

MONITORING AND RISK MANAGEMENT STRATEGIES IN PUBLIC POLICIES AND PROGRAMS: A COMPREHENSIVE ANALYSIS

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Abstract

This research paper aims to overview the relationship between financial reporting and public finance performance, focusing on the detection and prevention of fraud. It emphasizes the importance of coherent monitoring and risk management in public policies and programs. The study suggests that transparent financial systems increase investor confidence, leading to economic growth. To achieve effective policies, clear measurable objectives, evidence-based approaches, continuous monitoring, cost-effectiveness analysis, long-term impact assessment, stakeholder engagement, transparency, accountability, and effective dissemination of evaluation findings are crucial. The methodology includes publications, legal frameworks, and questionnaire results. The results reveals trends, challenges, and areas for improvement in public accounting and auditing practices. It gathers input from key stakeholders, such as auditors, accountants, and financial officers, allowing policy makers and public sector managers to understand the effectiveness of current practices, their impact on financial reporting, and economic implications for public institutions.

Responsibility and fairness in public asset administration are also essential. The focus on moral and expert guidance is expanding, emphasizing respect for moral standards. The public sector's mission is sustainable development, covering direct costs for companies. Public services are prioritized for economic and social development. The Central and Local Governments are responsible for economic functioning, and the client's right to public benefits is fundamental.

Keywords: sustainable development, public policies, public finance, performance, policy makers

Introduction

Policies and procedures are essential for organizations in Albania to promote integrity and maintain user confidence in accounting information on strategic interactions between users, and reporters, in accounting and financial reporting.

This scientific study concludes that a good strategic interaction positively affects financial performance and credibility, ensuring user confidence and revenue. Organizations must have clear policies and a strong control system to provide accurate and reliable interactions. Systematic assessment of costs and outcomes of various interventions and analysis of financial effectiveness for resource allocation and decision-making provides the greatest return for invested resources and is indeed a powerful tool for decision-makers and public policy.

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This research paper examines the strategic interactions between users, reporters, and public revenue in understanding the correlation between financial reporting and public finance performance. It focuses on tracking fraud detection and prevention, and the effectiveness of public policies and programs. Transparent financial systems increase investor confidence, leading to economic growth. The study emphasizes the importance of clear measurable objectives, evidence-based approaches, continuous monitoring, cost-effectiveness analysis, stakeholder engagement, transparency, accountability, and effective dissemination of evaluation findings. The methodology includes publications, legal frameworks, and questionnaire results. The study concludes that a good strategic interaction positively affects financial performance and credibility, ensuring user confidence and revenue. The implementation of sustainable policies for the management of public finances requires increased attention from policymakers. The authors are engaged in finding concrete practices that are implemented in public institutions, the requirements of time and the introduction of technology in financial reporting.

Literature review

Public accountants in Albania, document accurately the transaction and generate the financial reports in line with IFRS. Auditors ensure the accuracy and reliability of financial data by carrying out independent evaluations, which inspires trust among interested parties. Establishing and implementing internal control systems demonstrates public organizations' commitment to integrity and moral values (Demi Mosho A. &, 2023). Organizations in Albania need to have procedures and policies in place to protect user trust and promote truthfulness in accounting data about strategic user-reporter interactions in accounting and financial reporting (J Puci, 2022).

The public sector has always been at the front of governance and accountability. Governments have always had to respond to the demands of their constituencies (Demi Mosho). In this process, governing bodies often challenge the effectiveness of their governance process, reinforces the idea of the that governance refers to how organizations are led and controlled. It builds the mechanism to achieve accountability between key stakeholders, management and governing body. Furthermore, the accountability arrangements vary from country to country due to differences in overall constitutional governance arrangements. Therefore, different countries have different views regarding internal control policies.

Accrual accounting is the only generally accepted information system that provides a complete and reliable picture of a government's financial and economic position and performance. The importance of accrual accounting, in relation to macroeconomic policies, increases from the fact that it measures assets and liabilities, which are of particular importance in the construction of fiscal policy and fiscal sustainability (A Kadiu, 2022). Such a fact is not evident on a cash basis. Moving towards full accrual, some governments have also implemented accrual budgeting. An accrual accounting framework is essential to systematically determine the full costs of government activity

(Demi A., 2024). Full cost information (including non-cash costs) is essential for evaluating the efficiency of government services and is therefore a key element of any public sector performance management framework (Demi A. Farruku E., (2015). There would be distinct benefits to public sector management and governance in adopting a single set of accrual-based accounting standards across all levels of government (Hoda, 2023). From an EU perspective the wide range of public sector accounting standards results in a lack of Fiscal transparency and Comparability due to unmatched, incomplete and inconsistent primary accounting data (S Xhaferri, 2024).

This research summarize the importance of applying the accrual basis of accounting in the public sector: – Better measurement of costs and revenues, including comparisons between years; – Greater focus on output (result) than on input More efficient and effective use of resources; – The full cost of providing a service can be compared with external suppliers; – A better indicator of the sustainability of government policies; – Improving accountability; – Better financial management; – Wider basis of comparability regarding performance results.

Methodology and data

The purpose of this paper is to understand the practices, challenges and opportunities in the sector accounting and auditing, all of which can help better manage public funds, transparency and good governance practice. This topic focuses on orientation of accounting and auditing in the public service, accountability and efficiency in administration of government agencies are general goals. It contains a brief explanation of the researched topic, the data from different information, their selection, which are divided according to their importance, as well as the reasons why this topic was selected.

Research results and comments

Public accounting is the basic instrument for recording, analysis and reporting of financial transactions involved in public service. It is the gathering and structured recording of fiscal data by government bodies and public institutions (A., 2 – 4 November, 2016,). As a result, policy makers, stakeholders and other individuals seek fair information and honest to assess the financial stability and efficiency of public organizations. The other critical element of oversight is auditing, which verifies authenticity and reliability of financial data and violations of relevant rules and regulations. Auditors give their independent opinions regarding the balance and fairness of the financial statements. Controls are carried out to determine the existence of cases of fraud, abuse and misuse, as well as cases of deficiencies that may result in the misuse of public funds and, therefore, undermine public confidence in government.

In the public context, auditing acts as a mechanism for the detection and prevention of malfeasance, mismanagement and corruption. Regular audits carried out by the Units government agencies improve their financial systems and internal controls. Via using

audits, public entities are able to implement corrective measures and improve governance practices. Accounting and auditing play a critical role in the public service context. Auditing represents the best way to ensure that public entities do not misuse funds and not rob the public (Grossi, 2023).

Public sector associations, including government offices and non-profit associations, carry great assets and responsibilities by providing basic types of public assistance and advancing government social assistance. Given their basic work in the public arena, public area associations are subject to high demands of responsibility and fairness (CIPFA, 2014). The assessment plays an essential part in ensuring the accountability and fairness of the public sector by providing an independent assessment of an association's financial disclosure, internal controls and consistency with relevant regulations and guidelines.

Audit work in public assistance is fundamental for guaranteeing justice, responsibility and ability in the use of public assets. Auditing in the public domain identifies misuse, extortion and abuse of assets, expansion of liability and authorization of general government assistance rules and regulations. Public aid review also identifies expected opportunities and further develops monetary administration processes. The review delegates can propose suggestions and corrective measures to reduce the expected risks and increase the capability and sustainability of public activities. Through evaluation, public organizations can increase the degree of validity according to residents and donors by showing their efforts for justice and accountability. The free and skilled assessment gives an objective assessment of the presentation of public associations and continues with their respect. Audit work in the public sector is not only to explore and investigate monetary activities, but also to advance accountability, further develop processes and create a more direct and reliable climate for public administration clients. The sustainable review is the main starting point for a decent administration of assets and for the efficient operation of the public administration in the light of a legitimate concern for the residents.

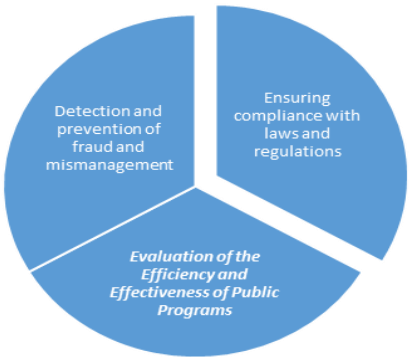


Figure. 1. The role of auditing in the public service

Accounting plays an important role in the public service. Bookkeeping provides a systematic way to record, report and examine monetary exchanges. It is the foundation of monetary respect and justice in open organizations as it ensures that every coin of citizens' money is represented and used as it should be. Keeping public accounting helps in direction, supports the achievement of political objectives and encourages the responsibility of the public, i.e. citizens.

Bookkeeping is a fundamental aspect of a country's financial prosperity and institutional credibility. The work of accounting in the public sector consists in guaranteeing an efficient and productive use of public assets. Through extensive accounting evidence, public institutions can guarantee fairness in the administration of public assets and provide clear records of their consumption to residents and contributors. This promotes credibility building and reduces the risk of abuse of public assets. Accounting also takes an essential part in monitoring and evaluating the performance of public administrations.



Figure. 2. The role of accounting in the public sector

Conclusion

Data analysis and artificial intelligence can be stored to personalize their knowledge in areas such as marketing, customer services and product development. This can increase the loyalty of customers and the companies they share with them. Through data analysis and artificial intelligence, organizations can discover potential and opportunities for new development. This may be in the plan of further strategies and at their minimum. This approach to data analytics and artificial intelligence is becoming more widespread within the public sector.

Future models and developments in accounting and auditing in the public sector in Albania include data acquisition and correspondence innovation (ICT) to work in monetary and review processes in open explanations. The improvement of computerized stages and the use of direct portrayal can expand the productivity and fairness of tasks, working with the entry and examination of monetary information for reviewers and administrators. Another significant pattern is the expansion of requirements for responsibility and fairness in the administration of public assets, due to the expansion required for responsibilities and notifications from world bodies and contributors. Public institutions must be ready to report and legitimize public use with a high degree of detail and truthfulness, striving to meet global accounting guidelines.

A future development in accounting and auditing for public assistance in Albania is the expanded focus of moral and expert guidance activities in the accounting and review act. The demand for fairness and objectivity in the accounting and review processes has been expanded, emphasizing respect for qualities and moral standards in day-to-day administration. Continuing Professional Development is essential for experts to remain current in their field, describes the type of learning exercises that experts participate in to further their skills and capacities.

We are living in a period where businesses are constantly developing and this is only the tip of the iceberg, but if we do not adapt to the latest news, we will have an anomaly in the labor market. In this way, as experts, we must not give up learning for several main reasons:

- **Skills:** As people qualify with new information, Continuing Professional Development equips them with the skills to progress in their work.
- **Flexibility:** This is essential in a liquid job market. After equipping them with the latest required skills, Continuing Professional Development offers their representatives to adapt decisively to changes in the gig or industry.
- **Professional success:** Continuing Professional Development allows the person to focus for a short period (1 year), to ensure that they have secured the essential skills.
- **Long-term sustainable learning:** Continuing Professional Development goes above and beyond to ensure that the educational experience itself is organized, useful and informative.

The mission and strategic vision of the public sector is its sustainable development within the context of covering the direct costs of these companies. For this reason, the public services provided by these companies are branches of the economy which are a priority in organic dependence with the economic and social development of the region. The Central Government as the prime minister of the country's strategic economic policies and the Local Government as the follower of these policies with specific economic policies are responsible for the economic functioning of public companies. The client's right to public benefits is fundamental in his life and cannot be denied to anyone (Puci, 2024).

Recommendations for process improvement include strengthening risk management, updating legal acts, increasing internal controls, standardizing documents, improving financial reporting, increasing compliance and improving IT systems. Increased operational efficiency, compliance with legal requirements, less risk of fraud, increased financial responsibility and increased transparency and stakeholder trust are all potential outcomes of these actions. It is also advisable to implement frequent training programs, audits and standardized processes. Increasing the overall quality and level of detail of financial reports is the ultimate goal, as this will increase compliance and decision-making.

Public accounting is an essential tool for evaluating global plans, initiatives and policies, ensuring accountability, transparency and stakeholder involvement. It ensures

accurate financial reporting, identifies development opportunities and guides future choices. Public accountants also evaluate the financial effects of policies and programs, ensuring compliance with laws and regulations. They operate globally, improving environmental performance reporting and monitoring using technical advances and international standards. Reforms in the management of public finances directly affect the field of public accounting and auditing.

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