws and the judiciary for their own interests. Key factors contributing to judicial corruption include favoritism, personal biases, and party affiliations, and in such a system, the judiciary is incapable of protecting the integrity of the state's institutions.

FBER

176

3.4. Manifestations of Corruption:

Corruption manifests in various forms, including:

- **Embezzlement:** This involves the wrongful conversion of property that belongs to another person, with the intent to add it to one's own possession. Embezzlement occurs when the person in possession of the property clearly intends to treat it as their own, depriving the rightful owner of it.
- **Tax Evasion:** Tax evasion refers to the act of a taxpayer refusing to pay the due taxes by denying the occurrence of taxable events, denying the taxable elements, or claiming an inability to pay, thus aiming to avoid paying taxes. This is sometimes referred to as "tax avoidance" and involves exploiting legal loopholes to avoid tax obligations without breaking the law. In this case, the taxpayer might use experts to identify ways to evade taxes by exploiting legal weaknesses.
- **Tax Fraud:** This is any attempt to evade taxes through deceptive methods in reporting the taxable base or amounts subject to tax.
- **Money Laundering:** Money laundering involves a series of financial transactions designed to conceal the illegal origin of illicit funds and present them as legitimate earnings from lawful activities. It includes the involvement in investing or hiding the proceeds of crime. Money laundering, therefore, typically follows a criminal act and aims to clean the illicit proceeds of that act.
- **Customs Evasion:** This occurs when goods are brought into or taken out of a country in violation of the regulations, without paying the appropriate customs duties and taxes, or in violation of prohibitive and restrictive laws.
- **Capital Flight:** Capital flight refers to the illegal movement of capital from one country to another, often in violation of foreign exchange and banking laws. This is governed by

specific regulations, such as Order 96/22, which addresses the movement of capital in and out of the country.

- **Misuse of Public Funds:** This involves the misallocation or improper use of public resources, often through the granting of licenses, tax exemptions, and customs waivers to unqualified individuals or companies without justification. Such actions lead to the misappropriation of national wealth, typically to satisfy the interests of those in power. (Saadi, 2020, p20-21)
- **Bribery:** This refers to obtaining a benefit, usually financial, to facilitate or execute actions that fall outside of one's legitimate influence, without deserving such a benefit.
- **Favoritism:** This involves giving preferential treatment to one party over another without valid justification, such as in awarding contracts, tenders, leases, or investment agreements.
- **Nepotism:** This refers to passing decisions or executing actions based on the influence of certain organizations (e.g., political parties, regions, or powerful families) without deserving them, solely due to their undue influence.
- **Wasta (Mediation):** This refers to the intervention of an individual with a specific position or political affiliation to support someone who is not deserving of a position, contract, or appointment. (Dhif Ellah, 2019, p 1171)

3.5. Causes of Corruption:

There are several causes that have contributed to the emergence of corruption, including:

3.5.1.Value-Based Causes: These causes suggest that corruption arises from the collapse of an individual's value system or the weakness of the valid frameworks that guide an individual, which are replaced by distorted value frameworks that deviate from the commonly accepted standards in society. Furthermore, these weak value frameworks facilitate the emergence of corruption. It can also be added that corruption, in light of the above cause, tends to be relative, as the value systems adopted in societies vary, as well as the official systems and regulations that govern the operations of administrative bodies. (Hamrich, 2018, p281)

3.5.2. Economic Causes: These include: (Hichour, 2018, p 16-18)

- **Government Intervention in Economic Activities:** Government intervention in economic activities is considered the primary cause of the emergence of corruption. Individuals, by nature, tend to offer bribes to officials in order to bypass public rules, regulations, and procedures. Officials often fail to reject these bribes, and this can take several forms, such as import restrictions. For example, obtaining an import license becomes a highly profitable activity, government subsidies, and administrative prices.
- **Low Salaries of Government Employees:** The low income of public employees makes them susceptible to corruption and encourages its spread. These employees are often forced to accept bribes in order to improve their living standards and meet their daily needs.
- **Large Reserves of Natural Resources in Society:** The availability of a large amount of natural wealth in a society tempts officials to engage in corruption to a greater extent compared to societies with limited resources.
- **High Defense Budget Share in the Public Budget:** This is due to the secretive nature of arms procurement contracts and the low transparency in obtaining military equipment, as these contracts are rarely discussed by legislative bodies. Furthermore, since defense projects are capital-intensive, private projects fight to secure contracts to buy military equipment, build bases, and construct buildings, often resorting to bribes to gain information about tenders and secure these contracts.
- **Emergence of Globalization and Growth of International Trade:** The first factor (globalization) has led to increased interaction among people, which has raised awareness

about the negative consequences of corruption. The second factor (international trade) has encouraged companies to use bribes as a means to obtain contracts and tenders.

3.5.3. Political and Financial Causes: These causes include: (Lamari, 2020, P 189-190)

- **Nature of the Political System in the Country:** The political system in a country plays a significant role in the spread of corruption and its control. One of the causes of corruption in any country is the nature of the ruling system and the extent of democratic principles within it. Hence, we find that authoritarian regimes are often the most corrupt in the world, where corruption spreads due to a concentration of power in the hands of a few, without any oversight or accountability for their actions. In contrast, democratic systems, based on consultation and mutual oversight among the authorities that share responsibilities, tend to have lower levels of corruption.
- **Weak Financial and Banking System:** A lack of a strong, transparent financial and banking system allows for the execution of illegal financial transactions, such as money laundering and illicit transfers, through ineffective banking supervision. This is a major cause of financial corruption. The spread of cybercrime, especially in countries with traditional banking systems that are not up to date with modern developments, exacerbates this issue. In countries like Algeria, which still have outdated banking systems, the country is exposed to many forms of financial crimes, such as money laundering, illicit transfers, and embezzlement.
- **Educational and Behavioural Causes:** The most important factor is the lack of focus on instilling values and ethics in individuals, which leads to undesirable behaviours such as accepting bribes, lack of responsibility, and violating the law. (Saadi, 2020, p 21)
- **Social and Cultural Causes:** These are represented by the distorted values prevalent in society, the widespread culture of corruption, the loss of social mobility, stagnant thinking, rigidity, the inability to accept change, narrow-mindedness, isolation, and limited opportunities for individuals to travel and learn about the lifestyles of other societies. Furthermore, there is the dominance of a culture of fear towards anything new, the increase in population numbers, scarcity of resources, their depletion, and failure to renew or develop them. The persistence of negative tribal and clan values, the spread of luxury and extravagance among certain social segments, which leads to a shift in social values and customs, prevailing norms, and traditions. Additionally, the role of the press and media in shaping or destroying cultural values, the role of educational and pedagogical institutions, and the role of religious institutions. (Hamrich, 2018, p 284-285)

FBER

178

4. Reform of Organic Law 18-15 and Its Role in Implementing Public Sector Governance:

The Organic Law 18-15 aims to introduce a new approach to governance as a modern method of managing public finances in Algeria. To achieve this, a set of regulatory decrees has been issued and published in the official gazette to update the budgeting systems. (Ben Aiya, 2023, p 94)

4.1. Deadlines for Implementing the Budgetary Reform:

This project faced significant delays. According to the program announced by the ministry, the reform was initially planned to be fully implemented in 2009. However, the Minister of Finance announced in 2013 that a comprehensive budget management system would be established in 2014, and the first finance law based on the new system would be prepared in 2015.

Nevertheless, this did not materialize due to the absence of the key tool for the project, which was the organic law on finance laws. This law was finally issued on September 2, 2018, replacing Law 84-17 dated July 7, 1984, as amended and supplemented. This law came into effect starting in 2023. (Kassem, 2022, p 8)

4.2. Motivations and Reasons for Updating the Ordinary Law Concerning Public Finance Laws No. 84-17 and the Emergence of Organic Law 18-15:

The order No. 59-02, issued on January 2, 1959, concerning the law related to finance laws, issued by the colonial authorities, is considered the most important reference document Algeria has known in the field of public finance. After Algeria's independence in 1962, the authorities continued to operate under this law, which extended the application of French legislation until the issuance of financial legislation 84-17 on July 7, 1984. This law, known as the ordinary law for public finance, leaned towards being an organic law for finance, but it was subject to prior review by the Constitutional Council. Thus, it retained the characteristics of an ordinary law until the 1996 constitution, which explicitly stated that the management of state finances should be based on an organic law.

With the growing international attention on the economic and social roles of countries within the framework of good governance, aiming to rationalize public expenditures and improve the efficiency and effectiveness of public interventions, particularly for countries facing challenges in providing and directing resources, Algeria, as an integral part of these countries, was compelled to reform its public finances. This was done both to correct the existing imbalances in the financial system and to address broader concerns about the allocation and use of public resources.

FBER

179

The poor performance of the current budgetary system in Algeria in the economic and social fields can be attributed to several shortcomings, which can be summarized in the following points:

- **Failure of Law No. 84-17 to grant Parliament true authority and broad powers in discussing and approving the budget**, particularly regarding free access to financial and accounting data for the state budget. As is well known, and according to current practices, "Parliament's role is limited to a quantitative view of the budget, where it only looks at the size of appropriations, their growth rates, and consumption levels." As for the oversight of public funds, the prior control exercised by the financial controller is merely formal, focusing on the legality of expenditures without assessing their effectiveness or the goals they are intended to achieve.
- **Misalignment between the Operating Budget Code and the Capital Investment Budget Code**, where the Operating Budget Code allocates financial resources by ministerial departments, while the Capital and Investment Budget Code divides them by sectors. This division makes it difficult for budget reviewers and stakeholders to understand and grasp the structure of the budget and public finance law.
- **The current budgetary legislation focuses on providing means for managing public finances without addressing the results and intended objectives**, failing to clarify the outcomes expected from the budget. As a result, it is impossible to measure government performance effectively.
- **Difficulty in accessing financial and budget documents for their users and stakeholders** (researchers, civil society, etc.). Despite the revised charter of sound practices in financial transparency issued by the International Monetary Fund, which considers the media as an effective tool for accessing information related to the state budget, the reality is contrary. Reports prepared by most public bodies in charge of oversight are not published, with access limited to parliamentarians and the executive authority. Some even consider these

documents as state secrets not accessible to the public, and their non-publication is often attributed to a fear of accountability.

- **Lack of transparency in financial and accounting documents**, especially concerning amounts appearing under shared costs in Table B of the Finance Law. These figures are often presented in a single line, although they encompass multiple categories, which raises several questions. For instance, the concealment of treasury accounts is evident, as considerable additional resources are allocated to ministerial departments and institutions, although the reality reflects a very low proportion of reserves allocated for exceptional expenses compared to the total amount provided. It is important to note that reserve funds are usually designated for adjustments during the year, while the shared costs relate primarily to public debt and contributions to international and regional financial institutions, as well as expenses for public institutions.
- **Lack of accountability among managers**, as the current financial system does not hold those responsible for expenditure accountable. Furthermore, it does not demonstrate the objectives to be achieved during the fiscal year, meaning that the allocation and use of financial resources are governed strictly by legal rules, and managers are not held accountable for the efficiency and effectiveness of managing governmental services within their scope of responsibility. Additionally, the absence of pre-determined and clearly defined objectives makes it impossible to hold managers accountable.
 - **The current classification of the budget makes it extremely difficult to assess the cost of governmental activities and services provided by the state.**
 - **Lack of transparency in the presentation of special allocation accounts.** Although Article 68 of Law No. 84-17, as amended and supplemented, stipulates that "accompanying the Finance Law for the year, a list of special treasury accounts is presented showing the revenue, expenditures, and deficits forecast for these accounts," the reality is different. No sufficient information or data appears regarding these special treasury accounts, except for the financial envelopes allocated by the general state budget to these accounts. Despite Parliament's insistence on including a table of estimated revenues and expenditures for each special allocation account, the information remains extremely limited, and parliamentary oversight is concluded immediately after the approval of the finance law.
 - **Constitutional inconsistencies:** Article 141 of the 2016 Constitution states that parliamentary legislation concerning public finance laws should be enacted under organic laws, but this law has been delayed despite its significant legal importance. According to governmental bodies, the main reason for this delay is the transition of financial law from an ordinary law to an organic law, which would grant parliament greater oversight powers over government actions, thereby enhancing legislative power over executive power. This matter was not addressed until 2018, when the new law was passed, aligning with constitutional provisions after more than 30 years of unjustified delays.
 - **Inefficiency of the information system:** As a result of the shortcomings in the previous financial system, there has been a growing public demand for the development of the foundational budgetary law by replacing it with Organic Law 18-15, dated September 2, 2018. This law aligns with modern administrative and financial management mechanisms. (Ben Moussa, 2020, p 267-267)

4.3. Pillars of the Organic Law:

The Ministry of Finance has worked on implementing management based on results rather than merely managing means. This includes adopting a multi-year perspective for managing public expenditures, relying on a program-based budget rather than an organizational structure-based one, as was the case previously. Additionally, the reform is focused on holding managers accountable, monitoring performance, and providing greater

freedom to managers while mandating the presentation of results and the effectiveness achieved by their management.

Moreover, the budget code has been reviewed to align with the set objectives, improving the content of the state budget and developing methods for its presentation to ensure better transparency in budget management and the issue of parliamentary authorization.

- **The Management-related Aspect of the Reform:**

The reform includes the following components:

- **Program-Based Budgeting:** This approach consolidates the allocations granted to a specific ministry based on the programs it adopts. A program encompasses a set of activities aimed at achieving specific goals and implementing directives that each ministry has established, as approved by the government. The program also allows for the inclusion of expenditures in the budget based on the expected results.
- **Results-Based Management:** This management approach is designed to achieve results based on clearly defined goals, which are pre-established by the managers themselves. Budgetary decisions are based on medium-term planning of activities from a strategic perspective. These budgetary choices are drawn and adjusted based on the expected results, rather than merely mobilizing resources. This system promotes greater transparency in managing public finances, holding managers accountable by requiring them to report the results achieved.

FBER

181

- To this end, it is necessary to link each program to a specific manager, who must propose the most suitable initiatives to achieve the established goals and prepare the budget needed to implement these initiatives.
- **Need for Change:** This reform necessitates a shift in working methods, approaches to thinking, and organizational and management culture. Such changes require time for full integration.
- **Budget-Related Aspects:** This includes the following:
 - **Multi-Year Budget Framework:** This framework serves as a tool through which the main directions and priorities of the state, as well as estimates of revenues and expenditures over a period exceeding 12 months, are expressed. The budget horizon spans five years: the two previous years, the current fiscal year, and the two subsequent years. However, the approval of the budget remains dependent on the annual voting process.
 - **Medium-Term Expenditure Planning and Programming Framework:** The medium-term expenditure framework is a macroeconomic financial planning tool aimed at ensuring the sustainability of budgetary policies by anticipating available resources, government priorities, and financial needs. It provides a comprehensive and realistic statement of available resources and establishes a resource distribution system aligned with the defined priorities.
 - **New Budget Code:** The budget is presented in the form of a table with two axes: one based on the direction of expenditures (categorized by portfolios, programs, sub-programs, and activities), and the other based on the economic nature of the expenditures, with a unified classification grouping expenditures by their economic nature: operations, investment, and transfers.
 - **New Budgetary Timeline:** The future budget system follows a different timeline from the current one, requiring a timeline extending over 15 months for both planning and preparation phases. The government will determine the financial envelope in January of the year prior to the relevant fiscal year (N-1), to guide the spending ministries and inform them of the major budgetary measures. This system incorporates a five-year perspective and a medium-term outlook regarding the macroeconomic dimensions of the budget. (Ben Aiya, 2022, p 265-266)

4. Provisions of Organic Law 18-15 Regarding Public Sector Governance:

Although Organic Law 18-15 does not directly include the principles of public sector governance, it refers to them in several articles, some of which are outlined below:

4.1. Article 33:

Article 33 stipulates:

"Financial credits can be transferred or converted within the current fiscal year to amend the initial distribution of program credits".

Financial credits may be transferred between programs within the same ministry or public institution, through a decree made based on a joint report between the Minister of Finance and the concerned ministry or public institution head.

Financial credits between ministries or public institutions can be transferred, through a presidential decree based on a joint report between the Minister of Finance and the concerned ministers or public institution heads, and this must be communicated to Parliament."

Granting the authority to public accounting officers to transfer and convert credits from one program to another, or from one ministry to another, is a significant step towards strengthening public sector governance and combating corruption. These powers do not only facilitate the movement of funds between programs or ministries, but they also contribute to improving transparency, accountability, and the management of public funds in a manner that aligns with the interests of the citizens and improves institutional performance. This is achieved by:

- **Enhancing Transparency and Monitoring:** This occurs through increased transparency standards, allowing for the tracking and monitoring of fund transfers. This is possible through internal audits or national oversight bodies like the Court of Auditors, with specialized systems and software to monitor these operations in real time, making it difficult for illicit transfers or misallocation of resources (centralized monitoring system).
- **Flexibility in Allocating Resources According to Urgent Needs:** The speed at which credits can be transferred responds to crises or economic changes, directing funds to areas that require immediate support. This flexibility prevents corruption related to surplus funds accumulating in certain programs or ministries while there is a dire need for funds elsewhere. Hence, funds are allocated based on actual needs rather than on opaque considerations.
- **Achieving Accountability and Defining Responsibilities:** Recording these operations ensures that responsibilities are clearly defined in case of errors, insufficient follow-up, or violations, making those responsible for transfers subject to legal accountability. This reduces opportunities for corruption.
- **Fighting Corruption through Regular Reporting:** Organic Law 18-15 requires the preparation of periodic reports and the review of all transfers and amendments in financial credits. These reports clarify how funds are allocated, making them an effective tool for monitoring and revealing any attempts of corruption or illegal exploitation of public resources.
- **Achieving Social Justice:** By correcting imbalances that could marginalize certain sectors or regions, this ensures that funds are allocated fairly according to national priorities and the public interest. It prevents the misuse of power by restricting arbitrary allocation of funds and contributes to achieving justice in resource distribution to citizens, thus preventing the abuse of power for personal or partisan interests.

- **Encouraging Cooperation Between Ministries:**The flexibility in transferring credits between ministries fosters coordination and collaboration to achieve common goals. For instance, if one ministry requires financial support to implement critical developmental projects but lacks sufficient resources, credits from another ministry that does not face the same need can be transferred to help.
- **Ensuring Alignment with National Development Priorities:**The transfer of funds in alignment with priorities reflects continuous interaction with economic and social issues, contributing to better governance and timely support for citizens.

The use of this flexibility in a thoughtful manner can improve the performance of the public sector and direct resources toward objectives that serve the public good, which positively impacts economic and social development.

4.2. Article 86:

Article 86 specifies:

"The law on the settlement of the budget sets the final amount of revenues collected and expenses executed during the year".

The law concerning the settlement of the budget presents the final accounts for the fiscal year, including:

- FBER
- The surplus or deficit resulting from the net difference between the revenues and expenditures of the state budget;
 - Profits and losses recorded in the execution of special treasury accounts;
 - Profits and losses resulting from the management of treasury operations.

183

The law on the settlement of the budget determines the final amount of treasury resources and liabilities, contributing to the financial balance for the corresponding year, presented in a financing table.

This law is a crucial tool for achieving public sector governance and combating corruption. It aims to ensure that public funds are allocated and used in line with the objectives set in the initial budget, enhancing transparency, accountability, and financial sustainability. This is achieved through :

- **Financial Transparency and Close Monitoring:**Providing a detailed report on the execution of the budget, clarifying where funds were spent and how they were allocated compared to what was defined in the original budget. This helps identify any deviations or misallocations, enhancing the ability of citizens and oversight bodies to track public funds.
- **Accountability and Oversight:**The settlement of the budget allows for the documentation of every spending operation and every transfer of financial credits, making it easier to identify those responsible for any violations. It includes a comprehensive review of all expenditures and revenues, making each operation subject to rigorous scrutiny by Parliament, the Court of Auditors, or any other oversight bodies. This process also helps determine whether the budget was executed as planned.
- **Achieving Financial Sustainability:**The settlement provides officials with a tool to verify the sustainability of the general budget and public finances. When reviewed and settled regularly, it becomes possible to take corrective measures for any deviations or irregularities in execution, ensuring that debt accumulation or excessive deficits do not occur. This strengthens the government's ability to manage financial resources responsibly and reduces the risks associated with financial corruption.

- **Preventing Institutional Corruption:** The settlement ensures that there is no manipulation in the accounts or the allocation of funds for the benefit of specific parties. Corruption often occurs when there are gaps or ambiguities in spending procedures, but the settlement of the budget addresses these ambiguities and helps reduce corruption. Once all financial data is clear and available, any suspicious or illegal activities become more apparent and subject to accountability, making corruption less likely.

5. Conclusion:

The implementation of governance principles in the public sector is considered one of the fundamental pillars in combating financial and administrative corruption. It promotes transparency, accountability, and efficiency in managing public funds. Organic Law 18-15 establishes a modern legal framework aimed at improving public financial management through the adoption of more stringent mechanisms for oversight and transparency. This reflects a move toward sound governance that reduces opportunities for corruption.

Findings:

The study reached the following conclusions:

- Public sector governance is among the most effective tools for combating financial and administrative corruption.
- Organic Law 18-15 contributes to reinforcing governance principles, thereby improving the efficiency of public resource utilization.
- Strengthening both ex-ante and ex-post control over public expenditures helps limit financial and administrative irregularities.
- Relying on oversight bodies' reports and activating internal and external audit mechanisms enhances accountability.
- The flexibility granted to public accounting officers facilitates the work of oversight bodies and increases transparency.
- The Budget Settlement Law enhances the effectiveness of public spending oversight by identifying waste and corruption, thereby promoting accountability and good governance in public financial management. It also strengthens the role of oversight institutions and aligns fiscal policies toward greater efficiency and transparency.

Recommendations:

The study recommends the following:

- Strengthen the independence of oversight bodies and provide them with adequate resources to ensure more effective budget monitoring.
- Develop digital systems to modernize financial and administrative oversight mechanisms and reduce human interference in transactions.
- Enhance transparency by publishing periodic reports on budget implementation and public spending.
- Foster a culture of accountability through the imposition of strict penalties for financial and administrative misconduct, and by empowering civil society's role in oversight.
- Provide training for administrative staff on modern governance principles to improve public sector performance and reduce corruption opportunities.

6. References:

Al-Amira, N., & Kalakhi, L. (2023). *The Reality of Governance as a Mechanism to Combat Corruption in Public Administrations: An Analytical Study of the Global Governance Indicators (WGI) with a Focus on Algeria (2010–2020)*. North African Journal of Economics, 19(32).

- Saba, A., & Ben Moussa, K. (2020). *An Analytical Study of the New Organic Law No. 18-15 and Its Role in Enhancing Public Sector Performance in Algeria*. Algerian Journal of Social and Human Sciences, 8(1).
- Al-Rubaie, A. T. (2019). *The Phenomenon of Corruption*. Legal Journal, 6(2).
- El bessam, B. B. A. (2020). *Public Budget Governance in the Kingdom of Saudi Arabia*. University of Sharjah Journal for Humanities and Social Sciences, 17(2).
- Ben Allou, H., & Meddouri, N. (2023). *Governance of Public Institutions: A Conceptual Study with Presentation of Arab Experiences*. Journal of Economics and Environment, 6(1).
- Dzeibi, A., & Kassem, H. (2022). *Reforming and Modernizing the Public Accounting System in Algeria: A Project Aligned with International Public Sector Accounting Standards*.
- Masoud, R., & Saadi, H. (2020). *Financial Corruption in Algeria: An Analytical Study of Its Reality and Combating Mechanisms (2003–2017)*. Al-Bashaer Economic Journal, 6(2).
- Bousaid, S., & Aqgoune, C. (2018). *The Reality of Corruption in Algeria and Its Combating Mechanisms*. Journal of Economic and Financial Research, 5(1).
- Saqni, A., & Hichour, M. L. (2018). *The Phenomenon of Corruption in Algerian Society: A Study of Causes and Combating Mechanisms*. Algerian Journal of Public Policies, 7(1).
- Bouslimani, S., & Dharifti, N. (2019). *The Effectiveness of Public Sector Governance as a Mechanism for Modernizing Public Management*. Journal of Governance, Social Responsibility, and Sustainable Development, 1(2).
- Abu Omriya, F. M., Jaradat, N. M. S., & Chedidi, M. A. (2020). *The Impact of Applying Good Governance Principles on the Quality of Administrative Reports in Palestinian Municipal Councils*. Al-Balqa Journal for Research and Studies, 23(1).
- Ben Ayia, L. (2022). *Establishing a Sustainable Budget through the Implementation of Organic Law No. 18-15 Related to Finance Laws*. Journal of Business Administration and Economic Studies, 9(1).
- Touk, M. C. (n.d.). *Good Governance and Combating Corruption from the Perspective of the UN Convention Against Corruption*. Amman, Jordan: Dar Al-Shorouk for Publishing and Distribution.
- Lamari, W. (2020). *Causes and Manifestations of Corruption in Maghreb Countries and Its Negative Effects*. Al-Bahith Journal for Academic Studies, 7(2).
- Abdel Laoui, Y., & Dhaif Allah, M. H. (2019). *The Importance of Establishing Audit Committees in Algerian Institutions as a Tool to Limit Financial and Administrative Corruption*. Al-Bashaer Economic Journal, 5(2).