

Reforming Algeria's Public Sector Accounting System: Between the Requirements of Organic Law No. 18-15 and the Challenges of Adopting IPSAS

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Abstract:

This study aims examines Algeria's efforts to modernise its public sector accounting system in line with the International Public Sector Accounting Standards (IPSAS) and the provisions of Organic Law No. 18-15. It analyses the conceptual and legal frameworks underpinning public financial management reforms and identifies the technical, institutional, and organisational challenges hindering IPSAS implementation. The study reveals that success depends on sustained political commitment, capacity building, technological infrastructure, and stakeholder engagement. It argues that the shift from a cash-based to an accrual-based system is essential for transparency and accountability. Ultimately, the research concludes that IPSAS adoption is a strategic step toward enhancing governance, efficiency, and fiscal sustainability in Algeria's public sector.

Key Words: Public Accounting; Public Sector Accounting Standards; Organic Law 18-15; IPSAS.

JEL Classification : H83 ; M48 ; O23 ; P47.

1. Introduction

The emergence of public sector accounting is linked to two main factors: the evolution of the concept of accounting and the emergence of the state, which needed to provide public services to citizens and finance them. This necessitated finding a means to organize public resources and expenditures and ensure control over public funds, with public sector accounting being the optimal tool for this purpose.

Public sector accounting is considered a specialized branch in measuring and recording the financial activities of the non-profit public sector, and it serves as a tool for evaluating the performance of these units in managing public funds. With the development of the global economy, public sector accounting has witnessed significant transformations to keep pace with these changes, leading to the necessity of establishing international accounting standards for the public sector, known as IPSAS, to organize accounting work in public administrations.

In this context, Algeria sought to modernize its public sector accounting system to keep pace with global economic developments and ensure effective management of public resources by providing high-quality financial data that reflects the actual financial position of public entities. One of the most important steps in this modernization was the implementation of Organic Law No. 18-15 related to financial laws, which enhances financial reforms by updating the budgetary accounting system and directing it toward a budget based on results rather than means.

This reform also includes the development of an integrated information system that facilitates the collection of essential data for all stakeholders involved in the public expenditure chain. Through this modernisation, Algeria seeks to improve the presentation and documentation of the budget, enhance performance monitoring, and promote transparency in the management of public funds—reflecting broader economic developments and governance principles.

Based on the above, the main research question of this study can be formulated as follows: What are the key challenges to adopting International Public Sector Accounting Standards (IPSAS) in Algeria in line with the requirements of Organic Law No. 18-15?

Based on the research problem formulated in this study, a set of subsidiary questions has been developed as follows:

- What is the conceptual framework of public accounting?
- What are the requirements for modernising Algeria's public accounting system in accordance
- with the International Public Sector Accounting Standards (IPSAS)?
- What are the driving factors and challenges underlying the reform of Algeria's public accounting system in line with the provisions of Organic Law No. 18-15 on Finance Laws?

Research Objectives

This study aims to explore the major challenges facing the implementation of public sector accounting standards in Algeria under Organic Law No. 18-15, and to analyse the key reforms introduced within the national public accounting framework. It also seeks to identify the structural and procedural transformations that have shaped Algeria's efforts to align with international accounting practices.

Research Methodology

The research methodology combines both theoretical and analytical approaches. On the theoretical level, it involves a comprehensive review of the fundamental concepts related to public accounting and the International Public Sector Accounting Standards (IPSAS).

Analytically, the study traces the main reforms undertaken by Algeria in this field, with a particular focus on Organic Law No. 18-15, which represents one of the most significant milestones in the modernisation of the Algerian public accounting system.

2. The Conceptual Framework of Public Sector Accounting

2.1 The Concept of Public Sector Accounting

Government accounting is defined as a set of adopted principles, activities, and standards, in addition to an applied study of technical methods used in collecting, organizing, and analyzing data related to government activities. This system aims to impose financial and legal control over government revenues and expenditures, as well as support appropriate decision-making in this context (Ahmaro, 2003, p. 15).

Based on Law No. 90-21 dated 15/08/1990 relating to public sector accounting in its first and second articles, public sector (government) accounting means all legal rules and provisions that clarify and govern how to execute and monitor accounts and operations related to the state, the Constitutional Council, the National People's Assembly, the Court of Accounts, annexed budgets, budgets of local communities, and public administrative institutions (Law No. 90-21, 1990, Articles 1-2).

Based on what has been mentioned, it can be said that public sector accounting is a set of legal and technical rules that specialize in organizing procedures for executing and recording revenue collection operations and spending public expenditures approved in the state's general budget, in addition to preparing government financial reports and statements that reflect the results of activities of various public sector units.

2.2 Objectives and Characteristics of Public Sector Accounting

2.2.1. Objectives of Public Sector Accounting

The purpose of mandatory application of public sector accounting is to (Bouamar, 2017, p. 22):

- Ensure protection of public funds from manipulation or misuse;
- Ensure compliance with authorizations specified within the general budget framework;
- Ensure respect for laws and application of development plan contents for government units within the public budget framework;
- Verify compliance with the principle of legality and effectiveness of adopted choices;
- Ensure integration of financial operations and their precise incorporation within public sector accounting;
- Ability to determine costs, prices, and returns of public services;
- Provide necessary information for accountability and administrative and financial oversight.

2.2.2. Characteristics of Public Sector Accounting

Public sector accounting is characterized by several features that can be summarized as

follows:

Distinctive Accounting Framework: Accounting in general is an informational and organizational system that allows recording financial data for a specific period, providing information about the institution's financial position, its relationships with others, and the method of forming costs and prices for legal entities. Public sector accounting was traditionally called "cash accounting," where it focused on expenditure control and prevention of financial manipulation, such as financial evasion, money transfer, or theft.

Specialized Branch: Public sector accounting enjoys great importance in Algerian financial law, alongside budget law and tax law. The independence of public sector accounting law has become a tangible reality; where special rules have been added to it that organize the internal relations of public entities.

Mixture of Legal and Technical Rules: Public sector accounting is considered a tool for implementing and monitoring public funds, as it combines legal and technical rules. It works to ensure organization and supervision of financial operations in public entities, taking into account technical laws that contribute to controlling these operations efficiently and effectively.

3. Legal Framework Governing Public Sector Accounting in Algeria

The legal framework for public sector accounting in Algeria is governed by several key legislative texts that establish the foundation for financial management and accountability in the public sector. The most important legislative texts that regulate public sector accounting in Algeria include various laws and decrees that have evolved over time to meet changing administrative and economic needs.

Table 1. The legislative framework that governs public sector accounting in Algeria

Title of the Legislative	Content
Law No. 84-17 –	Promulgated on 7 July 1984, concerning the Finance Laws (as amended and supplemented).
Law No. 90-21 –	Promulgated on 15 August 1990, relating to Public Accounting.
Decree No. 95-20 –	Promulgated on 17 July 1995, concerning the Accounting Council.
Executive Decree No. 91-311 –	Promulgated on 7 September 1991, concerning the procedures for appointing and accrediting public accountants.
Executive Decree No. 91-312 –	Promulgated on 7 September 1991, specifying procedures defining the responsibility of the public accountant.
Executive Decree No. 91-313 –	Promulgated on 7 September 1991, relating to the procedures for maintaining accounting books and records.
Executive Decree No. 91-314 –	Promulgated on 7 September 1991, specifying the procedures for the transfer of public accountants and for closing accounts.

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Executive Decree No. 92-19 –	Promulgated on 9 January 1992, concerning payment procedures through letters of credit for transactions between the State, local authorities, and public institutions with administrative character.
Executive Decree No. 92-414 –	Promulgated on 14 November 1992, relating to the effective monitoring of committed expenditures.
Executive Decree No. 93-46 –	Promulgated on 6 February 1993, concerning the determination of deadlines for payment of expenses and the collection of revenues, as well as the procedures for accepting securities and supporting documentation.
Executive Decree No. 97-286 –	Promulgated on 5 May 1997, determining the procedures for executing public expenditure and defining the duties and responsibilities of payment officers and public accountants.
Executive Decree No. 01-351 –	Promulgated on 10 November 2001, defining the procedures for the use of the financial statements of local authorities and public institutions of administrative character.
Executive Decree No. 09-04 –	Promulgated on 7 January 2009, establishing the rules for professional conduct applicable to accredited accountants and authorized representatives.
Executive Decree No. 11-81 –	Promulgated on 21 October 2011, concerning the organization of the Treasury's accounting control departments.

Source: Prepared by the researcher based on (Zuhair Shalal, 2013/2014, pages 98-98)

3.1 Institutional Framework

The institutional framework supporting public sector accounting in Algeria comprises several key entities, each with specific roles and responsibilities:

- **Ministry of Finance:** The central authority responsible for formulating financial policy, preparing the state budget, and overseeing the implementation of public sector accounting standards across all government entities;
- **Court of Accounts (Cour des Comptes):** The supreme audit institution
- responsible for external oversight of public finances, examining and validating the accounts of all public entities and ensuring compliance with applicable laws and regulations;
- **General Inspectorate of Finance (IGF):** Conducts internal audits and
- investigations within the Ministry of Finance and other public entities, ensuring proper financial management and detecting irregularities;
- **Financial Controllers:** Stationed in various ministries and public institutions to
- provide ex-ante control over expenditure commitments and ensure compliance with budgetary authorizations;
- **Public Accountants (Comptables Publics):** Government officials responsible for handling public funds, maintaining accounts, and ensuring that all financial

- transactions comply with applicable regulations.

3.2 Evolution of the Legal Framework

The Algerian legal framework for public sector accounting has undergone several phases of development. The post-independence period (1962-1980s) was characterized by a centralized socialist-oriented economy with rigid budgetary controls. The transition period (1990s-2000s) saw initial market-oriented reforms and the adoption of Law 90-21. The modernization phase (2018-present) is marked by the adoption of Organic Law 18-15, which aligns Algeria's public financial management with international best practices.

4. Requirements for Modernizing the Public Sector Accounting System According to IPSAS

4.1. The Emergence of International Public Sector Accounting Standards

International public sector accounting standards emerged with the establishment of the Government Accounting Standards Board (GASB) in 1984 under the supervision of the Financial Accounting Foundation, with the aim of addressing financial reporting issues in central and local governments. The motivation behind establishing this board was to study the possibility of comparing financial statements prepared by governments with financial reports prepared by economic institutions, especially after some American cities faced the risk of bankruptcy (IFAC, 2012, p. 8).

In July 1984, the first international public sector accounting standard was issued, which became mandatory for all accountants and auditors to apply to government units. On November 10, 1984, the International Public Sector Accounting Standards Board (IPSASB) was established to replace the Government Accounting Standards Board, where this board became a permanent committee of the International Federation of Accountants, which was founded in 1977 and includes 167 members from 127 countries (IFAC, 2022).

4.2. Definition of International Public Sector Accounting Standards (IPSAS)

According to Study No. 12 of the Public Sector Committee of the International Federation of Accountants, accounting standards are defined as "a set of official statements that determine how certain types of transactions and events are reflected in government financial statements." Therefore, compliance with reliable and recognized accounting standards is essential to ensure fair presentation of financial statements (Zuhair Shalal, 2013/2014, pages 112-113). The International Public Sector Accounting Standards Board defined IPSAS accounting standards as unified standards that aim to clarify recognition, measurement, presentation, and disclosure requirements related to operations and events included in general purpose financial statements (IFAC, 2022, p. 5).

4.3. Conditions and Requirements for Modernizing the Public Sector Accounting System According to IPSAS in Algeria

The process of Algeria adopting international public sector accounting standards (IPSAS) requires a set of conditions and requirements that contribute to achieving the required accounting and administrative transformation, including (Boukhalfi, 2019-2020, p. 145):

Continuous Political Support: Political support is considered an essential element in applying the accrual basis in the public sector, where there should be clear political will to ensure the success of reforms and avoid repeating past mistakes. Effective means for this include giving priority to the topic of adopting IPSAS standards in the National People's Assembly, which will

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directly benefit from the information resulting from applying these standards in enhancing government accountability and performance evaluation (Boukhalifi, 2019-2020, p. 152).

Public Budget Reform: Reform requires updating and activating the State Chart of Accounts (PCE), which brings public sector accounting closer to general accounting and contributes to applying double entry, facilitating the process of following up on state obligations and rights, and contributing to improving financial oversight and transparency (Ministry of Finance, 2022, p. 18).

Changing Administrative Philosophy: Successful transition to applying the accrual basis requires radical administrative changes aimed at improving public service delivery. Algeria has benefited from this direction through the 2018 Organic Law project that focuses on empowering public administration by applying private sector management concepts such as oversight and budgetary management, and adopting international accounting techniques (Organic Law 18-15, 2018, Article 2).

Cost Accounting: The cost accounting system provides complete transparency about costs and services provided, by providing accurate information about the costs of government programs and services. This system helps evaluate the performance of government units in using available resources, as well as measuring the depreciation costs of fixed assets (Bouamar, 2017, p. 88).

Adopting Government Financial Management Information System (GFMIS): This includes applying an integrated computerization system for budget preparation, implementation, and financial reporting, which contributes to enhancing transparency and accountability across all spending entities. This system also links different government institutions, supporting decision-making based on accurate financial data (Boukhalifi, 2019-2020, p. 168).

Applying Responsibility Accounting: The application of responsibility accounting contributes to enhancing performance oversight by linking expenditure and revenue responsibility to different administrative levels in the government structure. This is done through defining responsibilities associated with programs and providing oversight reports on the actual performance of each unit.

Participation of Relevant Stakeholders: Successful adoption of IPSAS standards requires involving relevant parties, such as political officials, auditors, public accountants, ministries, in addition to entities concerned with financing and auditing, along with supporting the government executive apparatus in applying the standards.

Establishing a Professional Academic Body: Creating a professional academic body that brings together Ministry of Finance cadres and finance specialists is vital to ensuring the success of reforms. This body will work on following up on accounting reform issues, including continuous amendments to IPSAS standards and International Monetary Fund releases on financial transparency, as well as training courses in program budgeting and performance areas. This includes applying an integrated computerization system for budget preparation, implementation, and financial reporting, which contributes to enhancing transparency and accountability across all spending entities. This system also links different government institutions, supporting decision-making based on accurate financial data (Boukhalifi, 2019-2020, p. 168).

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5. Reasons and Drivers for Reform Under Organic Law 18-15

5.1. Reasons and Drivers for Budgetary Reform through Organic Law No. 18-15

Behind the budgetary reform adopted by Algeria was a set of reasons and drivers that centered on the following points:

Drivers Related to the International Community

Following the oil price collapse crisis and declining state revenues, Algeria took a series of economic measures, most notably the policy of rationalizing public expenditures that included freezing investment projects and equipment projects, in addition to freezing employment and imposing import licenses. Under internal pressures, the state resorted to activating unconventional monetary policy through money printing (Al-Barud & Khamloul, 2023, p. 10).

Drivers Related to Shortcomings of the Current Budgetary System

Since the budgetary system prevailing in Algeria was no longer suitable for the developments witnessed by the public sector in the field of budgeting, several shortcomings appeared that negatively affected the state's financial policy. The most prominent of these shortcomings include (Shalal, 2013/2014, p. 112):

- Absence of a multi-year budgetary framework;
- Duplication of the budget (management budget and equipment budget);
- Expenditure management centered on means;
- Lack of ease in reading budget documents;
- Prior control focused only on expenditure compliance;
- Subsequent control that does not tangibly affect improving internal management.

5.2. Objectives Set through Implementing the New Organic Law No. 18-15

The new Organic Law No. 18-15 aims to modernize the budget system in Algeria, contributing to driving development and achieving economic and social welfare. This law is a fundamental step to enhance public financial governance and transparency in resource management. Among its main objectives are (Organic Law 18-15, 2018):

- Returning budget discussion to the heart of parliamentary debate;
- Developing the concept of financial decision-maker;

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- Establishing principles of freedom and responsibility for managers;
- Adopting the principle of financial governance;
- Controlling the transfer of financial appropriations;
- Reducing special funds;
- Enhancing partnership between public and private sectors.

6. Main Challenges of Implementing IPSAS Under Law 18-15

6.1. Contribution of Organic Law 18-15 to Activating Public Sector Accounting

Law 18-15 came with the aim of defining the general framework in which financial laws are registered, in addition to determining the modalities related to their preparation, approval, and implementation, through defining a framework for managing state finances. This law also defined the principles and rules of public finance, including state accounts, implementation of financial laws, and oversight over them (Organic Law 18-15, 2018, Articles 1-5). The transition was made to the principle of budget instead of expenditure classification as was practiced under Law 84-17, in order to direct public money management toward achieving results based on pre-determined objectives. The reforms included in this law aim to achieve two main goals (Qawi Al-Said, 2022, p. 13):

Reforming the Public Management Environment: Improving public financial management and enhancing performance indicators for non-profit public entities requires governments to manage their financial statements according to the rules adopted in the commercial sector, in order to determine revenues and expenditures based on Article 02 of the law which stipulates adopting the principle of results-based management, with setting clear objectives for the public good (Organic Law 18-15, 2018, Article 2).

Strengthening Financial Statement Transparency: Transparency in financial statements is a fundamental element in public money management and enhancing accountability, which international bodies and institutions seek to encourage to enhance confidence in related agreements. In this context, Law 18-15 approved the issuance of many explanatory reports and annexes that allow stakeholders, from people's representatives and civil society, to contribute to enhancing the principle of participatory democracy (Organic Law 18-15, 2018, Articles 57-76, 87).

6.2. The New Public Sector Accounting System and Its Contribution to Improving Efficiency through Good Governance

This new system aims to improve efficiency through good governance under the new Organic Law 18-15. The reform project aims to improve the quality of budget estimates by covering part of the costs related to programming and implementing the state budget. It also seeks to involve the responsibility of all interveners in the revenue and expenditure cycle, from the founding act to implementation, with enhancing transparency through tracking the impact in collecting and using public funds (Ministry of Finance, 2022, p. 25).

The new Organic Law No. 18-15 is considered a pivotal turning point in the path of budgetary reform in Algeria, as it brings about fundamental changes in public revenue management, moving from a model based on means and procedures to a model based on results. This transformation aims to enhance public financial governance by improving spending efficiency and the quality of state service performance, with enhancing the parliamentary oversight role over public finance (Bouaishawi & Ghazazi, 2020, p. 20).

6.3. Specific Implementation Challenges

The implementation of IPSAS in Algeria faces several specific challenges that must be addressed for successful reform (Boukhalfi, 2019-2020, p. 198):

Technical and Capacity Challenges:

Skills Gap: There is a significant shortage of accounting professionals with expertise in IPSAS and accrual accounting. Most existing staff are trained in cash-based systems and traditional budgeting approaches (Shalal, 2013/2014, p. 205).

Complexity of Standards: IPSAS comprises 42 standards covering various aspects of public sector accounting, requiring substantial expertise to understand and apply correctly (IFAC, 2022, p. 3).

Language Barrier: Many IPSAS resources are available primarily in English, while Algeria's public sector operates predominantly in French and Arabic, creating additional challenges for training and implementation.

Limited Local Expertise: Few Algerian professionals have practical experience in implementing IPSAS, necessitating reliance on international consultants and experts.

Technological Infrastructure Challenges:

Outdated Systems: Many government entities still rely on legacy accounting systems that are incompatible with IPSAS requirements and accrual accounting principles (Ministry of Finance, 2022, p. 32).

Integration Issues: Different ministries and agencies use different systems, making it difficult to consolidate financial information at the national level (Boukhalfi, 2019-2020, p. 202).

Data Quality: Historical financial data may be incomplete or inaccurate, particularly regarding assets and liabilities, making the opening balance sheet preparation challenging.

Investment Requirements: Significant financial investment is needed to upgrade or replace existing systems with integrated GFMIS that can support IPSAS-compliant reporting.

Institutional and Organizational Challenges:

Resistance to Change: Public sector employees may resist the reforms due to increased complexity, additional responsibilities, and fear of the unknown (Shalal, 2013/2014, p. 218).

Fragmented Responsibilities: The separation between authorizing officers and public accountants in Algeria's system may complicate the implementation of accrual accounting, which requires closer coordination (Law No. 90-21, 1990, Articles 23-33).

Coordination Challenges: Effective implementation requires coordination among multiple entities (Ministry of Finance, Court of Accounts, individual ministries), which can be difficult to achieve.

Legal and Regulatory Alignment: Existing laws and regulations may need amendment to accommodate IPSAS requirements, which is a time-consuming process.

Asset Management Challenges:

Asset Identification: Many government assets have never been properly inventoried or recorded, making it difficult to prepare a comprehensive asset register (Ministry of Finance, 2022, p. 45).

Valuation Issues: Determining the fair value of government assets, particularly

heritage assets, infrastructure, and assets held for long periods, presents significant technical challenges (Boukhalfi, 2019-2020, p. 215).

6.3. Change Management and Capacity Building

Successful IPSAS implementation requires a comprehensive change management strategy and significant investment in capacity building:

Training and Professional Development:

Comprehensive Training Programs: Develop multi-level training programs targeting different groups: senior management, accounting staff, auditors, and IT personnel;

Continuous Learning: Establish mechanisms for ongoing professional development as IPSAS standards are updated and new guidance is issued;

Certification Programs: Encourage staff to pursue international certifications such as CERT IPSAS to build local expertise (ACCA, 2022);

Training of Trainers: Develop a cadre of local trainers who can deliver IPSAS training in French and Arabic, reducing dependence on international experts;

Communication Strategy

Stakeholder Engagement: Regularly communicate the benefits and progress of IPSAS implementation to all stakeholders, including parliament, management, staff, and the public.

Clear Messaging: Develop clear, consistent messages about why the reform is necessary and how it will improve public financial management.

Success Stories: Share success stories from early adopters within Algeria and from other countries to build confidence and momentum.

Phased Implementation Approach

Pilot Programs: Select pilot ministries or agencies to implement IPSAS first, learning lessons that can be applied to broader rollout.

Progressive Adoption: Consider adopting IPSAS standards progressively, starting with simpler standards before moving to more complex ones.

Transition Period: Allow sufficient time for transition, recognizing that full IPSAS implementation may take 5-10 years.

Depreciation Policy: Developing appropriate depreciation policies for various asset categories requires technical expertise and judgment.

Ongoing Asset Management: Implementing systems for tracking acquisitions, disposals, transfers, and revaluations of assets on an ongoing basis requires significant organizational capacity.

4. CONCLUSION

in conclusion, economic and social variables in Algeria imposed the necessity of modernizing the public sector accounting system to align with international standards, after it suffered from fundamental shortcomings, most notably its reliance on the cash basis in recording financial operations. This deficiency limited the effectiveness of financial oversight and led to difficulty in providing financial reports that reflect the actual status of public money (Shalal, 2013/2014, p. 240).

Hence, the transition to applying international public sector accounting standards became extremely important within the framework of financial and administrative reforms in many countries, including Algeria. This transformation aims to improve transparency, enhance

accountability, and achieve greater efficiency in public money management. The fundamental transformation is represented in moving from the cash basis to the accrual basis in accounting, to keep pace with rapid environmental transformations.

It can be said that adopting international accounting standards (IPSAS) in Algeria, in line with the requirements of Organic Law 18-15, is an important strategic step toward improving and enhancing the financial and accounting system in the public sector. The study has shown that this transformation faces many challenges, whether at the level of institutional structure, administrative practices, or providing the necessary resources to effectively apply international standards (Bouaishawi & Ghazazi, 2020, p. 23).

The challenges identified in this study are significant but not insurmountable. They include technical capacity gaps, technological infrastructure limitations, institutional resistance to change, asset management complexities, and the need for substantial investment in human capital development. However, the potential benefits of successful IPSAS implementation far outweigh these challenges. Enhanced financial transparency, improved accountability, better resource management, and increased confidence from international stakeholders are among the key benefits that Algeria can achieve through this reform.

The experience of other countries demonstrates that IPSAS implementation is a long-term journey requiring sustained political commitment, adequate resources, and stakeholder engagement. Algeria's Organic Law 18-15 provides a solid legal foundation for this reform, but its success depends on effective implementation strategies, including phased approaches, comprehensive training programs, investment in technology infrastructure, and learning from international best practices (IFAC, 2012, p. 68).

Looking forward, Algeria should prioritize the establishment of a dedicated IPSAS implementation unit, develop a detailed implementation roadmap with clear milestones and timelines, invest heavily in capacity building at all levels, and foster partnerships with international organizations and countries that have successfully implemented IPSAS. Regular monitoring and evaluation of progress against established performance indicators will be essential to ensure that the reform stays on track and achieves its intended objectives (Boukhalfi, 2019-2020, p. 268).

Ultimately, the successful adoption of IPSAS in Algeria will contribute to strengthening public financial governance, improving the efficiency of public resource allocation, enhancing fiscal sustainability, and building public trust in government financial management. This reform is not merely a technical accounting change but a fundamental transformation in how the Algerian government manages its financial resources and reports on its stewardship to citizens and stakeholders (Qawi Al-Said, 2022, p. 18).

Key Findings

- The orientation toward adopting international standards in public accounting has become inevitable due to the shortcomings suffered by the traditional accounting system in providing reliable and transparent information, and its failure to keep pace with developments in modernizing public finance (Shalal, 2013/2014, p. 250).
- The public sector accounting reform project in Algeria aims to develop an effective accounting system that contributes to achieving transparency and good governance in public money management (Ministry of Finance, 2022, p. 5).

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- Updating the public sector accounting system in Algeria requires providing an
- appropriate economic and financial environment, in addition to political will from the government to ensure compatibility with the requirements of applying international public sector accounting.
- Organic Law 18-15 is considered one of the basic pillars in the financial reform process, as it charts the path of transition from a budget system based on means to a system oriented toward results and performance (Organic Law 18-15, 2018,
- Articles 1-10).
- Most of the principles and rules on which the budgetary reform project in Algeria was based, whether in budgetary or accounting aspects, were adopted under
- Organic Law No. 18-15 related to financial laws (Bouaishawi & Ghazazi, 2020, p. 18).
- The application of international public sector accounting standards (IPSAS) in Algeria requires a fundamental transformation in the method of public money management, from updating the accounting system to developing internal oversight mechanisms and enhancing transparency and accountability.
- The transition from cash basis to accrual basis accounting represents the most significant technical challenge in IPSAS implementation, requiring comprehensive asset identification, liability quantification, and development of new accounting
- policies and procedures (IFAC, 2022, p. 25).
- Technical capacity gaps and shortage of IPSAS-qualified professionals constitute major obstacles to successful implementation, necessitating substantial investment in training and professional development programs (Boukhalifi, 2019-2020, p. 210).
- Technological infrastructure modernization is critical for IPSAS adoption, requiring significant investment in integrated Government Financial Management Information Systems (GFMIS) that can support accrual accounting and consolidation across government entities.
- Asset management presents particular challenges in Algeria, including the need for comprehensive asset inventories, valuation of government property and infrastructure, and establishment of ongoing asset tracking systems (Ministry of Finance, 2022, p. 48).
- Change management and stakeholder engagement are essential success factors, requiring clear communication strategies, addressing resistance to change, and ensuring buy-in from political leadership, management, and operational staff.
- International experience demonstrates that successful IPSAS implementation
- requires sustained political commitment, realistic timelines (typically 5-10 years), adequate resource allocation, and learning from best practices while adapting to local context (IFAC, 2012, p. 75).
- Phased implementation approaches, including pilot programs in selected ministries or agencies, can help identify and address challenges before broader rollout and build momentum for reform (Boukhalifi, 2019-2020, p. 225).
- International organizations and development partners can play valuable supporting roles through technical assistance, capacity building programs, financial support, and sharing of international best practices.
- Establishing clear performance indicators and regular monitoring mechanisms is essential

to track progress, identify obstacles early, and ensure accountability for the reform process.

- The legal and regulatory framework in Algeria needs alignment to fully support IPSAS implementation, potentially requiring amendments to existing laws and development of new implementing regulations (Qawi Al-Said, 2022, p. 15).

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