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رهانات و آفاق

**Challenges of Good Governance in Africa through the Prism of a Uniform
Accrual Accounting Standard: Implementing Issues with Cameroon as a Case
Study**

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In the spirit of accountability and good governance the Government of Cameroon has embarked on a series of public management reforms similar to those of the IMF code of good practice in matters of public finances (MINFI, 2013). This is consequently in adherence to the on-going World Bank's New Public Management (NPM) agenda designed to achieve a more business-like and performance-focused public sector. Proponents of this NPM reform argue that accrual as an accounting technology provides more appropriate information for decision makers and ultimately leads to a more efficient and effective public sector governance (Hyndman & Connolly 2011). This paper traces the uniformity and convergence in accrual accounting standards as a major financial reporting reform within governmental entities in Cameroon.

Generally, accounting practice in Cameroon is characterized by a heritage of Franco-German uniform accounting model, which is code-base and statutory regulated by the state. As a macro-economic oriented tradition, accounting is used as an administrative device for national economic planning, fiscal control, performance evaluation and supervision of activities of all states entities, with focus on stakeholders' interest in financial reporting. Postulates to this system hold that uniform accounting is appropriate for developing countries because it specifies detail standards on accounting terminologies, bookkeeping and valuation rules. This helps enhance control, consistency, comparability and consolidation of financial information such that bookkeepers and even non accountants can easily become conversant with the main accounting framework. (Elad, 2005).

This paper seeks to explore the thorny question of the implementation of a more accountable governance system through the New Public Management paradigm prescribed by the global community with specific reference to the International Monetary Fund (IMF). How does a 'whole government accrual accounting system' promote transparent and good governance at the expense of corruption, mismanagement of public funds and the alleviation of poverty? How can African governments accept and adjust to the on-going New Public Management (NPM) agenda designed by the IMF to achieve a more business-like and performance-focused public sector? This paper seeks to explore the problematic of implementing issues of this new agenda on accrual uniform accounting, with a focus on the Cameroon situation which displays bequeathed Anglo-Saxon and Franco German accounting heritage.

The study is partitioned in three parts. The first part will be mapping the levels of whole government financial reporting and their regulatory frameworks for accrual accounting. The second part will discuss aspects of accounting harmonization, and the last part will explore some structural changes and implementing issues underpinning the introduction of accruals for whole government entities in Cameroon.





1. Mapping the whole government levels of financial reporting and accountability.

Whole of government accounting (WGA) is an integral part of the accruals accounting and financial reporting changes accompanying public sector reforms internationally (Grossi and Newberry 2009, Christensen & Lægreid, 2007). There is often ambiguity on the coverage of WGA, as this may span from international organization (the UN, CEMAC & OHADA for central Africa), or the national, central, regional or local government producing a single financial report that encompasses all government activity within its area of jurisdiction. It may also refer to a central government's efforts to produce a single financial report that encompasses public sector activities throughout the country. WGA is parallel to joined-up government integrated public governance (Pollitt & Bouchaert 2011), that seeks to bring a big picture of various public sector within one frame, accounting for one need of the whole government. WGA therefore implies a challenging degree of centralization in accounting practice, which is much needed for a unitary state like the Republic of Cameroon (RC), to reassert its unity, coordinate public action and enhance economic development. (Elad 2005).

Some WGA approaches show a strong link to national/macro accounting frameworks, which are also based on accrual data. Within the context of this work, the application of harmonized accrual-based accounting standards at the micro level can be considered as a crucial prerequisite for the enhancement of the statistical information basis at the macro level. (MINFI/DGTCFM¹, 2013). The OHADA uniform accounting framework for instance, seeks to integrate enterprise accounting and government macro-economic accounting into one unified model. (OHADA UAA 2001²).

The graphic that follows is an attempt to capture the levels of financial reporting for whole government entities, beginning from the macro-international level with CEMAC (Economic and Monetary Community of Central Africa region) to the micro local government level in Cameroon.

¹ MINFI/DGTCFM, Ministry of Finance, General Directorate of Treasury, Monetary and Financial cooperation.

² Uniform Act on Accounting (UAA), of the Harmonization of Business law in Africa. (OHADA).

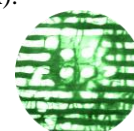
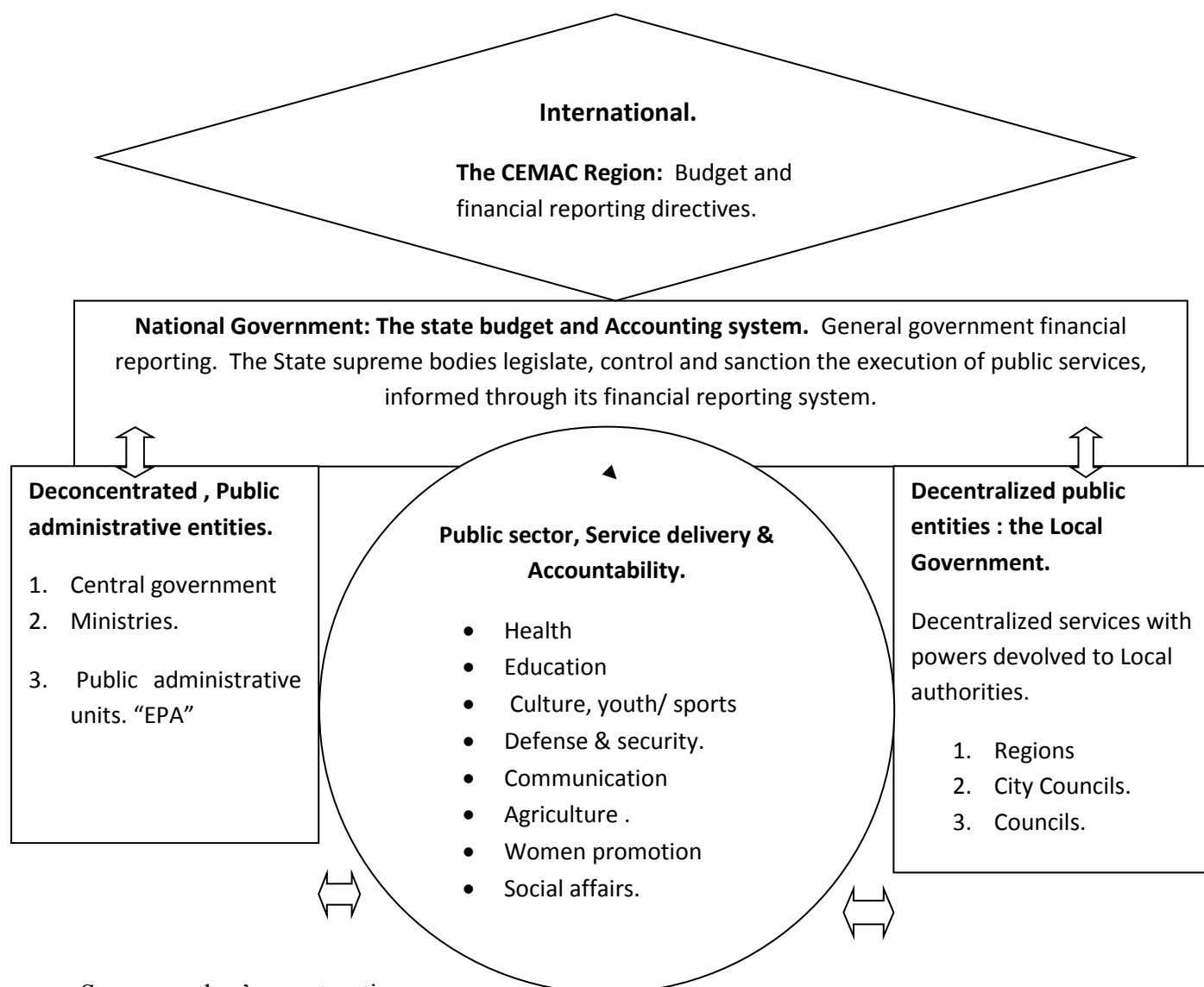


Figure 1. Levels of whole government financial reporting structures.



Source, author's construction.

The primary function of governments and other public sector entities is to provide services that enhance or maintain the well-being of citizens and other eligible residents. Government financial reporting has to do with budgeting for these services, authorizing, tracking and recording of revenue and expenditures ensuing from this. Accountability to citizenry and all states stakeholders is mandatory as all government entities have an obligation to report fairly and accurately on their performance and situation of resources mandated to them. We can see from the table that there are three major levels of whole government financial reporting structures, under which all state and public sector activities (from health to external relations) services are budgeted and accounted for.





1.1. The international level of financial reporting.

In compliance with the United Nation financial management agenda for developing countries, international organizations such as the IMF and world bank exert pressures for governments to adopt IPSAS (UN, 2008). This explains why the public sector accounting standard board for the Economic and Monetary Community of Central Africa (CEMAC) sub-region, referred to as “ Comité d’Experts en Gestion Publique “ reiterated the importance of adhering to International Public Sector Accounting Standards in its Article 2 as;

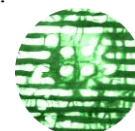
« La Comptabilité General de l’Etat s’inspire des normes internationales reconnus notamment le system comptable OHADA, et les normes comptables Internationales applicable pour le secteur public (IPSAS). »³.

To this effect there is a harmonised budgetary and accounting framework mandatorily imposed on all the CEMAC member states. Consequently the state of Cameroon is bound to comply with this international convention for its financial reporting of all services rendered to all the internal and external stakeholders of this central African economic union.

1.2. The National level budgeting and accounting.

The national government level consists of the public authorities and their agencies, which are entities established through political processes that exercise legislative, judicial, and executive authority within the national territory. These entities ensure that the primary activities of the government are fulfilled. The parliament (at the helm of Cameroon legislative body) deliberates and adopts the state’s budget made up of all activities of the sectorial budgets of various ministries. The budget is then enacted by the president of the republic and promulgated by the executive as a finance law of the year. All estimates of revenue and expenditure are based on accounting records that capture all economic and financial activities including those ensuing from regional and international conventions of the Cameroon state. The national budgets and accounts centralized and prepared in the ministry of finance, broadly present output, expenditure, and income activities of the economic actors (households, corporations, government) of the economy, including relations with other countries' economies, and the wealth (net worth) of the nation. These accounts constitute: current account of income, expenditure and production accounts (GDP); Capital account; financial accounts and balance sheet accounts. Other measures of macro-economic data like price index, growth rate, inflation, terms of trade balance sheet, balance of payment are done in the department of account and statistics under the ministry of finance.

³ Directive N° 03/11-UEA-195-CM-22, Relative au Plan Comptable de L’Etat. 19 Décembre 2011.





While the ministry of finance controls the regularity of the execution of the budget of the central government and all state institutions, the audit bench of the state supreme court controls and sanctions all financial and accounting records of the general government entities.

From the foregoing, the general government will normally consist of all entities primarily engaged in nonmarket operations that are controlled and mainly financed by the government budget duly authorized by a deliberating (legislative) organ. Government units are economic entities, given that as artificial persons they own rights and assets, incur liabilities, and can engage in economic activities with other entities. In this paper the general government refers to entities of the general government sector which can be divided into central, state, and local government subsectors.

1.3. Central government.

Under the authority of the president of the republic the central government is headed by the prime minister. The central government typically is responsible for providing collective services for the benefit of the nation, such as national defense, relations with other countries, public order and safety, education, health, and the efficient operation of the social and economic system of the country as a whole. The prime minister coordinates the preparation of the finance bill carried out by the ministry of finance, in conjunction with the ministries of relevant public services. The different ministries of the central government are responsible to manage and account for the resources related to the above public service delivery endowed to it. Under the supervisory authority of each ministry are public administrative entities, responsible for executing specific public service throughout the national territories. For administrative and accountability purpose, this level can be mapped out as the public sector.

1.4. The public sector.

The Public Sector in Cameroon is made of decentralized entities, to which the central government has transferred some of its competences with some financial autonomy. The essence is to deconcentrate its activities from the center to the periphery of the national territory. Decentralization can take various forms; Territorial decentralization where the state devolves specific powers and authority to administer a defined territory such as that of the Local government institutions. Technical decentralization has to do with the transfer of defined services to public administrative units such as the universities, hospitals, to render public services. Deconcentration and Decentralization are both strategies to confer some administrative and financial autonomy to such Public Sector institutions, in order to democratize the management of public service delivery (Tchounbia,2004; Akouafane 2009). They therefore have to drafts a financial plan in terms of a budget, and keep accounting records, the reason why their accounting analysis rotates along the budgetary processes (the Budget account).





The public sector therefore covers 2 levels; Public administrative entities know as “EPA”⁴ that ensures the execution of deconcentrated services, and that of the local government for decentralized services. The financial regime of the state⁵, defines the budget and accounting principles and procedure for all state and public sector entities, which are further specified in details by a decree governing public sector budgeting and accounting. The accounting reports of all government entities are subject to controls and eminent sanctions by the audit bench of the state’s Supreme Court.

1.5. Local Government

These are decentralized local entities whose goals are defined in the law on the orientation of decentralization in Cameroon as to ensure the economic, social, cultural, educational health and sanitation of municipalities. Categorized as city councils, councils and regions (Kwate 2013), they have a legislative, judicial, and executive authority restricted to the smallest geographic areas for administrative and political purposes.

The financial regime of councils (2009)⁶ defines the budgetary and accounting principles and procedures for all local government. The municipal council deliberates and adopts the council budget, while the vote holder and the municipal treasurer both account for the resources managed towards such service delivery at the municipal level. Placed under the supervisory authorities of the ministry of territorial administration and decentralization (MINATD), and that of Finance (MINFI), the financial and accounting reports are also controlled and sanctioned by the audit bench of the state’s Supreme Court.

The whole government budgeting and accounting works handled by the central ministry of finance (MINFI) consolidates financial reports for the whole government, regional, central government, public sector and local government entities in Cameroon. In fact the financial regime of the state emphasizes in its article three that;

“The finance law shall take into account the directives on convergence of economic and financial policies resulting from international and regional conventions which the republic of Cameroon adheres to”

This statement corroborates recent developments in New Public Management reforms, that harmonizes accrual Budgeting and accounting as the best practice of accounting technology for all levels of government and public service delivery. (OECD, 2002), (CEMAC, 2013). The section that follows will be exploring the standards and development of accrual

⁴ EPA : Établissements Publics et Administratifs.

⁵ Law No 2007/006 of 26th December 2007, relating to the financial regime of the state

⁶ Law n° 2009/011 of 10th July 2009, on the financial regime of Decentralized Local Authorities in Cameroon.





budgeting and financial reporting as a panacea to whole government financial reporting for the CEMAC region with Cameroon as a case study.

2. Standardization of whole government financial reporting on Accrual basis.

The harmonized budgeting and double entry accounting standard was first introduced in the government sector in 1998 with the local government level. This was followed by that of public administrative entities (EPA) in 2008, of the CEMAC region in 2011, and that of the state entities in 2013. Before expanding on the development of accrual standards for whole government accounting in Cameroon, it will be worthwhile exploring the accrual concept.

In general, accrual is derived from the verb accrue, which describes the grouping or gathering of things together. As an accounting technique, accruals implies recognizing and recording economic flows at all levels, from the time the economic value is created, transformed, exchanged, transferred, or extinguished. Accrual basis for government entities will recognize revenue and expenses in the order in which they are committed and received, right to when they are cashed or lost. This supposes that revenue will match with the expenses that generated such revenues, if the accrued economic event (flows of values) are all recorded. In general, the time attributed to events is the time at which ownership of goods changes, services are provided, the obligation to pay is created, the claim to benefit a payment is established. The accrual accounting convention ignores the function of time and only considers what expenses generate what revenues, even if payments have not actually been made.

The accrual basis of accounting was designed to provide more accurate historical record of financial transactions. At such the accrual method keeps tracks of all values on all financial transactions regardless of whether money has transpired; values of all assets and their accrued depreciation, values of debts, loans and their accrued interest etc. Accrual can be an accrued revenue or expense; it is more complete and comprehensive as it covers information on cash bases as well, as it accrues information concerning all levels of a financial transaction. Although accrual accounting has been used in the private sector for a very long time, it is not possible to simply adopt private sector accruals to the public sector in bulk. Consequently entities use different classification as entry points for accrual such as, modified accrual, full accrual or a combination of cash and accrual basis of financial reporting and disclosures.

Budget accounting is a practice of keeping and presenting accounting operations in the same format along side with the budget in double entry. An accrual budget should have inter alia budget items that record all assets and their cost of consuming them over time, existing potential liabilities, interest on public debts, as well as employee pension cost. Accrual budgeting is done in a manner that ensures symmetry with accrual financial reporting (accounting). It is argued that the two (Budgeting and accounting models) have to be on the same basis in order to enable comparability between the budget and the actual results, making



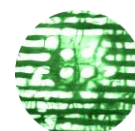


them both easier to understand and assess. This is also fundamental in terms of the government's accountability for implementing the budget as authorized.

Government financial reporting generally relies on legal compliance, and centres around the budget processes which in itself is a legal document. The accounting tradition of Cameroon bequeaths a bijurial accounting practice of the code-base and judgemental accounting system, where standards are issued through regulatory provisions, mandatorily imposable to all state's entities. Prior to the introduction and harmonisation of accrual budgeting and accounting in the Cameroon government sector, the Anglophone community practiced Anglo-Saxon judgemental accounting, while the francophone majority worked with the code-based Franco-German accounting tradition. The advent of accrual accounting in the government sector, galvanized the enactments of new laws as from 1998 to present date, progressively to all levels of whole government accounting. The regulations harmonising whole government accrual standards in Cameroon since then can be captured in the table that follows;

Table 1. List of Regulatory Standards for Whole government Budgeting and Accounting on Accrual base.

Levels of Standards on Accrual	Standards and Legislations.	Accrual pronouncement.
International Standards.	IPSAS. 2003 IPSAS Conceptual framework for general purpose financial reporting on accruals. Jan. 2013.	32 accruals based standards recommended for UN members & IMF recipients.
Regional Convention.	CEMAC 6 Directives on the management of public finance. 2011. N° 03&04, /11-195-CM-22. On the Accounting Plan and Budget of member states.	Article 2& 3, Respect of international norms, best practice of IPSAS accruals conception at member states levels
National. Government entities and Public administrati	Law No 2007/006 relating to the financial regime of the state. 26 th December 2007.	Budget accounting, recognizing state's debts and obligations, in double entry bookkeeping of the accounting chart.
	Decree no 2008/0447/PM of on the approval of the Accounting Plan and budget Nomenclature for Public and Administrative Entities in	Harmonized Budget & double entry accounting.



ve Units.	Cameroon. 13 March 2008.	
	General Instructions for Public sector budgeting and accounting. May 2013	Manual of procedure on accrual basis of budgeting & accounting. .
Local Government Regional and Local Authorities.	PM Decree no 98/266 of 08/1998 harmonizing council Budgetary and Accounting Plan . Replaced by Decree 2010/1734/PM, and 2010/1735, for budget and accounting nomenclatures respectively.	Harmonized Budget & double entry accounting for councils
	Joint Instruction Guide of Decree no. 00366/IC/MINATD/MINIFI 2006, replaced 79/IC/MINATD/MINFI of 10 th January 2012.	Manual of procedure on accrual base budgeting & accounting.
	Law n° 2009/011 of 10 th July 2009, on the financial regime of Decentralized Local Authorities in Cameroon. 2009.	Budget accounting recognizes government's debts and obligations, in double entry bookkeeping.
General Supreme state control and sanctions.	Law No. 2003/5 du 21 April 2003 to lay down the powers, organization, and functioning of the Audit Bench of Supreme Court , Section 2 (1).	controls and judges accounts or documents of patent or de facto public accountants of the State, regional and local authorities, as well as public or para-statal enterprises.

Source : Authors' collection of regulatory texts for whole government accounting in Cameroon.

From the entire statutory provisions illustrated in table above, two major trends of accounting reforms are standardised; the accrual accounting standards and the code-base uniform accounting system at all levels of whole government financial reporting. To manage the challenges and opportunities that globalisation presents, particularly in the context of sustainable economic development, the Central African Economic and Monetary Union CEMAC issues eight directives to reform public financial management in line with that of IPSAS best practices. As a regional organization, (CEMAC) created in 1994, seeks to harmonise and coordinate economic policies of its member states, by issuing a unified legislation. The code-base accounting plan stands out as the most appropriate harmonisation tool common to its francophone African member states.

2.1. How does the CEMAC directive encapsulate IPSAS best practice into its accounting plan tradition?





The conceptual framework of IPSAS basically espouses the Anglo-Saxon judgmental accounting tradition, that is micro economic oriented, flexible and self regulatory. African countries that were colonized by the Anglo-Saxons (the common wealth countries for instance , Anglophone Cameroon), inherited this accounting profession that is private, liberal, pragmatic and open to better management of risk. Prior to the reforms towards a uniform accounting model for whole government in Cameroon, the Anglophones regions where practicing this liberal accounting model, while the Francophone regions practiced the Franco-German code base accounting , that is macro-economic oriented and statutorily censored by the state through fiscal measures to control and supervise all state entities .

As multilateral development banks (World Bank, ADB) galvanized support to the International Federation of accountant (IFAC) as an independent organ of IPSAS board to prepare and issue standards of accounting for Government entities, the pressure on CEMAC to update its uniform accounting model for the government sector became eminent. This was even much more exigent for the Cameroon state that already bequeathed a hybrid of Anglo-Saxon and Franco-German accounting heritage. The eight CEMAC directives mark a turning point towards the adaptation of the norms of the union to that of IPSAS, as best practice to enhance transparency and accountability in the management of public funds for its member states. The CEMAC strategies in encapsulating IPSAS into its uniform accounting processes for whole government financial reporting can be described in the paragraphs that follow.

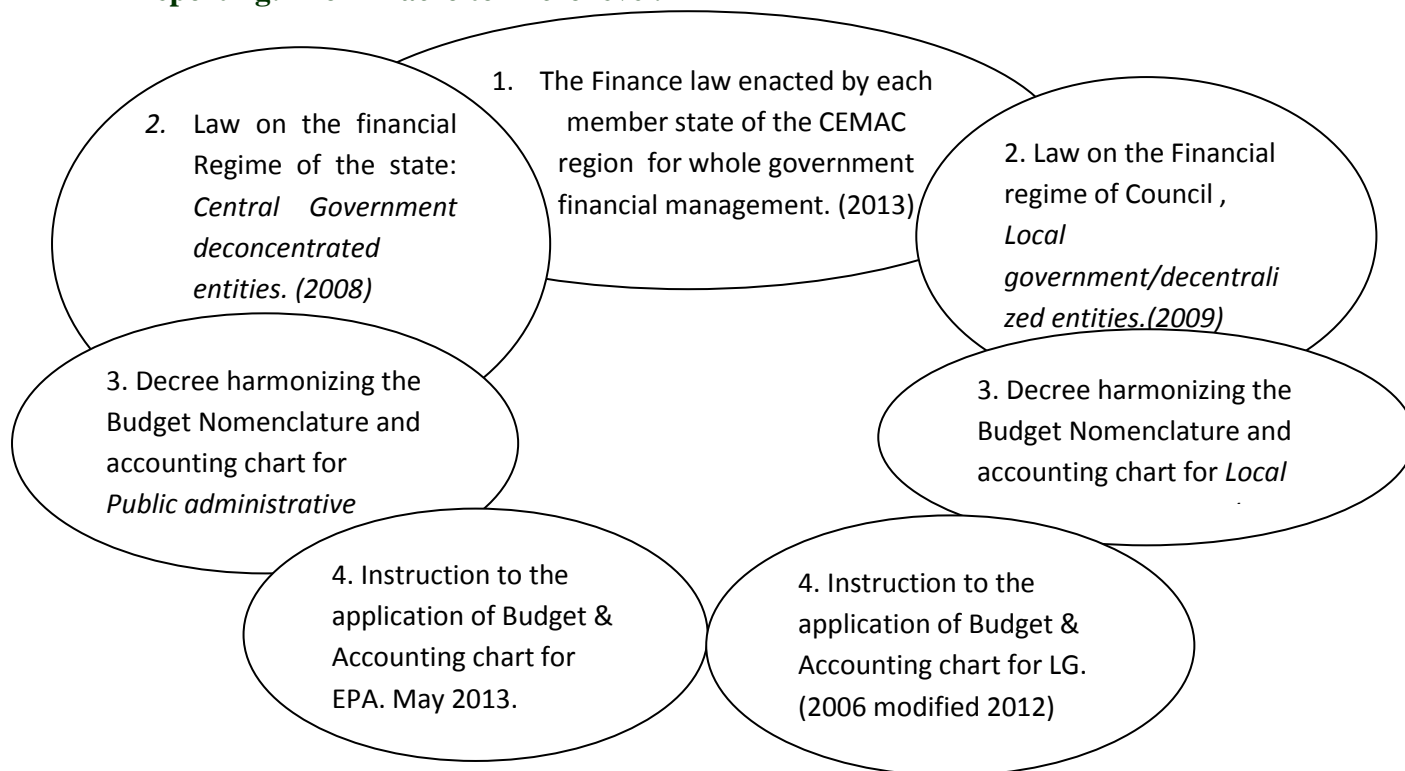
2.1.1. Uniform Legislative process.

A common legislative process in the making of whole government financial reporting that captures IPSAS on accrual base is issued. All begins with an enactment of a finance law at the (regional/national) macro level, that splits into the financial regime of the state (central government and deconcentrated services) and the financial regime for the local government (decentralised services). Each of the financial regime then pronounce a specific law governing budgetary and accounting practice traditionally called “le plan comptable”, for their respective sector; the public sector deconcentrated entities, and the local government decentralised entities. The last legislation ends with decrees instructing the application of budgetary and accounting issues for the public sector (2010) and the local government (2006, revised 2012) respectively.

The diagram that follows is a recap illustrating the uniform legislating process, for all government and public sector entities, having public administrative units on one hand, and local government entities on the other side.



Uniform legislative processes linking whole government financial management and reporting: From macro to micro level.



Source, author's construction.

After illustrating the nexus in the legislative processes linking whole government budget and accounting practice, the preceding section will be exploring areas in which accounting practice has been harmonized and the rationale for this in financial reporting.

2.2. Domains of harmonisation of Accrual budget & Accounting standard for whole government accounting.

The term standardization as opposed to harmonization depicts recognition of one accounting procedure, method and rules that is adopted by all, whereas the later implies a reconciliation of different points of view. Though both are for a better communication of information in a form that can be interpreted and understood internationally and by all entities, harmonization is a more practical and conciliatory approach.

The rationale for using a unified budget and accounting legislation may differ from one governmental level to the other. For the CEMAC sub regional economic block is an initiative to link macro economic data of its member states, in other to enhance growth, sustainable development and cooperation within the sub region. At the national level, the need for statistical data on macro economic analysis and interpretation remains paramount. However uniform accounting and budgetary legislation stands as an edict mandatorily enforceable by



all State entities to enhance control, consistency, comparability and consolidation of financial information (Nsangou & Awasom 2003).

With the accrual standard as the yardstick of accounting practice homogeneity in whole government budgeting and accounting is guaranteed through the implementation of a common budgetary and accounting framework, common rules and terminologies, as well as common methods of presenting financial information.

2.2.1. Uniform Accounting principles & method

There are basically 10 accounting principles and 9 budget principles that cut across the budget and accounting framework for CEMAC states, the public sector and the local government, all relating to the management of public finance. These principles also integrate the conventional principles of IPSAS such as the going concern, sincerity, double entry and the like. The budget principle of *separation of function* upholds the paramount importance of two set of book keeping in all government entities, for the administrative authorisation and accounting execution of the budget. This is to ensure the legal compliance in the analysis of all budget transaction, a practice not common with the private sector budget and accounting issues.

The method of valuation of assets, historical cost concept for the valuation of asset and linear method for its depreciation, income measurement at fair value, book keeping formats and the presentation of financial statements are frequent at all levels of whole government financial reporting.

2.2.2. Uniform Budget and accounting Framework: Nomenclature and codes.

The same budget structure and decimal logic of codification of accounts are frequent at all levels. The budget nomenclature and account items are harmonised firstly by regrouping and classifying all council budgetary and accounting operations according to their economic nature, services or groups of programmes, in terms of the accounting principle of source of fund and use of fund.

	Budget nomenclature	Accounting nomenclature
<i>A- Investment Section</i>		
<i>Sources</i>	<i>Investment Budget</i>	<i>Balance sheet Accounts</i>
	1- Investment revenue	1- Liabilities accounts
	Long and medium term resources	Long and medium term resources
	10- Endowment fund	10- Endowment fund



	14- Investment subsidies, etc.	14- Investment subsidies
Uses	2- <i>Investment expenditure</i>	2- <i>Asset accounts</i>
	21- Land	21- Land
	22- Other tangible long term assets	22- Other tangible long term assets
B- Operating Section		
Sources	3. <i>Recurrent Budget</i>	2- <i>Operating Accounts</i>
	1- Recurrent revenue	1- Revenues and proceeds
	71- Revenue from Taxes.	71- Revenue from Taxes.
	72- Proceeds from property services	72. Proceeds from property and services
Uses	2- <i>Recurrent expenditure</i>	2- <i>Expenses and losses</i>
	61- Goods and services consumed	61- Goods and services consumed
	62- Salaries and fringe benefits	62- Salaries and fringe benefits

Secondly, there is the numbering of the budgetary and accounting nomenclature with a common code characteristic of the code-base uniform accounting system. For instance under transport expenses identified in a class six of the chart of account, at the three levels we have

- **CEMAC states**, 4 digits..... 6110 *Transport expenses on mission.*
- **Public Sector**, 6 digits.....6110xx, *Transport of vote holder and board members.*
- **Local government** 6 digits.....611 100. *Transport of Councillors.*

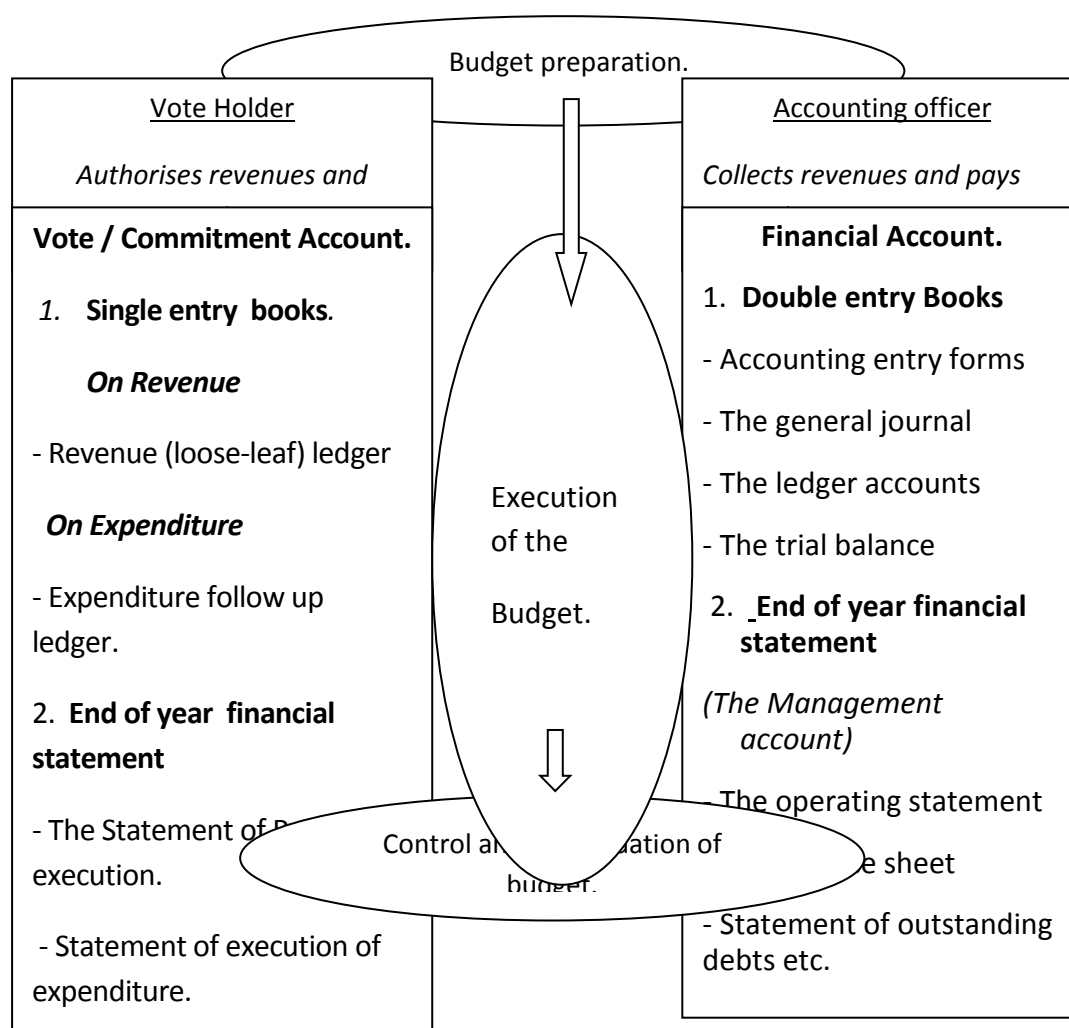
This common code that ensures symmetry between budgeting and accounting operations, imbedded in a double entry bookkeeping system, was designed to enhance easy analysis, interpretation and control of accounting information. A practical implementation of this accounting system therefore will ensure transparency, accountability and good governance in the management of whole government financial resources.



2.2.3. Uniform Budget and accounting process: Dual, separate but complementary bookkeeping in a unique budgetary process.

The spirit behind the fundamental public budgeting and accounting principle of the separation of function between the vote holder and accounting officer runs across all levels of whole government accounting as well. In fact it is reiterated in the directives of CEMAC accounting plan, and the accounting plan of public administrative entities that there is no hierarchical relationship between these two government officials working in the same institution with regards to the execution and accounting for the state resources. The vote holder (mayor/government delegate of councils, directors of public entities, ministers etc), are the political/ administrative heads of government institutions , and not bosses with regards to the execution and accounting for state funds. It is therefore forbidden to subject the accounting function under his rule according to his whims and caprices. The figure that follows is an illustration of the budget and book keeping process handled by these two separate actors in the government budgetary chain.

Fig. 1. Main actors in the Budgetary chain : A dual, separate but complementary bookkeeping system.





Source. Adapted from *Quick Reference to council accounting and budgeting*. Nsangou & Awasom (2003).

It shows that all levels of financial activities start and rotate around the budget, this is line with IPSAS 24 (2006). Once the budget has been approved by the legislative and oversight bodies, two levels of accounting for the budgeted activities become mandatory, that of the vote holder and that of the accounting officer.

The vote Holder's Budget Accounting handles vote & commitments accounts in single entry analysis comprising three phases of transaction movements on a daily basis. A revenue ledger traces the amount assessed, issued to debtors and ordered for collection, while the expenditure follow up ledger traces the commitment, the ascertainment of the credits owed, and the ordering of its subsequent payment. At the end of period two summary statements are made, statement of execution of revenues and that of expenditures, this sums up to his administrative account submitted to the budget session for consolidation.

The Accounting Officer in financial accounting keeps the conventional double entry books throughout the period. His budget transactions are identified from source documents ordered by vote holder and transmitted to him for verification, execution and analysis. At the end of the period a trial balance is made as a recap and control of all double entry analysis for the period. The end of year financial statements are equally similar to those found in the IPSAS 1 on presentation of financial statement on accrual basis.

The budget and accounting system of governmental entities in Cameroon have incorporated elements of IPSAS accrual base financial reporting at all levels of whole government accounting. With the pressures from international and regional conventions, and the drive to improve public accountability in the governance processes, many moves have been made to demonstrate involvement in practically implementing this reform (Godfrey et al, 1996; Nana 2012; Antiroikko et al 2011; Awasom 2013). The relevance of this reform is still yet to be acknowledged as report from the Cameroon audit control systems put in place shows that not up to 14% of public accountants produce and submit their financial records for control, auditing and consolidation, despite all the workshops geared towards the practical application of this new deal.⁷

3. Structural reforms accompanying the new financial management and reporting system.

It has been reckoned that changes in the organizational composition of the public sector introduced by New Public Management-style reforms, leading to corporatisation, contracting-

⁷ Speech of the Director of Budget and state control on the accession of the Seminar on theme "sensitization and dissemination of CEMAC directives". December 2013, Buea Cameroon.





out and privatization in their various forms have led to an increased decentralisation of responsibilities in accounting in the public sector (Osborne and Gaebler, 1992; Christensen and Laegreid, 2007). This was evident with the financial and management reforms in councils of Cameroon that necessitated organizational changes as well.

3.1. More resources devolved to decentralised entities.

The budgetary year of 2010 was a turning point with regards to financial decentralization, devolving more powers and financial resources to councils. As councils were endowed more competences to promote the economic, social, hygiene, educational, sports and cultural development within their municipalities, this mission was backed by a rigorous financial policy with strategies of inter-ministerial transfer of financial resources to councils. A new fund called the General Decentralization Fund (GDF) constituting financial resources from the state for investment, research and special equipment grants to council were institutionalized. All other ministries rendering related services to municipalities were to give a minimum package of financial grant to councils to cover the new competences transferred in line with municipal services. For instance, the inter-ministerial distribution volume of the general grant to councils was fixed as follows in francs cfa;

- Ministry of culture (MINCULT), Cultural manifestations, 45 000 000
- Ministry of basic education (MINEDUB), Minimum package , 15 448 404 000
- Ministry of Agriculture and rural development (MINADER), Construction and rehabilitation of community halls, 1 023 000 000
- Ministry of economic development and planning (MINEPIA) Construction and maintenance of zoo-technical centers, 1 961 500 000
- Ministry of water and energy (MINEE), Construction and maintenance of water projects, 2 701 200 000
- Ministry of public works (MINTP), Road maintenance, 1 091 659 000
- Ministry of health (MINSANTE), Construction and rehabilitation of health centers, 2 701 200 000
- Ministry of youth and sports (MINAS), Support assistance, 213 550 000
- Ministry of the promotion of women and family. (MINPRFF) , Functioning of Women empowerment centers, 471 500 000.

These financial grants transferred by each of these ministries to council marks one of the greatest achievements in the decentralization machinery that increased the managerial task and accounting responsibility of local governments.

3.2. New organisational charts designating specific job profiles .

After ensuring that councils had some degree of financial autonomy expressed in law of 2009 on the financial regime of councils, as well as the law creating council taxes , the need to



reorganize and define a new organizational set up became eminent. Not only was the decree⁸ creating organizational chart with job profiles and specification to councils was enacted, projects to assist council design their organizational chart was galvanized almost in all councils by the World Bank community driven project (PNDP⁹) for Cameroon. This was followed by a series of capacity building programs to upgrade the level of council staff, for the appropriate job profiles as per their new organizational charts. Most councils now have a new organization chart drawn based on their local realities in corroboration with the new law. The greatest challenge is the low manpower level, given that most staff are elected officials and old career civil servants that lack the necessary professional skills desired to accomplish the herculean socio economic development task endowed to councils with the advent of reforms.

3.3 . Implementing issues on the application of accrual accounting across whole government sector.

Despite the momentum galvanized by all stakeholders to institutionalize accruals at the local government level since its practical inception in 2003 and for public entities in 2008, there are varying opinions with regards to the difficulties encountered in implementing accruals as summed from the opinion sourced between the oversight bodies, the vote holders and accounting officers of public entities. (Awasom 2013). The supervisory authorities for instance lamented the irregularities in the provision of accounting documents with double entry underpinning as opined below;

“Many irregularities... for instance no appropriate justification documents accompanying, accrual transactions are produced, and sometimes cash flows are recorded in single entry without legal backing documents. They should know that administrative writings only prove, but accounting documents justify...”

Consequently financial statements didn't report on third parties commitments, such as debtors and creditors, assets and their depreciation which are the fundamental components of accrual.

From the technocrats (finance and accounting officers) point of view their difficulties abound; inability to identify and evaluate council assets, low level of qualified staff, non mastery and multiplicity of accounting documents, insufficient directives on transaction processing, multiplicity and sometimes inappropriate and contradicting accounting statements , some of which meanings were distorted due to poor technical translation of the French text for the Anglophone minority officials. There were other mitigating factors like the political

⁸ ARRETE N°00136/A/MINATD/DCTD DU 24 AOUT 2009 rendant exécutoires les tableaux-types des emplois communaux

⁹ PNDP. Programme National de Développement Participatif.





will, pressure from the vote holder to endorse payment without justification documents, above all, intimidating rather than corrective hierarchical control that breeds corrupt practices.

The experience of council officials and stakeholders reported a significant momentum towards implementing accruals-based management and financial accounting systems at the higher level concerning the budget authorizing and supervisory role, and at lower level of budget execution and accounting function (Awassom 2013). This is fundamental in terms of accountability, to have the budget implemented as authorized in order to render financial management easier to understand and assess. However it was sourced that management decisions in councils, were not dependent on the practice of accrual budgeting and accounting, given that the new single entry accounting books that commit the budget in accrual, were hardly known at the vote holder's level. Even where some accrual accounting works were done at the municipal treasurer's level, it was more to comply with the exigencies of hierarchical controls at all cost, to evade eminent sanctions of the audit bench. Given the underpinning challenges and pressures, accruals accounting in this instance is therefore a kind of window dressing, not necessarily to enhance accountability and informed decision making. These evidences corroborate some of the earlier standpoints on accrual accounting research endeavours (Lapsley et al (2009); Adhikari et al 2011; How & Alawattage (2012) ; Noel et Al (2011).

3.4. Challenges and proposals to enhance the practice of Accrual financial reporting in the public sector.

With the understanding that accrual accounting system is a global public management agenda designed by the IMF to promote good governance as well as a more business-like and performance-focused public sector, accountability remains a paramount obligation to demonstrate that work has been done, conducted in compliance with agreed rules and standards. How far has the accrual accounting standard been exploited to report fairly and accurately on the performance result vis-avis mandated goals of public service delivery and development as a whole? The underlined paragraph highlights impediments hindering this much touted financial reporting standard with some recommendation for a way forward to enhance accountability and governance in the management of public sector financial resources in Cameroon.

3.4.1 Human resource challenges

The human resource management systems within our Local government have not been reformed in ways that serve the new ideology. This is due to the fact that most heads of accounting units, some trainers and even accounting experts are old accountants of the defunct single-entry cash-based accounting, with little knowledge of the accruals accounting system. This results to poor budgeting, poor budgetary procedures and poor accounting data processing. Informative and formative training and capacity building be done in such a way





that distinguishes and captures the specific needs of council officials at all levels of the political and supervisory authorities and the accounting technocrats. Existing staff need intensive and specialised training to enable them change their mindset and accommodate new work practices. It is also necessary to appoint or relocate staff with budget and accounting profile to assume appropriate functions. Enhance collaboration between actors and officials at all levels from the vote holder's service to that of the accounting officer.

3.4.2. Understanding the Accrual concept in the public sector.

It was revealed in our analysis that most council officials and stakeholders did not adequately understand the concept and rationale of accruals in councils. Lack of understanding may lead to corrupts practices with tendencies of defaulting and presenting accounting information in a superficial manner. It will be necessary to sensitize all the council stakeholders on the rationale of such accounting choice and make available and accessible the appropriate text literature on accrual standards for councils in Cameroon. These regulatory instruments (most of the budgetary and accounting legislation referred to in this work), be acquired and kept at the disposal of all government officials. More informative training will therefore be exigent in this endeavour.

The starting point for accruals entails identifying, measuring, and evaluating assets and liabilities. Giving the complex nature of public sector transactions, innovative methods of accounting with frameworks that rely heavily on concepts and measurements based on the balance sheet approach, have to be introduced. Councils may have to resort for external expertise and consultancy for this purpose, given that their existing staffs have limitations.

Due to the liberalisation of civil society organisation's interventions in training and consultancy, institutions under the umbrella of good governance and accountability sometimes delve into training, in very specialised areas on finance and accounting without necessarily having the appropriate competence. Care should be taken to identify the profiles and censor the quality of training delivery by organisations that are not reputed for the required expertise and consultancy on public sector finance and accounting in Cameroon. The provision of appropriate computer software that capture local government finance and accounting system should also be censored as well.

3.4.3. Undefined Conceptual framework

There is need to review the normalisation structure in the light of the conceptual framework which should serve a triple objective: providing data for national economic planning, serving as information source for stakeholders and enhancing internal management of governmental structures. In this sense, the list of accounts as well as directives on their contents and methods of evaluation are to be reviewed and adapted to the new regulatory and technological environments.





For the standard setting body, it would be necessary to create a more flexible national committee of experts for reviewing accounting practice and issuing annual directives in line with national and international standards. Since the advent of the first accounting plan for the public sector in 1992 (the General Accounting Plan for the State) based on former OCAM accounting plan, from which all the other accounting plans were curled, there has been tremendous evolution on the legislative, technological, economic and procedural frameworks that calls for an indept review of the accounting system enforced in governmental entities.

3.4.4. Multiplicity of control and information needs of stakeholders.

Governmental entities in Cameroon are subject to control by different oversight bodies with sometimes conflicting interest and information needs. All public sector entities accommodate controls from their supervisory ministries (MINATD for councils, MINSANTE for hospitals, MINESUP for higher education etc) , as well as general controls from MINFI and the audit bench of the supreme court. The tendency is that each of these stakeholders sometimes request for financial reporting standards and procedures that are conflicting. The accounting needs of stakeholders should be redefined precisely and a set of accounting statements and supporting documents be designed to serve the general purpose of all stakeholders in order to avoid the flow of information request from the various supervisory authorities (MINATD, MINFI, Audit Bench) which sometimes result to non applicable, conflicting or confusing accounting information sheets.

Conclusion.

It has been demonstrated in this paper that the code-base uniform financial reporting model, bequeaths the appropriate harmonizing tool that links the sub- region of Central African economies, the national, the state, central and local governments of Cameroon, in consonance with the general purpose financial reporting (GPFR) framework of IPSAS (2013) and World Bank best practices. Though its implementation is fraught with administrative, infrastructural and technical bottlenecks, the political authorities and accounting technocrats are full of steam to forge ahead this new ordeal of public financial management. Their commitment is often not necessarily geared towards the global transparency and accountability doctrine to enhance good governance, given that political authorities more often don't find need to exploit accrual information for their decision making. However the accounting technocrats are bound to produce financial report on accrual basis even if it is just for ceremonial purpose and fear of eminent sanctions from the state audit bench of the Supreme Court. It would be mandatory to sensitize and change the mindset of government officials and technocrats. This will entail more formative and informative training, reinforced research and publication in this area of studies given the paucity of literature in public sector accounting in the sub region (Awasom Ibid).





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