



XIII Symposium

Lome – TOGO – 2 - 4 december 2019

Risk management in face of new public accounting challenges

Terms of reference

All financial administrations managing public funds and sensitive information are, by nature, highly exposed to risks. This exposure may, of course, vary according to the size, the diversity of missions or the level of devolution of responsibilities. Nevertheless, it remains ubiquitous and protean. It's a daily challenge.

In an increasingly demanding external environment, it is necessary to reduce this exposure to risks and define a policy of controlling activity while ensuring the overall performance of the mission. To this end, our administrations must be able to demonstrate that their activities are under control and that they are carried out under satisfactory and secure conditions.

Specific obligations and constraints also apply to public officials by virtue of their statutes, the separation of tasks between authorising officers and accountants and the controls entrusted to our respective administrations by laws and decrees relating to budgetary and accounting management.

Our networks are indeed highly exposed to their responsibility in the financial activity of the State, their mission of public accounts and administrative reforms that may, where appropriate, directly involve departments of economic and financial ministries. The sensitivity of the managed processes and information held or the handling of public funds also increases this exposure.

Based on these findings, AIST has decided to devote a work cycle to risk management. The symposium aims to define the issues to be addressed and the concrete contributions that can be expected from the work that will be carried out in the coming months.

For this, it is first of all necessary to consider what the notion of risk management in general and accounting risk management in particular covers for AIST member countries. The search for a common definition is probably a prerequisite for going further and defining, in a second step, the perimeter to be stopped as well as the actors concerned.

Thus, for example, in terms of accounting risks, beyond the activity of keeping the accounts of the State the approach can be extended to all public entities, including public institutions and local authorities. In the same way, the reflection can both focus on the main accountants but can also include secondary accountants.

Regarding the control of accounting risks, the external environment is increasingly demanding: the legislative framework is becoming denser (organic laws relating to finance laws or similar laws) while the administrations want to be more and more transparent about their action. At the same time, the reporting culture, international and national standards are growing.

To this extent, the effects of this movement on the risk management system should be questioned and measured in the frequently encountered context of accounting reforms and / or adoption of accrual accounting.

Workshops will then aim to deepen the reflection on several unavoidable points in terms of risk control:

- - The organisation and stakeholders to define the right level of management and interlocution to establish a quality and respected device. Such an approach must be based on managerial ownership of the objectives to be achieved and the risks to be covered. The attributions, the definition of the organisation charts, the prerogatives granted are all subjects of reflexion to arbitrate in a pragmatic way between objectives to reach, means granted and tools put at the disposal of the persons in charge for the conduct of their controls.
- - Adaptation to current accounting reforms by integrating international and national normative developments in the best possible way so as to limit the impact and the realization of risks. The AIST exchange framework should enables to identify the good practices already implemented regarding the taking into account of the new risks directly or indirectly attributable to the accounting reforms.
- - Information systems, since the computerisation of the keeping of accounts must, by their nature, enables to secure operations by tracing and standardising them. However, the identification of the main points of weakness that persist in the process of accounting information is essential. Moreover, the interest and scope of the computerisation of internal control as such, in its tracing and preservation, as well as the fluidity of the exchanges that it is likely to generate can usefully be evoked.