

# **Presentation by the First President of the Court of Auditors to the Parliament on the activities of the Financial Courts**

**Wednesday 11 May 2022**

In the Name of Allah, the Compassionate, the Merciful

Praise be to Allah, Lord of the Worlds, and prayers and peace be upon the faithful chosen one;

Honorable Speaker of the House of Representatives, Honorable Speaker of the House of Councilors, Ladies and Gentlemen, Honorable Deputies and Councilors; It is my pleasure to deliver to the esteemed legislative institution a presentation about the work of the Supreme Court of Auditors in accordance with the requirements of Chapter 148 of the Kingdom's Constitution. On this occasion, I would like to congratulate you, as representatives of the nation, for the trust you have received from voters following the legislative elections of September 2021. We are all entitled to congratulate our country for its success, under the judicious leadership of His Majesty King Mohammed VI, May Allah assist him, in organizing unprecedented tripartite elections in the midst of the COVID- 19 pandemic in conditions characterized by full responsibility, commitment and action for the greater good.

It stands to reason that, the Constitution of the Kingdom has entrusted the Higher Council of Accounts with the mission of supreme control of public finances and the consolidation and protection of the principles and values of good governance, transparency and accountability. It also entrusted the Regional Accounts council to control the accounts of the regions and other territorial groups and their bodies, and how they manage their affairs. The Constitution empowers as well the financial courts to sanction, when necessary, any violation of the rules applicable to the operations of public agencies' income and expenses.

Our meeting today is therefore regarded as a constitutional point of privilege, which we cherish. Since It seeks to operationalize the principle of accountability and contribute to deepening our country's public debate on the problems of public action, to download and evaluate public policies and programmes, to monitor imbalances that may occur and to propose ways and alternatives to ensure their positive impact on citizens, investment and employment.

This presentation comes in a national and international context of continuous and accelerated transformations following the radical changes imposed by the COVID-19 pandemic, as well as the synchronization of a series of socio-economic and geopolitical factors that have led to profound reviews of countries' strategic choices, the most important of which is to reconsider the course of globalization, place the human component and focus on human life at the centre of public policy's priorities.

At the national level, in accordance with the directives of His Majesty King Mohammed VI, our country has taken a number of measures aimed at the initial realization of the financial potential offered by the COVID-19 Solidarity Fund and, at a later stage, the development of an integrated plan to revive the economy through the establishment of the Mohammed VI Investment Fund to promote productive activities and keep pace with various investment projects. Perhaps one of the most important lessons learned from this crisis is that our country was able to mitigate the direct repercussions of the pandemic mainly thanks to the spirit of commitment and citizenship that Moroccans demonstrated, whether it was during the quarantine phase or in the subsequent stages associated with the national vaccination campaign, which helped many economic activities to recover gradually, as The national economy recorded a growth of more than 7% in 2021, after a 6.3% contraction in 2020, and our country also maintained its attractiveness to foreign investments, growing by 5.20% compared to 2020.

In the same vein, its savings in hard currencies improved , which amounted to the equivalent of 6 months and 22 days of imports of goods and services, improved thanks to remittances from Moroccans residing abroad, which registered standard amounts reaching 93.3 billion dirhams, up an increase of 36.8%.

However, post-pandemic developments, as well as the negative repercussions of the drought season and the extent to which the national economy can withstand external factors, bring about major challenges.

Foremost among these challenges is the strengthening of Morocco's position and its immunity in the fields of health, energy, industry, and food, the rehabilitation of the human element, and the provision of growth conditions to take advantage of the opportunities offered by digital transformation, in addition to the acceleration of major projects such as the mainstreaming of social protection in 2025, taxation reform and public institutions, the activation of the new investment pact, in addition to the need to apply the New Development Model, especially with regard to the core conclusions aimed at the field of governance and public administration, particularly:

- Developing the skills of different public actors to strategically anticipate, prevent and manage risks, pilot and host solutions and projects while stimulating medium and long-term structured projects and approaches;
- Promote the forging of effective and coordinated public policies based on analysis and data, aimed at achieving development gains for the general public;
- Improving management capacities to implement public policies effectively and at a faster pace, with measures focusing on performance efficiency, citizen service, and access to modern technologies.

Distinguished Ladies and Gentlemen, Respected Deputies and Councilors;

In this context, the repositioning of the financial jurisdictions makes them today at a new juncture in their institutional course. If the previous stages contributed gradually and in a balanced way to establishing the principles and methods of supreme oversight role over public finances, we are today facing new challenges and awaiting various opportunities imposed by the rapid transformations, both internally and externally.

The expectations of the relevant parties, at the forefront, the legislative and executive branches, as well as civil society and citizens, have also grown in recent years. This places upon us the task of preserving the constitutional status of the financial jurisdictions, consolidating them, improving their performance, and raising the impact of their work.

As an institution entrusted with upholding and protecting the principles and values of good governance, these factors undoubtedly provide a strong impetus to be ready to adapt to these new developments and changes and to put in place the necessary mechanisms to respond to the challenges and expectations that this entails.

In this framework, the Court of Auditors adopted in 2021, in a participatory manner, a strategic plan for the next five years, 2022-2026, based on an approach to results and the impact on the lives of citizens, by developing the work of the Financial jurisdictions and establishing working mechanisms that allow them to keep abreast of the major reforms that our country is experiencing under the wise leadership of His Majesty King, May Allah assist him.

This is related to adopting a novel approach to programming the work of the Financial jurisdictions, diversifying the reports on their work, activating bridges between the various judicial and non-judicial jurisdictions, establishing an appropriate and efficient penal policy, as well as enacting a new method to track the implementation of the outputs of the Financial jurisdictions, and disseminating and communicating their work.

Thus, in programming their oversight work, the financial jurisdictions seek to respond to the concerns and expectations of stakeholders, economic actors, public opinion, and citizens by relying on risk analysis and a platform that ensures the independence, objectivity, and impartiality of the Financial jurisdictions.

This program also targets priority areas, in particular, the assessment of the extent to which major development programs and public projects are being implemented and applied at the national level, as well as their impact on the living standard of citizens, investment, wealth creation, and employment opportunities.

In order to effectively implement the outputs and recommendations of the Financial jurisdictions and increase their impact on public measures and on the lives of citizens, these Courts attach great importance to tracking and communicating their recommendations, the results of which are included in the annual report. To this end, the Board has created a digital platform to facilitate outreach to the various stakeholders, with a tracking frequency that takes into account the nature, priority, and urgency of the recommendation.

This platform, by God's will, will be launched next month, once the process of communicating with the Council the necessary information about the speakers appointed by the ministerial departments concerned, and after they are able to use it, is completed. In this regard, we appreciate the establishment of a unit under the Government last April, whose task is to follow up on the activation of the relevant recommendations, in response to the request of the Court of Auditors.

The council will work, similar to the leading international superintendence, on reporting the improvements registered in the public management of each sector, and on the extent of response and progress in activating these recommendations.

In the same context, the Council is keeping pace with the public finance reform workshops, implementing the results-based measure approach, improving the procedure for declaring accounts and their content, providing reliable and up-to-date information for financial courts, a project to digitize the accounting process, and providing the appropriate conditions for the Council to exercise its competence of certifying state accounts. For this purpose, a framework has been set with the Ministry of Economy and Finance through an agreement that defines the relevant areas and the conditions for accompanying them. The Council will present the results of this assistance in its next annual report.

At the level of the regional boards of auditors, out of our awareness of the important role they play in strengthening territorial governance, it was our concern that these boards exercise all their competencies according to an incorporated and integrated vision. Our goal in this operation is its practical involvement in keeping pace with the implementation of advanced regionalization workshops, taking into account the transformations that our country is experiencing and the specificities of each region, and directing its work, primarily, towards areas related to the daily living of the citizen. In addition to the contribution in improving the performance of the territorial communities, which will be positively reflected in the improvement of services provided to the users. For this reason, we have worked to intensify the common tasks between the council chambers and the regional boards of auditors and to provide the latter with the necessary human resources to carry out their tasks as required. Thus,

at the beginning of 2022, His Majesty King Mohammed VI, may God assist him, appointed 49 new Judicial Supplement at various regional boards of auditors. We intend to continue our efforts in this regard in order to provide the board with the necessary means of action.

In the framework of applying the provisions of the Kingdom's Constitution in assisting judicial bodies. This was in order to contribute to the synthesis of public life and the fight against all forms of corruption, coordination has been intensified with the High Council of the Judiciary and the Presidency of the Public Prosecution regarding treating complaints, grievances and reports related to violations and financial crimes and exchanging information and documents related to that. . On this occasion, I cannot fail to commend the constructive and fruitful cooperation with the Supreme Council of Judiciary and the Presidency of the Public Prosecution since the signing of a memorandum of cooperation in this regard in June 2021.

Honorable Ladies and Gentlemen, Deputies and Councilors;

In December 2021, the Supreme Court of Auditors issued the report on the activities of the financial courts for the years 2019-2020, which I had the honor to submit to His Majesty the King, may Allah assist him. I also directed it to the Prime Minister, the Speaker of the House of Representatives, and the Speaker of the House of advisers. It was also published in March 2022 in the Official Gazette, Pursuant to the requirements of Article 148 of the Constitution; the report received wide media coverage, given the position occupied by the management of public finances within the interests of the media and public opinion. This report includes the result of the financial courts' exercise of their judicial powers, in addition to the most prominent summaries of the oversight functions



accomplished by these courts regarding the most important programs, projects, and structural reforms of public concern.

With regard to disciplinary jurisdiction related to the budget and financial affairs, during the period from 2019 to the end of April 2022, the financial courts issued a set of 464 decisions and judgments and imposed fines totaling 10,603,700,00 dirhams, in addition to the amounts ordered to be returned, corresponding to the loss incurred by public agencies as a result of the violations committed, which amounted to 17,077,225,93 dirhams. This is related to raising the personal responsibility of the various stakeholders in the implementation of the financial operations of public bodies. Ones who have committed violations in the implementation of operations of public resources and expenditures, as well as cases of obtaining unjustified monetary or in-kind benefits, and cases of damage to public bodies due to a serious breach of control or as a repeated failure to carry out supervisory tasks.

As for the field of auditing and adjudicating the accounts of the organs, submitted by public accountants, the financial courts, during the same period, issued a total of 636 judgments and decisions according to which, in the first instance, they declared a total deficit of 209.711,340,42 dirhams, as a result of auditing and investigating a total of 11,738 accounts. It should be noted, in this regard, that the executive copies of judgments and decisions issued by the financial courts are directed to the public treasury of the Kingdom, after gaining the force of the *res judicata*, with the aim of extracting the sums awarded.

As for acts that requires a criminal sentence and that had been sentenced in the financial court within the competence of courts given the referenced matter, All of which were discovered in the context of the financial courts' exercise of their various powers , the royal prosecutor with the public finance court referred , in the same period, 29 files to the royal prosecutor with the court of cassation, , Chief Public Prosecutor to the designed in order to take action, (While Decisions were taken not to undertake a public prosecutions for 6 files for insufficient evidence.

Concerning the judgments and decisions issued in this context. In the present report, the court made sure to highlight the elements and grounds for attribution of liability given to financial courts, derived from these provisions and resolutions, as well as giving attention to the abnormalities and imbalances and causes that the public service is tainted with, and overcoming them in the future, which encourages the good governance in the domain of public finance and assign It contributes to fostering a culture of good governance and achieve legal security.

Pending review of the Public Administrators' Liability System, the court's aim to enhance the punitive function proportionate to the purpose of enacting this jurisdiction, as well as enhancing the tribunal's pedagogical function of decisions and rulings taking in consideration the new challenges of public financial management implementing as a part of transitioning to a result based management instead of a function based approach, by opting for targeted measures effective policy that takes into account the balance in the judicial activity between the various categories of offences with reference to tort laws.

It is very important to confirm that the superior court of auditors in coordination with the district prosecutor's office, assigns great importance to the operationalizing that the Deputies and vice presidents. They work firmly to put into force all the mechanisms provided by the law in order to refer all corruption files and squandering of public funds to the public prosecution to take what is necessary in the field of penal follow-up whenever the evidence becomes sufficient, his diligence to deploy all his competences, and to ensure respect of accountability in a palpable manner.

Ladies and Gentlemen and Honorable Representatives and Councilors;

Apart from judicial activities, the evaluation and management tasks of public and projects of investments and the control of the use of public funds has taken the bulk of this report. This annual report contains summary notes and comments of audit missions carried out in this regard by at the level of certain local authorities and legal bodies for the sectors that had been evaluated. As for missions raised by the legal bodies are contained in the a separate report in accordance with principles of innocence for referral to the public prosecutor's office of financial courts that may lead to administrative punishments and those pertaining sanctions imposed by the budget and financial discipline and criminal sanctions.

As within the period of 2019-2020 with the total of 665 audit missions including 558 of the main achievements of the regional financial audit courts. The summary of the main achievements are presented in the report with a covering the following areas :

- Public funds and administration area including goals relating to the execution of financial and taxation law and the retirement system and insurance, registrars at the Kingdom's courts and consular services offered to the Moroccan foreign resident
- Area of Equipment and Housing including goals relating to water and logistics sector and the evaluation of the State's mechanisms and interventions to combat inadequate housing.
- The area of productive activities including goals related to livestock and development of trading plans” RAWAJ” and the national quality infrastructure system and the Management of the Moroccan Institute for Standardization and the National Agency for Rehabilitation and Employment.
- The area of education, training and sport including goals conducted in the field of rural education, the instruments of orienting students and joint schools, management of high universities of agriculture, good governance of higher education, scientific and technological research, evaluation of professional training especially in the area of the automotive sector and the interaction of the sport ministry with sport universities.

The area of ministry of health and social services including the social security situation, the good governance and support some areas of the health system and hospital complex centers management and the sociocultural aspect as well as the Subsidies granted to associations by ministerial sectors

The territorial governance including goals achieved concerning the management of public projects in regional level of the kingdom, the management of domestic waste and commercial waste and the wholesale markets of vegetables and fruits and cooperation mechanisms between territorial communes, preparing and executing the strategic plans of communes and the management of prefectures and regions, the management of drinking water associations in rural areas as well as query management in Casablanca-Settat region and finally the sustainable development report of Casablanca region 2015-2020.

As noted through this inventory, the financial courts ensure that their work is subject to objective conditions, first and foremost setting priorities and selecting oversight tasks that take into account major problems and challenges, as well as the increased risks faced by public measure, taking into account the integration and consistency of various regulatory activities and ensuring effective coverage of all territories.

In this Framework, I would like to focus before you on four key strategic topics in relation to the challenges facing our country at this stage:

- Category 1: Public finances position during 2019-2021;
- Category 2: public policies that deal with the human element, mainly concern education in the rural areas and health insurance;
- Category 3: water supply policy;
- Category 4: Completion of public projects at the level of kingdom's regions;

With regard to the challenges associated with the state of public finances during 2019-2021 and their medium-term development, it is clear that our country has entered a new phase of volatility with accumulated risks at the level of macro-economic balances. Based on national accounts in 2007 and

according to recent data published by the Ministry of Economy and Finance, 2019, on one hand, recorded relative stability of the budget deficit at a level equivalent to 3.6% of GDP as well as the stability of treasury debt in 64.9% of GDP. On the other hand, the special circumstances of 2020, due to the exceptional context of the Covid 19 pandemic and its direct and profound implications on the public finances of our country, like most countries of the globe, necessitated the use of the amended Finance Act.

One of the consequences of this situation was the recrudescence of the budget deficit, which amounted to 7.6% of GDP. Moreover, the treasury debt took an upward trajectory by moving to 76.4% of GDP by the end of 2020, an increase of 11.5 points.

In 2021, there was a noticeable improvement in terms of economic and financial indicators thanks to measures that were gradually implemented as part of the economic take-off plan to emerge from the Covid crisis and its repercussions, as well as thanks to the good agricultural season at the time, where the budget deficit fell to 5.9% of GDP, and treasury debt improved relatively compared to GDP, where it remained in the range of 74.2% despite the increase in the amount of debt in absolute terms, which increased from 832.6 billion dirhams to 885.3 billion dirhams between 2020 and 2021.

Indisputably, the public finances situation during the first half of this year appears to be very complex, as a result of the simultaneous drought-related constraints, the noticeable rise in international prices of energy materials and commodities, and the risks of inflation and their implications on the national economy. In this regard, the Council appreciates the establishment of the Strategic Vigilance Committee mechanism, which includes economic operators, to track the potential impacts faced by the

national economy and mitigate its impact on citizens and on the enterprises concerned.

Given the high level of public debt, budgetary measures need to be taken in the short and medium term to provide margins for financing the necessary structural reforms, taking into consideration putting the ratio of public debt in a downward trend.

These measures can be pigeon-holed into three primary parts:

- The first measure relates to resources by activating the tax reform framework law, particularly in order to mobilize tax potential by expanding the tax base and rationalizing tax incentives;
- The second is linked to rationalizing public expenditures through a systematic and in-depth review of expenditures and the setting of clear medium-term objectives within the annual financial laws, which will rearrange expenditures' priorities, increase their effectiveness and target them and provide additional resources to finance the necessary reforms;
- The third relates to activating and expanding public-private partnership, whenever necessary. Given the limited financial resources available, innovation in this area will give a boost to public and private investment and accelerate achievements pace.

Within the same context, accelerating the reform of public institutions and contracting is of great importance because of its repercussions on public finance, both in terms of the strategic directions of the public sector or in terms of financial flows that link it to the state budget. It is common knowledge that this ambitious reform, which came on a majestic royal initiative and previously approved by the esteemed legislative institution, falls within a reform vision based on economic acceleration and building a strong and competitive economy that motivates investors, private initiative,

wealth creation and job opportunities. Moreover, this reform aims, on the one hand, to support the strategic role of public institutions and enterprises in the implementation of the state's public policies and sectoral strategies, and on the other hand to enhance the performance of this sector and raise its economic and social efficiency.

The Council notes that despite the issuance of Law - Framework No. 21.50 related to the reform of state-owned institutions and enterprises and Law No. 20.82 constituting the National Agency for the Strategic Management of State Contributions since July 2021, the actual implementation of this vital reform has not yet taken place and its main stations have been specified within a road map that elucidates the practical roles of various actors and determines the time horizon for completion.

In another vein, with reference to public finance, the report addresses for the first time the extent of progress made with regard to the implementation of the provisions related to the performance efficiency methodology, as one of the developments of the Financial Regulatory law for the year 2015. Important efforts were recorded in the process of adopting this methodology on a large scale, which contributed to a positive dynamic in managing public finances. However, this dynamic still shows several shortcomings that limit its results, particularly: the inadequate harmony between sectoral strategies, and how to implement them within budget programs, as well as the adoption of a large number of goals and indicators that are sometimes difficult to track, in addition to the absence of an information system that enables tracking the efficiency of performance. with respect to public finances, the council emphasized the urgency of the reform of pension systems, noting that the total retirement coverage for the active population is still limited. Of the 4.5 million people by the end of 2020, this coverage rate does not exceed 42%, despite the



remarkable progress recorded at the level of the National Social Security Fund.

Similar to previous years, the report included an analysis of the state of pension systems, which are experiencing increasing difficulties regarding their sustainability and financial balance. Despite the important changes in the standards and parameters of the civil pension system of the Moroccan Retirement Fund that were introduced by the 2016 reform, it is expected, if things remain as they are, that this system will exhaust all of its reserves by 2026.

As for the Collective Retirement Allowance System for granting retirement salaries, it has recorded a technical deficit since 2004, and it is expected to face its first total deficit by 2028. Also, the wage-earners' Retirement System managed by the National Social Security Fund will face its first technical deficit by 2029 despite the presence of favorable demographic lever, and given the scale of these difficulties and their expected effects, the council recommended reforming the governance and leadership of these systems, continuing to review and harmonize the standards of basic retirement systems, providing convergences between them with the target framework. Adding to that the acceleration of the normative reforms, and developing appropriate and innovative financing solutions, within comprehensive a road map to the structural reform system.

Honorable Ladies and Gentlemen, Deputies and Councilors;

The second category of challenges is related to public policies that deal with the human element as a lever for development and as a pivotal target for the ongoing programs and structural reforms. It is related to the education and health care sectors. Schooling in the rural areas comes at the forefront of these challenges. This axis falls within the most important strategies of education and training adopted in our country, mainly

represented in: The National Charter for Education and Training, the Urgent Program and the Strategic Vision 2015-2030. The state's interest in schooling in rural areas is evident through the public effort devoted to this, as, according to the latest available data, the cost of each schooled student moved, between 2017 and 2019, with regard to management expenses, from 7,580 dirhams to 7.985 dirhams in rural areas, while this cost knew an increase during The same period from 6,391 dirhams to 6,788 dirhams in the urban center.

According to the 2020 data, the growth of the expenditure of the basic compulsory healthcare insurance system is particularly affected by three main determinants:

First of all the predominance of expenditures for chronic heavy and costly diseases ,which consumed more than half of the system's expenses.

The second determinant is the magnitude of expenditures on medicines which cost one-third of expenditures on treatment services, and the third is the increasing trend in the disease occurrence rate.

In terms of fiscal balance, unlike the National Social Security Fund (AMO/CNSS), which has acceptable indicators in the medium term, the National Fund for Social Reserve Organizations (AMO/CNOPS) registered the first negative technical result in 2016, followed by a general deficit beginning in 2017. Ultimately, the latter is in a critical financial situation; Contributions no longer cover medical services, exploitation expenses, and technical reserves.

As for the savings of treatments and the rate of cost coverage associated with it, the Council notes the absence of a system that regularly updates these savings that don't keep up with the development of medical services, which in turn is linked to the development of medical technologies and sciences. The low coverage of medical treatment costs leads to the share being on the expenses of the beneficiaries.

In the absence of mechanisms in charge of developing resources and controlling expenditures, the fiscal balance and sustainability of the main healthcare insurance system in general, and in particular, the system of compulsory basic healthcare coverage are both important and in need of mechanisms of restraining and regulation.

In order to address these imbalances; The Board recommends the establishment of an appropriate framework for the governance of the whole general healthcare coverage system and the establishment of an independent regulatory body with the necessary powers and means.

In the horizon of the extension generalization of the compulsory healthcare insurance system to the beneficiaries of the medical assistance system by the end of this year. The Board also recommends the reviewing of the funding benchmarks for the general healthcare coverage system and that the mechanisms needed are put in place to diversify the resources and funding modalities of the systems.

In the same context, the Council urges developing and rehabilitating hospitalization institutions and public healthcare units at all levels since it's considered a major uplifter of the general healthcare coverage system, as well as intensifying the surveillance on the private sector, and putting an effective drug strategy.

Dear ladies and gentlemen, respected Deputies and Councilors,

The third category of challenges relates to the public policies applied in the water framework. In terms of the scarcity of resources, our country is amongst the 20 states classified globally in a situation of 'weariness'. Morocco has an estimated 22 billion cubic meter of water resources in a regular year, which is currently a little over 650 cubic meter per capita. This is below the 1000 cubic meter weariness threshold per capita.

Such situation reflects our country's vulnerability to climate change but it also reflects the urgent need to change a certain amount of negative phenomena and irresponsible, unpleasant at times, behaviors related to our water usage. It also urges us to take into account its state of scarcity.

Among these phenomena is water pollution. The cost of water resources degradation due to pollution is estimated at 1.26% of our GDP, and the industrial pollution represents 18.5% of that cost.

This means that the liability of Polluter Pays principle must be put into action especially through the application of disposable legal mechanisms. And therefore strengthen the authority of Water Police.

For the mobilization and valorization of water resources, the water situation, as you know, is characterized with an unbalance in the structural distribution between the aquifers in terms of annual water supply. As a result, there is an overflow in some basins yet without the ability of benefiting from them. On the other hand, other areas are struggling to provide water resources for irrigation, and even for drinking in some cases.

Therefore, the Board recommended the execution of projects that work on the interconnection of water basins.

On another level, the puddling phenomenon leads to the decline of the total storage capacity of dams by an estimation of 75 million cubic meters annually. Which is why the Board recommended the development of an integrated measure to better protect and manage dams against this phenomenon.

When it comes to irrigation, there is a wide gap between the areas that can be watered from dams and those that are properly equipped. This gap has amounted to about 158000 hectares in 2018. In regard to this, the Council recommended working on the synchronization of the construction of new dams with the building of hydroponic agricultural installations. This is in addition to overcoming the delays in the construction of agricultural facilities in the dams areas.

On another level, it was noticed that reclaimed water represents only a small proportion of 0.9% of the total packed water resources. Which is why the push to repurposing wastewater is needed, alongside harvesting rainwater and building water desalination units.

The water sector is also characterized by the multiplicity of stakeholders from the public and private sectors. The process of reconciling and coordinating the various needs is intercepted by many difficulties, especially in the light of the failure to activate the main directive and coordination bodies such as the High Council for Water and Climate (since 2001), the regional committees for water (since 1995) and the hydrographic basin councils (since 2016), in addition to the absence of a national information system on water.

Therefore, the Council recommended working on activating and strengthening the role of the consultation, coordination and strategic guidance bodies at the national, regional and local levels, as well as accelerating the current project related to the integrated information system on water.

Although the institutional framework encourages activating the mechanisms of interdependence and convergence between the water, energy and agriculture sectors. However, the management of these three components is still characterized by a sector-based approach rather than the logic of integrating and coordinating the territories. The Council considers that the initiatives that have been taken with the intention of adapting to this situation remain limited, as evidenced by the delay in the inclusion of inter-effects within public projects and programs, or the slow development of activities related to the circular economy.

Considering this, the Council recommends developing the synergy between the elements of the “water- energy- agriculture” triangle in a way that allows the convergence of the three sectors, their territorial integration, and the suitability of its strategies.

In view of the constraints recorded at financing, and given the few contracts concluded between the public and private sectors, it is necessary to develop an effective partnership between the two sectors, in parallel, to identify risks and priorities and raise challenges related to the organization , the financing, the competition, the expertise and the innovation.

In the same context, the currently adopted tariff systems are no longer appropriate for a rational management of water resources, bearing in mind that, the financing of the water industry is closely linked to the tariff system. Therefore, the Council recommended carrying out a study on the

appropriate targeting and, when necessary, an audit of the water and sanitation tariff system, and certainly taking into account the social situation of the most vulnerable groups.

Honorable Ladies and Gentlemen, Representatives and Councilors;

The fourth category of challenges relates to the most effective management of public projects implemented to all regions of the Kingdom. As you know, territories are considered a nucleus for consolidating the dynamics of development and a space that must be valued for adequate living for the benefit of the citizen and for attracting investment, as well as for maintaining sustainability. In view of this, the regional councils of accounts have accomplished a thematic mission on managing public projects at the level of the Kingdom, especially those that face difficulties at the implementation level or at the level of exploitation. These are projects that tend to be economic or social in nature.

This task was accomplished in two phases, the first ended in 2020 and included a projects inventory which identify the difficulties and evaluate their importance and nature and the reasons leading to that, and the second phase lasted until the late April 2021 and was mainly devoted to clarifying the impact of the oversight function.

Regarding the reasons that led to the non-exploitation of a group of projects or to an unsuitable and irregular exploitation of them. They are mainly related to the lack of human resources and the necessary equipment or their insufficiency because of the absence of an incorporate and integrated vision for these projects during the preparation stage.

So as to contribute to finding solutions for projects still suffering from challenges in implementation or exploitation, the Supreme Court of

Auditors recommended, in particular, the creation of a committee at the regional level, which is concerned with the firm regulation and pursual of these projects, ensuring their implementation and, when necessary, reconsidering the areas of their allocation and exploitation.

As for the projects to be completed in the future, the Court of Auditors recommended, in particular, to be precise and clear during the study of needs, and to ensure that the subject and objectives of programmed projects are consistent with the orientations of plans and programs at the regional and national levels. It is also necessary to carry out prior consultations, coordination, ensuring convergence and the involvement of all potential stakeholders, especially the regent sectors and the beneficiary groups, before determining the initial concept of the project.

It also recommended providing real estate in a sound and appropriate legal situation in terms of its area, cost and location, given the characteristics of the project and the nature of the beneficiary groups, as well as defining the model of project exploitation and its sustainability in terms of the responsible party, the necessary resources, and setting indicators for tracking and evaluation.

Ladies and Gentlemen and Honorable Representatives and Councilors;

In addition to the conclusions that were introduced, the most important of which were presented, this report includes the results of the process of pursuing the implementation of the recommendations issued by the financial courts related to the audit missions carried out in 2016 and 2017, which highlighted a positive interaction on the part of the concerned public bodies, reflected in the percentage of recommendations that are fully



implemented or that are in the process of implementation, which amounted to 78%.

The report also includes a summary on the control of political parties' accounts in terms of the state's contribution to financing electoral campaigns related to electoral benefits, as well as to covering management expenses. In this regard, the Council recorded a continuous improvement in the financial and accounting performance of political parties, especially at the level of proving the disbursement of their expenditures and certifying the correctness of their accounts.

This improvement also included the repossession to the treasury of the undeserved, unused or used subsidy amounts for other than the purposes for which they were granted. 09 million dirhams in 2020, while 10.52 million dirhams are still not received.

As part of the state's contribution to financing the electoral campaigns of union organizations, 11 organizations benefited from an assistance of 8 million dirhams. Union organizations have deposited their campaign accounts, while two organizations have defaulted to doing so until late April 2022.

In the field of compulsory personal property declaration, the financial courts received more than 398,000 declarations of more than 113,000 binding from all concerned groups, after more than 12 years of work in the legal system related to the compulsory declaration of personal property by the Court of Auditors. In this regard, the Court of Auditors records an increase in the number of declarations filed on the occasion of the renewal campaign in February every three years, which reached 52,095 during 2022, compared to 50,310 in 2019.

With regard to this mission, the Court of Auditors is currently engaged in developing a monitoring program, based on objective criteria based on risks, within the framework of an integrated and integrated monitoring approach, which establishes the activation of bridges between all types of monitoring exercised by the Supreme Court of Auditors and the Regional Courts of Auditors.

Ladies and Gentlemen and Honorable Representatives and Councilors;

As you can notice, it is clear from this presentation on the work of the financial courts the extent of the scope of their activities, the diversity of their competencies, and their constant and relentless pursuit to protect public money and serve the citizen as a ultimate goal of public policies.

Similar to the leading bodies of supreme audit institutions, we currently consider that improving the performance of the financial courts, in the exercise of their tasks, depends on three main determinants:

First: human competencies and their continuous qualification in all areas of specialization related to these tasks, including capabilities related to digital transformation;

Second: professional standards and best practices as the cornerstones of supervisory work and a reliable source of independent and objective information and guidelines to support positive change in the public sector;

Third: The ability to adapt in order to respond to changing developments and emerging risks in a way that keeps pace with the main issues that have an impact on society and responds to the expectations of the parties concerned with the outcomes of the financial courts.

In order to respond to these requirements, the Court of Auditors is keen on supporting its human capabilities and to build cooperation relations with counterpart higher bodies, professional institutions and international organizations specialized in the field of higher control of public finances, governance and public management. The Court of Auditors has recently formulated a strategy in the field of international cooperation according to a clear vision in harmony with the strategy of the financial courts, and with the general orientations of Moroccan diplomacy.

This plan aims, in the field of international cooperation, to enhance the competencies and professional expertise of judges and employees of financial courts, and to increase the contribution of the Court of Auditors within the international group of supreme audit institutions.

Ladies and Gentlemen and Honorable Representatives and Councilors;

I am confident that the legislative institution with its two chambers and all its components will spare no effort, as is customary in it, for the optimal use of the work of the financial courts. Our ultimate goal is to serve the higher interest of the country, and to enable the citizen and public opinion to realize the tangible impact of the interventions of all state agencies in harmony and integration between all initiatives and achievements.

May Allah guide us to serve our country in order to achieve what all its citizens aspire to in terms of progress, progress and decent living under the wise leadership of His Majesty King Mohammed VI, May Allah assist him and grant him victory.

Peace and mercy be upon you.