



## **AIST Thematic Seminar**

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**Hanoi / VIETNAM**

### **Modernising the Treasury Services through dematerialisation**

#### **TERMS OF REFERENCE**

##### 1- Digital technology is becoming more and more important in our societies

Digital technology is increasingly irrigating the economic and social activities of our societies. Its deployment is often uneven between countries and within countries. The technical coverage is unequal in the territories and States work in reducing this "digital divide". Users are still differentiated according to the social category to which they belong.

However, the trend is general and the State is a stakeholder that can promote it by offering a range of services to users and making new practices be applied by users and administration. This development affects the State services and the local authorities as well.

##### 2- Essential legal developments

Dematerialisation involves updating the legal texts to give the electronic signature the same legal security than to the hand-written signature. If one wishes to generalise the use of the dematerialisation, it is also necessary to have a text framework envisaging its obligatory use at a given date. It also involves a change of the legal and accounting texts.

##### 3- A global but progressive approach

Should dematerialisation be a vector of modernisation, one must be vigilant on the following three points:

- the governance on the project: it is important for the central authority to organise the spreading out of dematerialisation in order to propose harmonised legal and technical solutions for the entire territory, all public entities and companies;
- the interoperability of the information systems: it is not possible to impose on all public and private actors a single technical solution to dematerialise processes in an open society; it is therefore necessary to offer a solution which guarantees the interoperability of the information systems amongst themselves;
- the progressivity: should dematerialisation irrigate all economic stakeholders and public structures, one must work towards a more or less directive timetable allowing the different stakeholders, according to their preparation and / or their size to enter the device.

#### 4- Modernising the financial and accounting circuits

The financial administrations which have carried out the transition to accrual accounting and have updated accounting statements, then endeavor to dematerialise the management accounts by figures, as well as all the accounting documents. The progress is however contrasted according to the countries. These developments lead to changes in the relationship with the Court of Auditors which makes its controls evolve as well.

Some countries are well advanced with the dematerialisation of the expenditure chain by digitising the invoices received, or even imposing a dematerialised invoice on suppliers in a native way. In the same time, the public procurement procedures are dematerialised: information, receipt of offers, and treatment of the public market. This approach alleviates the procedures and makes it possible to work on a document management account also dematerialized.

#### 5- Modernising the relationship with the user

The financial administration is also pushing to dematerialise relations with the different categories of users, whether companies or individuals.

Three objectives are sought: greater speed in transactions, increased security for the user while simplifying procedures. These developments also allow the administration to save money.

A large number of administrations offer alternatives to payment by cash or checks by offering, in addition to the levy, various possibilities of electronic payment (payment by Internet, pay by phone ...). The range of services also extends by making forms available online and force the user to use e-procedures. After having largely promoted the transfer payment for suppliers or State agents (salaries and pensions), some social benefits are now completely dematerialised. Beyond financial administration, other structures force users to use e-procedures.

The administration expects generally efficiency gains in a context of budgetary constraints, the modernization of the circuits and administrative procedures by simplifying them and speeding up the processing time of operations or user requests. It is also an opportunity to enhance transaction security.

#### 6- Transform working habits

The dematerialisation changes the way of working. E-procedure involves more the user in the establishment of the tax base (it was before the responsibility of the administration). It is sometimes the answer to the decrease of public jobs while maintaining the quality of service offered, allowing a greater reactivity to the administration and more flexibility to the user.

The dematerialisation of the accounting chain, combined with the development of a single information system or the setting up of specialised agencies, makes the traditional separation between authorizing officer and accountant less effective.

The dematerialization of the relationship with the user no longer makes a presence of all services on the territory essential. Users ask more for a dedicated contact person, even distant, who is able to deal with the issue or difficulty, rather than a nearby counter that does not control all aspects of the problem.

#### 7- Resistances and blockages not to be underestimated to modernize in depth

The digital administration can only accompany a society that is progressively moving towards digital technology. There are still some large sections of the population that do not yet have digital access. It is therefore important to be vigilant in legislating, accompanying and encouraging people to move towards the digital society, because it is a movement that goes beyond the national framework and, in the same time, does not exclude segments of society.

The dematerialisation on its own is not enough to change the public sphere. This modernisation has to be accompanied by other developments in the legal and accounting rules to simplify the tasks and to reform in-depth work.

These evolutions imply that the departments, even the ministries, lead a real change policy based on training plans, on a renewed management and on the involvement of all the stakeholders of the hierarchy internally and externally by reinforcing the partnerships. This requires the mobilisation of financial and human resources that are not always available in financial administrations.

### 8- New issues appear

The general security of information systems becomes a central topic to ensure the confidentiality of information, the archiving of data over time and the continuity of public service. The traceability of the operations is also essential to allow a renewed and adapted risk control. Dematerialisation is based on technological choices, which involves the provision of physical infrastructure services and telecommunication networks that support renovated information systems.