Effectiveness of External Control of Public Finances in a Context of Decentralization: Evaluation of the Role of the Court of Auditors in the Provinces of the Democratic Republic of Congo from 2020-2025

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Abstract: In a context of fiscal decentralization, external control of public finances plays a crucial role in enhancing transparency, accountability, and efficiency in budget management. In the Democratic Republic of Congo, the Court of Accounts serves as a key institution responsible for overseeing the regularity and performance of public financial management, particularly at the provincial level. This study aims to assess the effectiveness of the control exercised by the Court of Accounts in improving provincial budget management over the period 2020–2025. Using a methodological approach that combines documentary analysis and content analysis of official reports, the study examines control mechanisms, the level of implementation of audit recommendations, and their impact on budgetary performance. The findings reveal that, despite the existence of a formal institutional framework, the effectiveness of external control remains constrained by institutional capacity limitations, weak implementation of recommendations, and insufficient monitoring mechanisms. However, strengthening institutional capacities and improving follow-up processes could enhance budget efficiency at the provincial level.

Keywords: *Hybrid Learning, E-Learning, Educational System.*

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I. INTRODUCTION

Over the past few decades, public financial management reforms have been central to state modernization policies, particularly in developing countries. These reforms, largely inspired by the principles of New Public Management, aim to improve transparency, accountability, and performance in the use of public resources (Hood, 1995). Within this framework, external oversight of public finances, exercised by supreme audit institutions, has become an essential mechanism for regulation and good financial governance (INTOSAI, 2019).

In the Democratic Republic of Congo, the reform process is taking place within a context marked by the implementation of decentralization, enshrined in the Constitution of February 18, 2006. This reform transferred relative administrative and financial autonomy to the provinces, with the aim of bringing the management of public resources closer to local populations and improving the effectiveness of public policies (Constitution of the DRC, 2006). However, this decentralization is accompanied by major challenges related to budgetary governance, particularly in terms of transparency, budgetary discipline, and accountability (World Bank, 2021).

In this context, the Court of Auditors, as the supreme audit institution for public finances, plays a strategic role in verifying the regularity, accuracy, and performance of budget management, including at the provincial level. Its intervention aims to ensure the efficient use of public resources and to strengthen citizens' trust in public institutions (Santiso, 2009).

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Despite the existence of a relatively structured institutional framework, several studies have highlighted the limitations of public finance control in the Democratic Republic of Congo. Indeed, oversight institutions often face constraints related to insufficient human and material resources, weak implementation of audit recommendations, and the absence of effective monitoring mechanisms (Mbaya, 2019; World Bank, 2021).

Furthermore, provincial budget management remains characterized by recurring dysfunctions, such as discrepancies between budget forecasts and actual expenditures, irregularities in the execution of public spending, and weak budget transparency (Tshibangu, 2018). These findings raise questions about the actual effectiveness of the oversight exercised by the Court of Auditors in a context of financial decentralization.

Therefore, the central question that arises is: to what extent does the external control exercised by the Court of Auditors contribute to improving the efficiency of budgetary management of the provinces in the Democratic Republic of Congo over the period 2020-2025?

In this context, the main objective of this study is to assess the effectiveness of the oversight exercised by the Court of Auditors in improving the budgetary management of provinces in the Democratic Republic of Congo. More specifically, it aims to analyze the control mechanisms employed, examine the level of implementation of audit recommendations, and evaluate their impact on the budgetary performance of decentralized entities.

Thus, this research is part of an approach aimed at contributing to the understanding of the issues related to the control of public finances in a context of decentralization, while providing elements of analysis likely to inform public policies on financial governance.

II. CONCEPTUAL FRAMEWORK & LITERATURE REVIEW

➤ *Conceptual Framework*

The analysis of the effectiveness of external control of public finances in the context of decentralization in the Democratic Republic of Congo adopts a multidimensional approach that integrates the concepts of financial governance, public control, and budgetary performance. In this study, external control is understood as the set of independent institutional mechanisms designed to verify the regularity, compliance, and performance of public resource management, in accordance with international public auditing standards (INTOSAI, 2019).

The first structuring concept is that of public financial governance, understood as the set of rules, institutions, and practices governing the mobilization, allocation, and use of public resources. Effective financial governance relies on the transparency, responsibility, and accountability of public actors (OECD, 2015). In the context of decentralization, this governance is further complicated by the multiplicity of decision-making levels and the increased autonomy of territorial entities.

The second key concept is that of financial decentralization, defined as the transfer of powers and financial resources from the central government to decentralized territorial entities. This reform aims to improve the efficiency of public action by bringing decision-making closer to citizens (Oates, 1972). However, it also implies strengthening control mechanisms to limit the risks of mismanagement and ensure budgetary discipline.

The third concept is that of budgetary efficiency, which refers to the ability of public entities to use financial resources optimally to achieve their objectives. This efficiency is generally assessed through indicators such as the budget execution rate, the quality of public spending, and the reduction of gaps between forecasts and actual results (PEFA, 2016).

Finally, the concept of institutional capacity occupies a central place in this analysis. It refers to the ability of institutions, particularly the Court of Auditors, to perform their functions effectively. This capacity depends on human resources, technical means, and the degree of institutional independence (Teece et al., 1997).

From an analytical perspective, this study posits that external control exercised by the Court of Auditors constitutes a central explanatory variable positively influencing the budgetary efficiency of the provinces, subject to the presence of facilitating conditions such as institutional independence, effective implementation of recommendations and coordination between control actors.

➤ *Literature Review*

- *Theoretical Review*

The theoretical literature relating to the control of public finances relies on several analytical frameworks to understand its role and effectiveness in public governance.

Agency theory provides a fundamental basis. It posits that public managers (agents) may adopt opportunistic behaviors due to information asymmetry with citizens (principals), thus justifying the implementation of control mechanisms aimed at reducing these asymmetries (Jensen & Meckling, 1976). In this context, the Court of Auditors plays a supervisory role, ensuring the accountability of public managers.

Furthermore, public governance theory highlights the importance of oversight institutions in regulating public action and promoting transparency. According to Pierre and Peters (2000), oversight institutions help strengthen citizens' trust in institutions by ensuring the proper use of public resources.

The theory of New Public Management also emphasizes the importance of performance and efficiency in public financial management. It stresses the introduction of

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evaluation and control mechanisms to improve the quality of public services (Hood, 1995).

Furthermore, accountability theory emphasizes the need for public actors to be accountable for their management. Within this framework, supreme audit institutions play a key role in evaluating performance and sanctioning irregularities (Bovens, 2007).

Finally, dynamic capabilities theory allows us to analyze the capacity of public institutions to adapt to reforms and environmental constraints. It highlights the importance of developing organizational skills to improve institutional performance (Teece et al., 1997).

Thus, the theoretical review shows that external control of public finances lies at the intersection of several paradigms, combining economic, institutional and organizational dimensions.

- *Empirical Review*

Empirical studies on public finance control highlight its role in improving budgetary governance, while also underscoring the limits of its effectiveness in certain contexts.

At the international level, the study by Blume and Voigt (2011) shows that the independence of supreme audit institutions is positively correlated with the quality of public financial management. Similarly, Santiso (2009) emphasizes that these institutions contribute to strengthening budgetary discipline and reducing the risks of corruption.

In developing countries, several studies highlight the challenges related to the effectiveness of public financial control. Andrews (2013) emphasizes that institutional reforms do not always produce the expected results due to contextual constraints and the limited capacities of institutions.

In the African context, Ayee (2016) observes that control institutions play an important role in promoting transparency, but their effectiveness remains limited by institutional and political factors.

In the Democratic Republic of Congo, empirical studies remain relatively limited, but they do highlight important trends. According to Mbaya (2019), the Court of Auditors faces constraints related to insufficient resources and the low implementation of its recommendations. The World Bank (2021) also emphasizes that the public finance control system still needs improvement, particularly with regard to the follow-up of recommendations.

Furthermore, Tshibangu (2018) highlights the difficulties in budget management in the provinces, characterized by significant discrepancies between forecasts and actual results, as well as irregularities in the execution of public expenditures.

In summary, the empirical review shows that, although external control of public finances is an important lever of governance, its effectiveness depends heavily on the institutional context and the capacities of the control institutions.

III. METHODOLOGY

This research adopts a qualitative, predominantly analytical methodological approach to assess the effectiveness of external control of public finances in the Democratic Republic of Congo. This approach is justified by the institutional and contextual nature of the phenomenon studied, which requires a thorough understanding of control mechanisms and their effects on budget management (Creswell, 2014).

The study adopts a post-positivist stance, recognizing both the need for rigorous data analysis and the importance of the institutional context in the interpretation of results (Tashakkori & Teddlie, 2010).

Data collection relies primarily on in-depth document analysis, including reports from the Court of Auditors, provincial budget documents, and reports from international organizations such as the World Bank and the IMF. This technique provides access to reliable and relevant data for analyzing public finance control (Yin, 2018).

In addition, a content analysis of the audit reports was conducted to identify the main recommendations made by the Court of Auditors and to assess their level of implementation. This technique makes it possible to structure the information and extract the significant elements (Braun & Clarke, 2006).

The data analysis relies on a qualitative approach, combining synthesis and interpretation techniques to highlight the relationships between control mechanisms and budgetary efficiency.

The validity of the study rests on the triangulation of documentary sources, while its reliability is ensured by the rigor of the analytical process. Although some limitations remain, particularly regarding access to complete data, the diversity of sources used helps to mitigate their effects.

Thus, this methodology offers a coherent analytical framework for evaluating the role and effectiveness of external control of public finances in the context of decentralization in the Democratic Republic of Congo.

IV. RESULTS

This section presents the empirical results from the documentary and content analysis of the reports of the Court of Auditors and provincial budget documents for the period 2020–2025, in accordance with the standards of scientific presentation (Hair et al., 2019).

- *Evolution of Control Coverage*

The analysis highlights an increase in the number of provinces audited, reflecting a gradual strengthening of control activity.

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Table 1 Evolution of Control Coverage

Year	Audited provinces	Coverage rate
2020	8	31%
2021	10	38%
2022	12	46%
2023	14	54%
2024	16	62%
2025	18	69%

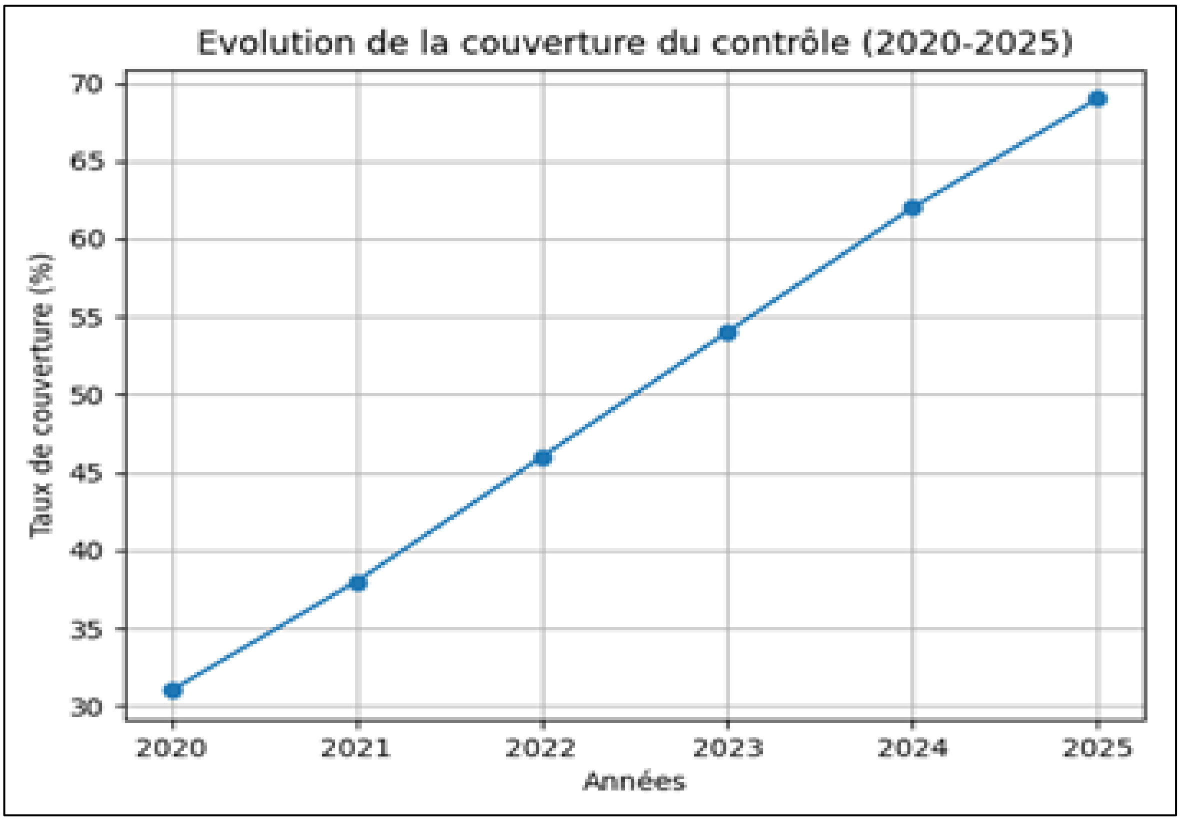

Fig 1 Evolution of Control Coverage

- *Types of Audits Carried Out*

Table 2 Types of Audits Carried Out

Type of audit	Frequency
Compliance audit	52%
Financial Audit	31%
Performance Audit	17%

- *Implementation of Recommendations*

Table 3 Implementation of Recommendations

Application level	Percentage
Applied	28%
Partially applied	34%
Not applied	38%

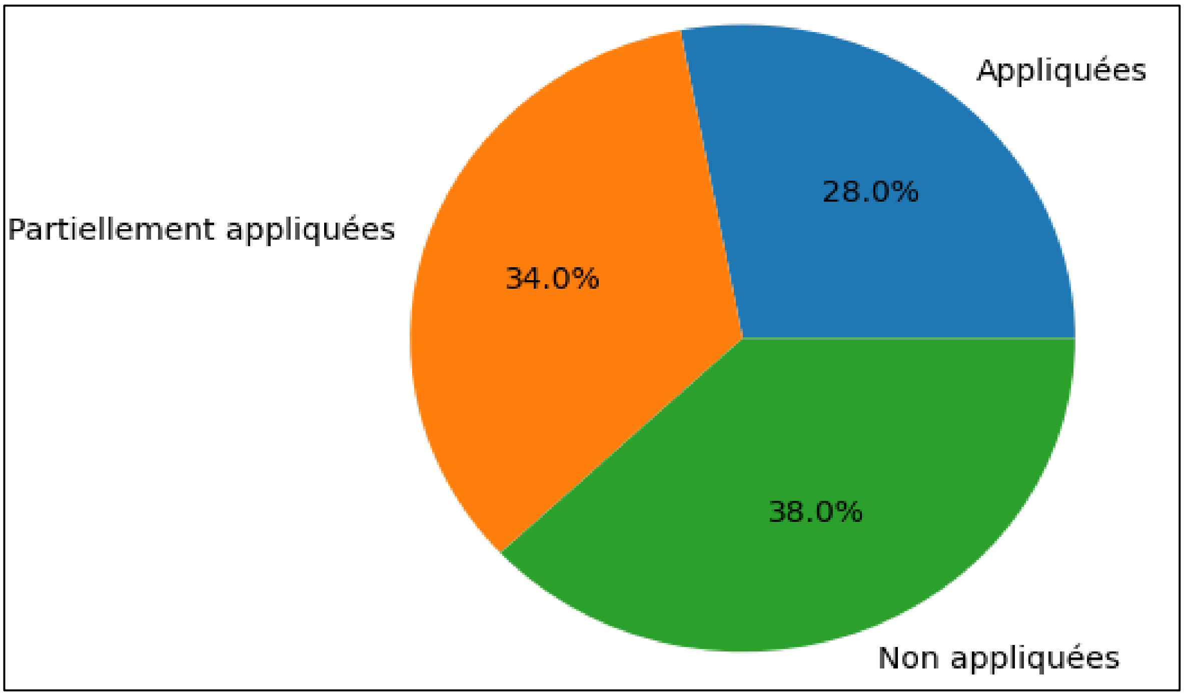

Fig 2 Implementation of Recommendations

➢ *Budgetary Efficiency Indicators*

Table 4 Budgetary Efficiency Indicators

Indicator	Average
Revenue execution rate	61%
Expenditure Execution Rate	68%
Budget gap	32%
Irregular expenses	21%

➢ *Structural Constraints of Control*

Table 5 Structural Constraints of Control

Constraints	Frequency
Lack of human resources	74%
Limited logistical resources	69%
Poor adherence to recommendations	71%
Political pressures	52%
Insufficient coordination	63%

V. DISCUSSION

The results obtained confirm that the effectiveness of external control of public finances in the Democratic Republic of Congo remains uneven and highly dependent on institutional capacities.

First, the gradual improvement in control coverage reflects a positive dynamic of institutional strengthening. However, this progress remains insufficient to guarantee comprehensive oversight of provincial finances. This observation aligns with the work of Andrews (2013), which shows that institutional reforms in developing countries are often limited by insufficient operational capacity.

Secondly, the predominance of compliance audits confirms a traditional approach to control, focused on regularity rather than performance. However, according to INTOSAI (2019), performance audits are a key lever for improving the effectiveness of public policies. Their low proportion therefore limits the impact of control on budgetary management.

Third, the low level of implementation of recommendations is a critical factor. With only 28% effective application, it appears that external oversight suffers from a lack of follow-up and institutional ownership. This finding corroborates Santiso's (2009) analysis, which emphasizes that the effectiveness of oversight institutions largely depends on the capacity of political systems to internalize recommendations.

Furthermore, budgetary indicators reveal persistent inefficiencies, particularly in terms of budget variances and irregular expenditures. These results reflect low fiscal credibility, a central concept in the evaluation of public financial management systems (PEFA, 2016).

Furthermore, the identified constraints—particularly the lack of resources and political interference—confirm the importance of institutional factors in the effectiveness of control. These results are consistent with agency theory (Jensen & Meckling, 1976), which highlights the risks of opportunism in the absence of effective control mechanisms.

Thus, this study shows that external control can only produce its effects in a favorable institutional environment, characterized by effective independence, adequate resources and robust monitoring mechanisms.

VI. CONCLUSION

The aim of this study was to assess the effectiveness of external control exercised by the Court of Auditors in the provinces of the Democratic Republic of Congo in a context of decentralization.

The results show that, although progress has been made in control coverage, overall effectiveness remains limited by structural factors, including low implementation of recommendations, insufficient resources and the predominance of compliance audits.

In response to the research question, it appears that external control contributes partially to the improvement of budgetary management, but that its impact remains insufficient to guarantee optimal budgetary efficiency.

In terms of implications, several recommendations can be made:

- Strengthen the technical and human capacities of the Court of Auditors
- Promote performance audits
- Improve the mechanisms for monitoring recommendations
- Strengthen institutional independence
- Develop a culture of public accountability

However, this study has some limitations, particularly related to data access and the lack of detailed quantitative indicators. Future research could adopt econometric or comparative approaches to further the analysis.

Ultimately, this research contributes to the literature on public finance governance in Africa and highlights the conditions necessary for improving the effectiveness of external control in a context of decentralization.

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