REPUBLIQUE DU CAMEROUN
PAIX – TRAVAIL - PATRIE

Chambre des Comptes de la Cour Suprême

2018 ANNUAL REPORT

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LIST OF ABBREVIATIONS

CA	Commitment Authorisation
ASAICUFL	Association of Supreme Audit Institutions having in common the use of the French Language
RN	Recovery Notice
NAFI	National Agency for Financial Investigation
PTA	Parents-Teachers' Association
NPA	National Ports Authority
PCRA	Public Contracts Regulatory Agency
AfDB	African Development Bank
BCAS	Bank of Central African States
PIB	Public Investment Budget
RCV	Revenue Clearance Voucher
ASF	Autonomous Sinking Fund
CAB	Chambers
ACT	Additional Council Tax
SUNAO	Support Unit of the National Authorising Officer
SAA	Special Appropriation Account
PCC	Postal Cheque Centre
AB	Audit Bench
MTEF	Medium-Term Expenditure Framework
CAEMC	Central African Economic and Monetary Community
HLFC	Housing Loans Fund of Cameroon
GAS	General Account of the State
NACC	National Anti-Corruption Commission
SSAO	Supreme State Audit Office
COTCO	Cameroon Oil Transportation Company
PC	Payment Credit
RCTSPFSFA	Regional Council for the training of SAI of Public Finance of Sub-Saharan Francophone Africa
SCC	Supreme Court of Cameroon
RLA	Regional and Local Authority
ST	Short-term
UCCC	United Councils and Cities of Cameroon
DPA	Department of Public Accounting
DRLA	Department of Regional and Local Authorities
DGC	Directorate General of Customs
DGT	Directorate General of Taxes

DGTFMC	Directorate General of the Treasury, Financial and Monetary Co-operation
STT	Statement of Transactions to be transferred
NSAM	National School of Administration and Magistracy
PAE	Public Administrative Establishment
PE	Public Establishment
NEF	National Employment Fund
GDC	German Development Co-operation
EITI	Extractive Industries Transparency Initiative
NIS	National Institute of Statistics
INTOSAI	International Organization of Supreme Audit Institutions
ITFC	Income tax on fixed Capital
SAI	Supreme Audit Institution
ISSAI	International Standards of State Audit Institutions
FL	Finance Law
STL	Sundry Transactions Ledger
MINAC	Ministry of Arts and Culture
MINADER	Ministry of Agriculture and Rural Development
MINADT	Ministry of Territorial Administration
MINCOM	Ministry of Communication
MINCOMMERCE	Ministry of Trade
MINDEF	Ministry of Defence
MINEPAT	Ministry of the Economy, Planning and Regional Development
MINESEC	Ministry of Secondary Education
MINFI	Ministry of Finance
MINFOF	Ministry of Forestry and Wildlife
MINJUSTICE	Ministry of Justice
MINPROFF	Ministry of Women's Empowerment and the Family
MINRESI	Ministry of Scientific Research and Innovation
MINSANTE	Ministry of Public Health
MINT	Ministry of Transport
MINTP	Ministry of Public Works
MINTSS	Ministry of Labour and Social Security
OCED	Organisation for Co-operation and Economic Development
OHADA	Organisation for the Harmonisation of Business Law in Africa
SPRH	Support Programme for Reproductive health
PAB	President of the Audit Bench
OGP	Open Government Partnership

GDP	Gross Domestic Product
SB	Settlement Bill
PNDP	National Community- driven Development Programme
UNDP	United Nations Development Programme
PPA	Project for the Performance of Administrations
APR	Annual Performance Report
OD	Outstanding debts
ER	External Resource
IR	Internal Resource
MT	Municipal Treasurer
BBB	Basic Budget Balance
SEN	Semi-public Enterprise
CUB	Committed Undisbursed Balances
SNH	National Hydrocarbons Corporation
SNI	National Investment Corporation of Cameroon
SONARA	National Oil Refinery Company of Cameroon
TADAT	Diagnostic Assessment Tool
TPG	Treasurer-Paymaster General
TPP	Tax on Petroleum Products
ATI	All Taxes Inclusive
VAT	Value Added Tax
EU	European Union
UCAS	Union of Central African States

MISSIONS OF THE AUDIT BENCH

The Audit Bench of the Supreme Court of Cameroon shall be competent to:

(1). Assist Parliament in the control and execution of finance laws;

(2). Certify the regularity, the sincerity and the fairness of the general account of the State;

(3). Judge authorising officers, financial controllers and public accountants;

(4). Control the financial legality and budgetary compliance of all State expenditure and revenue operations. In this respect, it establishes irregularities and misconduct on the part of public officials and fixes, where appropriate, the amount of damage caused to them by the State. It may also impose sanctions;

(5). Evaluate the economy, effectiveness and efficiency of the use of public funds in relation to the objectives set, the means used and the results obtained and the relevance and reliability of the methods, indicators and data used to measure the performance of public policies and administrations;

(6). Carry out inquiries and analysis on any budgetary, accounting and financial questions at the request of the Government or Parliament;

(See Section 86 (3) of Law No. 2018/012 of 11 July 2018 relating to the Financial Regime of the State and Other Public Entities for Missions 1 to 6);

(7). Submit to the President of the Republic, the President of the National Assembly and the President of the Senate an annual report setting out the general results of its deliberations and pertinent observations with a view to reforming and improving upon the keeping of accounts and the discipline of accountants;

(See Section 3 of Law No. 2003/005 of 21 April 2003 referred to above);

(8) make public all reports it transmits to the President of the Republic, Parliament and the Government;

(9) publish its specific decisions in the Official Gazette and in at least two major national newspapers of wide circulation that are part of the list of legal announcements publications.

(10) Organise the follow-up of its recommendations and make results public.

(See Section 43 (1), (2) and (3) of Law No. 2018/011 of 11 July 2018 on the Code of Transparency and Good Governance in the Management of Public Finance in Cameroon);

This report was prepared by the Programming and Public Report Committee under the coordination of Mr THEUMOUBE Philippe, Master of the Supreme Court. The said Committee included:

- MIKONE Martin Bienvenu, ALIMA Jean-Claude, YEBGA MATIP, EZO'O BIZEME, Masters of the Supreme Court;

- ABOU AMADI BELLO, MFUL'EMANE Yves Olivier, SAME LOTTIN Laure Elsa spouse of MBOCK, ESSOMBA GOBE Yves Benoît, MAKOGE ETIE Lionel, MODEA SALABI Pascale Christelle, TSOUNG ME BAD Laure and SOUKIWAI BIGADA, Trainee Commissioners of Audit;

- NGUETCHUENG Bertrand, Registrar-in-Chief of the Audit Bench, OUWE MISSI Martial Milhaud, NGUIABEU Christiane spouse of SIMO, NOG DITE GWET Marie Sylvie spouse of SELOUGOU, HAMAN Dieudonné and KAIGUET Pierre Claver, Division Registrars;

- MAKON NTOT Jean Emmanuel, Head of the Accounts Production Service;

- EYINGA NLATE Evelyne Sandrine spouse of ENAM, MANDE JOY NGOE, MBELLE NKELLE Adèle Nadège, MFOUMEZO'O ONA Corine, PEEH BIDJECK and TSALA AWONO Nestor, Audit Assistants;

- MEYE Marie spouse of NNOMO ZANGA, Advocate General, was an adviser to the Committee;

This report was proofread by a committee presided over by Mr YAP ABDOU, President of the Audit Bench and made up of:

- FOFUNG Justine NABUM spouse of WACKA;
- MBENOUN Théodore, NGATCHA Isaïe and NDJOM NACK Elie Désiré, Division Presidents:

YEBGA MATIP, Master of the Supreme Court, Coordinator of the Programming and Public Report Committee;

- NOUBI TCHATCHOUA Mylène;
- NDZINGA Joseph, NYEMB Oscar Thierry Ulrick, NKOUNGOU MINLO Jean Aristide, trainee Commissioners of audit;
- NGUETCHUENG Bertrand Registrar-in-chief of the Audit Bench.

AWALA WODOUGUE Jean Claude, Senior Advocate General and ONANA ETOUNDI Félix, Advocate General, represented the Procureur General at the Supreme Court.

This report was adopted in Chambers on 22 December 2020.

RULING

In accordance with the provisions of Order No. 2017/10/CAB/PCDC/CSC of 22 June 2017 to amend and supplement Order No. 26/CDC/CSC of 19 October 2010 signed by the President of the Audit Bench to determine matters which the various Divisions of the jurisdiction shall examine. The Audit Bench, deliberating in Chambers, adopted this report drawn up pursuant to section 3 of Law No. 2003/005 of 21 April 2003 to lay down the jurisdiction, organisation and functioning of the Audit Bench of the Supreme Court.

The following were present:

- YAP ABDOU, the President of the Audit Bench of the Supreme Court;

- FOFUNG Justine NABUM spouse WACKA, MBENOUN Théodore, NGATCHA Isaïe and NDJOM NACK Elie Désiré, Division Presidents;

- NJONKOU MANGWA Rose spouse of TCHOQUESSI and SUH Alfred FUSI, Justices of the Supreme Court;

- MM. MANGA MOUKOURI Isaac, YEBGA MATIP, NGAN Evaristus AZEH, NDONGO ETAME David, DJOKO André, MIKONE Martin Bienvenu, ALIMA Jean Claude, OUMAROU ABDOU, Masters of the Supreme Court.

The following were also present and participated in discussions without taking part in deliberations:

- MEYE Marie spouse of NNOMO ZANGA, NIBA George AMANCHO AWAH and ONANA ETOUNDI Félix, Advocate Generals represented the Procureur General at the Supreme Court;

- NGUETCHUENG Bertrand, Registrar-in-Chief, took the minutes.

Done at the Audit Bench of the Supreme Court on the 22nd of December 2020.

FOREWORD

Among the missions conferred by Law No. 2003/005 of 21 April 2003 to lay down the jurisdiction, organisation and functioning of the Audit Bench of the Supreme Court, is the submission of an annual report to the President of the Republic, the President of the Senate, the President of the National Assembly and the Public through the publication of the said report in the Official Gazette.

Since it was established in 2006, the Audit Bench has been carrying out this task and to date it has published twelve (12) annual reports with recommendations aimed at improving the keeping of accounts and the management of Public Finance.

In the same way as previous reports, this report provides the public with documents and references necessary to formulate an informed opinion or a balanced judgement.

This report comes in a context marked by the transposition of the CEMAC Directives Nos. 06/11-UEAC-190-CM-22 and 01/11-UEAC-190-CM-22 of 19 December 2011 in Laws Nos. 2018/011 and 2018/012 relating respectively to the Code of Transparency and Good Governance in the Management of Public Finance in Cameroon and the Financial Regime of the State and Other Public Entities.

Indeed, these texts, which bring many innovations in the field of public finance management, considerably broaden the powers of the Audit Bench.

Thus, in addition to the mission of controlling and ruling on public accounts, and in application of these laws, the Audit Bench assists Parliament in the control of the execution of Finance laws, it certifies the regularity, sincerity and fairness of the General Account of the state, it judges authorising officers, financial controllers and public accountants, it controls the financial legality and budgetary compliance of all State expenditure and revenue operations, it evaluates the economy, effectiveness and efficiency of the management of public finance.

In order to exercise all these powers, the Audit Bench needs substantial human, material and financial resources, starting with the provision of a Headquarters building.

In the meantime, I invite all those involved in the management of public finance, teachers, students and researchers to read this report which may provide them with answers to their questions.

Chief Justice of the Supreme Court
MEKOBE SONE Daniel

INTRODUCTION

The Activity Report of the Audit Bench for the 2018 financial year which is drawn up in accordance with the provisions of Law No. 2003/005 of 21 April 2003 to lay down the jurisdiction, organisation and functioning of the said institution comprises four parts:

- Part one deals with the management activities of the Audit Bench;
- Part two provides information on the execution of the missions of the Audit Bench;
- Part three makes available to readers decisions taken within the context of its judicial and extrajudicial activities;
- Part four is a reminder of the recommendations made in previous reports whose implementation is still awaited, as well as recommendations generated by the controls conducted in 2018.

PART ONE. MANAGEMENT ACTIVITIES OF THE AUDIT BENCH IN 2018

CHAPITER 1. RESOURCES OF THE AUDIT BENCH IN 2018

For its functioning in 2018, the Audit Bench had human, material and real estate resources.

Section 1. Human Resources

The staff of the Audit Bench which stood at one hundred and eighty-nine (189) as at 31 December 2018 was one hundred and ninety-five (195) on the same date in 2017. This staff is made up of Legal and Judicial Officers, registry staff, Audit Assistants and support staff.

Paragraph 1. Legal and judicial officers

On 1 January 2018, there were fifty-nine (59) Legal and Judicial Officers including fifty-five (55) at the Bench and four (4) at the Legal Department. Following the appointment of Pierre Bertrand SOUMBOU ANGOULA, as the Director General of the National School of Administration and Magistracy (ENAM) and the death of Mr. ATEBA OMBALA Marc, President of the Audit Bench on 21 December 2018, there are fifty-seven (57) Legal and Judicial Officers on 31 December 2018, including fifty-three (53) at the Bench and four (4) at the Legal Department.

In all, the Audit Bench has:

- Two (2) first group super scale Legal and Judicial Officers;
- Nine (9) second group super scale Legal and Judicial Officers;
- Twelve (12) fourth scale Legal and Judicial Officers;
- Thirty-four (34) first scale Legal and Judicial Officers.

Paragraph 2. Registry staff

There are seventeen (17) Registry staff as at 31 December 2018, the same number as the previous year. They were divided as follows:

- three (03) Registry Administrators (category A1);
- two (02) Senior Court Registrars (category B2);
- six (6) Court Registrars (Category B1);
- five (5) Assistant Court Registrars (Category C).

Paragraph 3. Audit Assistants

The number of Audit Assistants increased from fifty-one (51) as at 1 January 2018 to fifty (50) on 31 December 2018, following the assignment of one of them to the Ministry of Mines and Energy.

Paragraph 4. Support staff

Support staff can be divided into three categories: technical staff, administrative staff and security staff.

A. Technical staff

As at 31 December 2018, the number of technical staff rose from eleven (11) to twelve (12) including one (1)-information technologists and eleven (11) archivists.

B. Administrative staff

It is made up of forty-one (41) State Employees including eighteen (18) secretaries and twenty-three (23) drivers.

C. Security staff

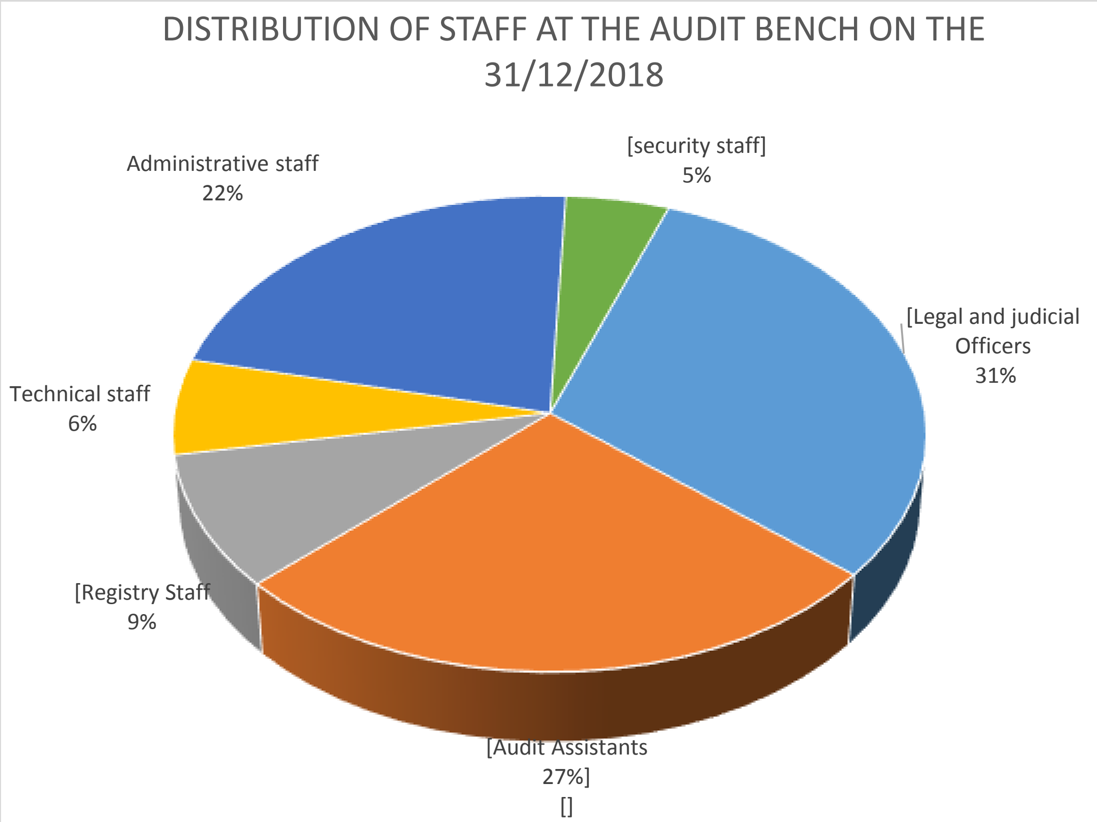
There are nine (9) officers from the National Gendarmerie, the Police and the Penitentiary Administration.

The human resources witnessed a change from 2017 to 2018 as indicated in the table below:

Table 1. Staff situation from 2016 to 2018

Financial years / Socio-professional	2016		2017		2018	
	Staff	**%**	**Staff**	**%**	**Staff**	**%**
Legal and Judicial Officers (Bench and Legal Department)	24	15.68	59	30.25	57	30.64
Audit Assistants	51	33.33	51	25.64	50	26.88
Registry staff	16	10.45	17	8.72	17	9.13
Technical staff	11	7.18	13	6.66	12	6.48
Administrative staff	42	27.46	46	23.60	41	22.04
Security staff	9	5.90	10	5.13	9	4.83
Total	**153**	**100**	**195**	**100**	**186**	**100**

The graph below the distribution of staff in the Audit Bench as at 31 December 2018.



Section 2. Material Resources

Paragraph 1. Vehicle fleet

As at 31 December 2018, the vehicle fleet of the Audit Bench was theoretically composed of twenty-five (25) service vehicles assigned to Legal and Judicial Officers, two (2) pick-ups and one (1) van for the transportation of accounts between the main office and the Archive Centre, four (4) mission vehicles and one (1) liaison vehicle, making a total of thirty-three (33) vehicles.

All the service vehicles used by Legal and Judicial Officers have reached the age of decommissioning and their maintenance becomes increasingly expensive. Three (3) of these vehicles are now out of use.

Paragraph 2. Office equipment and furniture

Most of the equipment were acquired in 2010. They have become obsolete and no longer provides ideal working conditions.

Section 3. Buildings

The Audit Bench carries out its activities on two sites. The Headquarters building located on Winston Churchill Avenue Yaounde and the NKOZOA Archive Centre located on the northern outskirts of Yaounde.

The head office building initially owned by a private individual was acquired by the National Social Insurance Fund (NSIF) but the Audit Bench is the tenant. These premises are now very small in relation to current staffing levels and services of the Audit Bench.

The NKOZOA Archive Centre, which is owned by the Audit Bench, reached saturation point since the 2014 financial year. The construction of the building to accommodate this Archives Centre, whose studies have been completed in 2014, is still awaited.

Section 4. Financial Resources

The activities of the Audit Bench are regularly financed by State budget allocations in accordance with finance laws, to which is added the occasional support of the Ministry of Finance, on the one hand, and the European Union, on the other hand.

The support of the European Union made it possible to finance four (4) training workshops for the staff of the Audit Bench.

Expenditure summarised below relates to State budget allocations only.

Single paragraph. Budgetary allocations of the Audit Bench in 2018

Commitment authorisations amounting to 508,500,000 CFAF, excluding expenditure on staff, were allocated to the Audit Bench in the budget of the Supreme Court. They are broken down into operating appropriations amounting to 488,500,000 CFA F and investment appropriations for 20,000,000 CFAF.

As at 31 December 2018, the budget of the Audit Bench was executed at 90.24%, or 90.05% for running budget and 94.80% for the investment budget.

The following table summarises the comparative data on the budget performance of the Audit Bench from 2016 to 2018.

Table 2. Evolution of execution of the budget of the Audit Bench from 2016 to 2018 (in thousands of CFAF)

Item		2016	2017	2018
Operating budget	Allocations	463,500	399,499	488,500
	Execution	459,022	365,453	439,910
	Execution rate	99%	91.47%	**90.05%**
Investment budget	Allocations	50,000	53,051	20,000
	Execution	50,000	53,051	18,960
	Execution rate	100%	100%	**94.80%**
Total expenditure	**Allocations**	**513,500**	**452,550**	**508,500**
	Execution	**509,022**	**418,504**	**458,890**
	Execution rate	**99.12%**	**92.48%**	**90.24%**

CHAPTER 2. TRAINING AND CO-OPERATION ACTIVITIES

The capacity building of staff of the Audit Bench continued in 2018 through their participation in seminars and workshops organised within the national territory and abroad within the context of international co-operation.

Section 1. Training activities within the country

With the support of the European Union, during the 2018 financial year, the staff of the Audit Bench participated in four training workshops on general external control techniques (01), auditing standards (02), control of financial and banking institutions (03) and the preparation of funding applications to respond to European calls for proposals. (04).

Paragraph 1. Workshop on general external control techniques

This workshop took place in Yaounde from 16 to 20 April 2018.

Ten themes were developed during the workshop and they were followed by constructive debates and lively exchanges. These themes are, the audit notion in a broad sense, the examination of the contours of the independence of SAIs, the rights and duties of accounting magistrates, the nature of accounts and the relations of SAIs with judicial authorities, the principle of separation of functions between authorising officers and accountants, the jurisdictional activity of the Audit Bench, the de facto management, the non-jurisdictional activity of the Audit Bench, the certification of the General Account of the State and finally Commissioner of Audit's approach.

At the end of the workshop, participants made the following recommendations:

- Ensure that accounts are actually submitted to the Audit Bench before programming them for control;

- Follow up accountants and the submission of accounts where need be in drawing up periodic reports. This is the responsibility of the Legal Department and the Registry;

- Modernise the practices of the Registry through the effective use of information and communication technologies;

- Set up a Financial Legal Department at the Audit Bench;

- Amend the organic law to allow the President of the Audit Bench or the Chief Justice of the Supreme Court to create divisions and to make some adjustments taking into account the needs of service;

- Reconsider the practice of public hearing (from the first hearing onwards) once the replies of the accountant are received, while making sure that the adversarial principle is respected;

- Develop procedure manuals which cover at least compliance audit, financial audit and performance audit;

- Ensure during programming that, themes chosen and controls exercised integrate citizens' concerns;

- Address in its audit activities the question of diligence exercised in the recovery of debts owed to the State and identify who does what, between the authorising officer and the accountant;

- Publish thematic reports on a regular basis and not only wait for the annual report to present its work;

- Examine the possibility of creating a specific body of Audit Assistants within the Cameroonian Public Service;
- Strengthen the quality control system of the work of the jurisdiction;
- Lay particular emphasis on the assessment of the information system of the State, Administrations concerned, and on the possible access to applications relating to budgetary and balance management;
- Make permanent the committee responsible for preparing the opinion of the Audit Bench on the Settlement Bill and the Certification of the General Account of the State.

Paragraph 2. Training Workshop on Auditing Standards

This workshop, which held from 4 to 8 June 2018, was facilitated by two experts from the European Union. Its objective was to build the capacities of Legal and Judicial Officers and Executives of the Audit Bench of the Supreme Court in the field of ISSAI standards. Indeed, the implementation of these standards is an indication of professionalism, performance and quality in the work of the Audit Bench as a SAI. It takes into account the resources, size, experience and environment of the SAI.

During the workshop, discussions focused on the prerequisites for the functioning of a SAI and the basic principles of auditing and developing a strategic plan for carrying out an audit mission.

This is part of an approach based on four components, namely the preliminary study, risk assessment, the audit plan and the design matrix. This process culminates in an audit report, which is also based on very specific criteria as to its form, content and characteristics.

Quality control for SAIs (ISSAI 40) received particular attention from participants. According to this standard, the components of a quality control system are related to leadership, rules of ethics, acceptance and maintenance of customer relationships and specific missions, human resources, mission achievement and follow-up.

Paragraph 3. Training Workshop on the control of Financial and banking Institutions

The training seminar for legal and judicial officers and executives of the Audit Bench of the Supreme Court on the audit of banking and financial institutions held from 27 to 31 August 2018 at Djeuga-Palace Hotel in Yaounde.

Presentations by two experts from the European Union, focused on

- banking activity, its risks and its environment;

- the different types of audit and the financial statement of banks;

- the monitoring of banking activity and the accounting system and bank financial statements;

-the prudential management of banks and the requirements of Basel;

- the prevention of money laundering, and finally;

- the methodological approach to the audit of banking institutions by the Audit Bench;

The various presentations gave rise to lively debates from which the staff of the Audit Bench drew the following lessons:

- The Audit Bench should control all banks in which the State holds shares. However, in other financial institutions, the purpose of such controls and their value for the public must be taken into account;
- Where there is a mismatch between the regulatory framework for banking activity and its actual implementation on the ground, the Audit Bench should carry out a compliance audit, assess the system in place and make realistic recommendations;
- Where the Audit Bench discovers that related loans were granted, it should suggest to the bank that it puts in place an effective control and monitoring mechanism to ensure that the same rules are applied to all borrowers without distinction.

At the end of the workshop, participants made the following recommendations:

- the financial jurisdiction should initiate bank audit missions only if it has the necessary means and capacities to do so;
- It should perform horizontal (around a theme) audit missions in addition to vertical (within an entity) audit missions;
- It should decide on the selection criteria relevant to the programming of the banking or financial institutions to be audited;
- It should have all the legal texts of the banking sector and financial institutions at its disposal.

Paragraph 4. The training workshop on how to put together application files to respond to European calls for proposals

The training workshop on the preparation of application files to respond to European calls for proposals held from 3 to 4 December 2018 at Mansel Hotel in Yaounde, under the auspices of the Support Unit of the National Authorising Officer (CAON).

This workshop brought together representatives of government services, the Audit Bench, non-governmental organisations, regional and local authorities, economic operators and entrepreneurs, etc.

The Audit Bench was represented by a Master of the Supreme Court, a Trainee Commissioner of Audit and the Registrar-in-Chief. The goal of this workshop was to understand how the project approach works and the methodology to be followed.

At the end of the work, it was recommended that organisations should

- Establish a subsidy contract management team made up of officials from the recipient organisation, which is solely responsible for the use of the funds received;
- Allow this subsidy contract management team to be separate from the body in charge of managing and authorising that contract;
- Build a multidisciplinary subsidy management team;
- Manage the subsidy obtained in accordance with the rules of the European Union.

Section 2. Co-operation with foreign SAIs and their associations

In 2018, the co-operation between the Audit Bench and foreign Supreme Audit Institutions and their associations resulted in the participation of staff of the Audit Bench in the following activities:

- welcome sessions for newcomers at the French Cour des Comptes;
- international forum on fraud and co-operation in the mining sector in Africa;
- regional workshop on the preparation of the report on the implementation of the financial legislation
- AISCCUF youth congress in Abidjan on the impact of SAIs activities on citizens.

Paragraph 1. Attendance at newcomers' welcome sessions at the French "Cour des Comptes"

At the invitation of the Director of International Relations, External Audit and Francophonie, the President of the Audit Bench of the Supreme Court sent four (4) trainee Commissioners of audit to participate in two welcome sessions. These sessions took place from the 16th to 26th January and from 10 to 14 September 2018 at the French Cour des Comptes.

Their objectives were to:

- make the institution known to newcomers and allow them to meet their future interlocutors at the Court and in the regional or territorial court of audit (CRTC);
- shed light on the work carried out in financial jurisdictions and the expected skills;
- give instructions on how to use the main control-aided tools (guides, search engines...);
- shed light on strategic issues (reforms and developments in financial jurisdictions, professional conduct).

It should also be noted that these sessions were marked by a phase dedicated to sharing experiences among members of invited SAIs

Supreme Audit Institutions such as the Audit Bench are faced with many challenges. The revision of the organic texts for better exercise of the powers vested in them, the adequate allocation of human, financial and material resources and the building of the capacity of audit staff.

Paragraph 2. The international forum on fraud and corruption in the Mining Sector in Africa

From 30 January to 1 February 2018, the international forum on fraud and corruption in the mining sector in Francophone Sub-Saharan Africa held at Hilton Hotel in Yaounde. The Audit Bench was represented by a Master of the Supreme Court and a Trainee Commissioner of Audit.

This forum, which was organised by the Regional Council for the Training of SAIs of Public Finance of Sub-Saharan Francophone Africa (RCTSPFSFA), aimed to provide Supreme Audit Institutions (SAIs) of Sub-Saharan Francophone Africa, their stakeholders and experts, a platform for discussions, sharing of knowledge, experience and expertise on the issue of fraud and corruption in the mining sector.

Participants discussed the identification of the different types of fraud and corruption indices in the mining sector, sufficient knowledge of the origins, causes, indicators and opportunities of fraud and corruption in the mining sector, the sharing of experiences on the socio-economic and environmental effects of fraud and corruption in the mining sector, the identification of directions for the prevention and sharing of experiences in the fight against fraud and corruption in the mining sector.

The workshop then continued in the form of parallel sessions of thematic discussions on fraud and corruption in the allocation of mining shares and contracts, the collection of taxes and royalties, the monitoring and implementation of mining projects, and finally in the reasoned management of revenues from the mining sector.

These parallel participatory sessions between SAIs and stakeholders discussions attempted to answer the following question, "How can SAIs work with their stakeholders in the fight against fraud and corruption in the mining sector for a more inclusive and sustainable economic growth of their countries? ".

Discussions based on practical cases were organised in such a way as to outline solutions according to each type of stakeholder:

- SAIs and Parliament;
- SAIs, agencies and Government;
- SAIs and civil society organisations;
- SAIs and media specialised in the mining sector.

At the end of the workshop, it was recommended to the Audit Bench, to sensitise Parliament during exchange forums between the two institutions on the problems facing the mining sector.

It was also proposed to the Cameroonian financial jurisdiction to plan an audit on the allocation and management of mining rights, tax benefits related to mining projects/contracts, the rehabilitation of mining sites, the management of revenue from the mining sector and the monitoring of mining projects. Similarly, a pool of legal and judicial officers specialising in auditing the mining sector needs to be set up.

Paragraph 3. Regional Workshop on the drafting of the report on the execution of finance laws

As part of the trade and Economic Integration Support Programme (PACIE), the commission of the Economic Community of Central African states (CEMAC) organised, from 26 to 29 June 2018 in Libreville, Gabon, a regional workshop on the drafting of the report on the execution of finance laws.

The purpose of this workshop was to enable parliamentarians, financial magistrates and civil society organisations to master the aspects of the drafting of the said report.

The Audit Bench was represented by two Masters of the Supreme Court and two Trainee Commissioners of Audit.

Three themes were developed to wit:
- the general features of the reform of public finance,
- the prerequisites for the drafting of the report on the execution of finance laws,
- the content of the report on the execution of finance laws.

Paragraph 4. The AISCCUF Youth Congress on the impact of the activities of SAIs on citizens

The Association of Supreme Audit Institutions having in common the use of the French Language (AISCCUF) whose main objective is to promote the rule of law and foster common values, held from 28 to 29 June 2018 in Abidjan (Côte d'Ivoire) a Youth Congress under the theme "The impact of SAIs activities on citizens".

This Congress had two objectives:

- to incorporate the needs in governance,
- and to strengthen the legitimacy of SAIs within the national and the international community.

Deliberations focused on the following issues:

- communication of SAIs,
- ethics and codes of conduct of SAIs members,
- information to parliamentarians and adoptation.

On the first point, SAIs have an obligation to make their work known by all possible means (summaries, press releases) and use local languages where possible.

With regard to ethics and codes of conduct, auditors must exercise dignity and probity at all times in conducting their audits in order to preserve the brand image of SAIs vis-à-vis other parties.

SAIs must keep them informed of the results of their audits.

Finally, SAIs must adapt to socio-economic, technological and political developments in the conduct of their missions, hence the suggestion of dematerialised control.

Section 3: Co-operation with development partners

During the 2018 financial year, the Audit Bench held meetings with several of its development partners, namely the United Nations Development Programme (UNDP), the African Development Bank (AfDB) and the European Union (EU).

Paragraph 1. Co-operation with the United Nations Development Programme (UNDP)

As part of its consultations with development partners, the Audit Bench held a meeting with UNDP members at its headquarters on 7 February 2018.

The discussions between the two institutions included the evaluation of sources of funding and their management in Cameroon, the role of the financial jurisdiction in the expenditure chain and in the financial and programme evaluation, the significance of the results of the work of the Audit Bench, the difficulties encountered by the Audit Bench in carrying out its missions and the avenues for UNDP contributions to support the financial jurisdiction.

The discussions showed that the Audit Bench could not carry out the assessment of sources of financing because of its limited means, that is why it focuses essentially on its primary missions of controlling and judging the accounts of public accountants, auditing public and semi-public establishments and assisting Parliament.

The representatives of the Audit Bench indicated that decisions handed down are notified to the accountants and the authorising officers concerned and to the Minister of Finance, who is responsible for the implementation of these decisions. Final observation reports are sent to executives of these establishments and to the Minister of Finance.

The annual public report which sets out the results of the work of each fiscal year is sent to the president of the Republic, the president of the Senate and the president of the National Assembly. This report is published in the Official Journal and is publicly presented by the Audit Bench in the presence of the media, public accountants, public managers and members of civil society.

It was noted that the observations and recommendations arising from these controls and audits are still subject to a timid follow-up by the various actors of financial governance.

Since 2013, the Audit Bench has issued its opinion on the Settlement Bill which incorporates the audit government services through the analysis of their annual performance reports.

It emerged from the discussion that the Audit Bench still encounters some obstacles related to:

- Delays in achieving the various reforms including the appropriation of the CEMAC directives which would result in the extension of the powers of the Audit Bench, in particular, to include the control of authorising officers through the examination of management;
- Insufficient financial, material and human resources;
- Difficulties of archiving;
- The setting up of Regional Audit Courts;

To this end, the following was selected as UNDP avenues of contributions to support the Audit Bench:

- ➢ computerisation of the control process (acquisition of computer equipment, acquisition of the IDEA control software adopted by INTOSAI) and staff training;
- ➢ support to government in the appropriation of the CEMAC Directives.

Paragraph 2. Co-operation with the African Development Bank (AfDB)

On Wednesday, 14 November 2018, the president of the Audit Bench of the Supreme Court granted Ms Selma Ennaifer, head of the division of financial management at the

AfDB, an audience attended by Dr Claude N'KODIA, an economist in service at the AfDB Cameroon group and Ms DIALLO N'DEYE THIOYE, Regional Coordinator for the financial management of the Central Africa Region and Madagascar.

Following the welcome address by Mr Marc ATEBA OMBALA, President of the Audit Bench, Mrs Selma ENNAIFER outlined the objective of the mission, which is to better understand the public finance management environment in Cameroon, and to strengthen the collaboration between the Audit Bench and the AfDB.

In particular, she said that she hopes to see the Audit Bench play a key role in monitoring the management of AfDB-funded projects. That is why the Bank plans to assist in building the capacity of the staff of the Audit Bench.

The president of the Audit Bench expressed his satisfaction for the contribution of the Bank to the drafting of the legislation of 2018 which transposed the CEMAC Directives in the Financial Regime of the State and the Code of transparency and Good Governance in the Management of Public Finance in Cameroon.

These reforms give the Audit Bench the full powers of a financial court.

Besides, the President of the Audit Bench stressed the need for his institution to strengthen its capacity, given its new missions and the appointment of thirty-five young legal and judicial officers in the court.

It is in this context that the Audit Bench, with the assistance of its development partners, in particular, the French and the Tunisian Cour des Comptes, adopted its strategic plan. It relies on the support of the AfDB for its implementation.

The delegation of the AfDB expressed concern about the legislative framework of the Audit Bench, the qualifications of the staff of the Audit Bench, the lateral recruitment of Legal and Judicial Officers, the evaluation of the independence of the Audit Bench and the audit of projects financed by donors.

On the legislative framework, the president recalled the mechanism, starting from the Constitution, which was revised in 1996 to the most recent laws on the financial regime and the code of transparency referred to above, and laws of 2003 and 2006 on the organisation respectively of the Audit Bench, Regional Audit Courts and the Supreme Court. He stressed the need for the revision of these organic laws in order to better harmonise the legal framework governing the Audit Bench.

Concerning human resources, the President also outlined the need for further capacity building of the staff at the same time as the urgent need for further lateral recruitment of Legal and Judicial Officers.

On the evaluation of the independence of the Audit Bench, the president noted that as its institution is not a member of INTOSAI, it cannot yet be evaluated by its pairs. However, in

2018, it held training seminars on International Standards of State Audit Institutions (ISSAI) and became a full member of AISCCUF.

As for the audit of projects financed by donors, which is of interest to the AfDB's mission, the president review that the Audit Bench has not yet undertaken specific audit work on such projects, and confirmed that all this falls within its increased jurisdiction.

Given all these concerns and responses from the members of the Audit Bench, the delegation of the AfDB wished to reassure the financial jurisdiction of its support. This support can be direct or indirect through the recruitment of experts. It also hoped that the audit reports of the Audit Bench would be received on time.

On issues of support, it recommended that the Audit Bench should present its needs to MINEPAT for transmission.

Paragraph 3. Co-operation with the European Union

The Audit Bench and the European Union mission team led by Mr Dominique MALT, met in the VIP lounge of the president's office on the 6th of February, 11th of April, and 05 June 2018 as part of the renewal of co-operation between the two institutions.

Discussions focused on three major co-operation projects:

1. **The signing of a contract to meet the Audit Bench intermediate need for trainings**

During the first meeting held on 06 February 2018, the head of the EU mission team announced to the president of the Audit Bench that Mr SALSMAN, a French expert and former Master of the French Cour des Comptes, will approach him in the coming days to plan the training cycle.

Thus, several working sessions were held between the expert and the members of each Division of the Audit Bench from 13 to 16 February 2018. The objective was to allow Mr SALSMAN to learn about the Audit Bench and to gather the information necessary for the establishment of a training programme adapted to the needs of Audit Bench staff.

Once this planning was completed, the meeting of April allowed Mr Dominique MALT and his team to ensure, on the one hand, that arrangements have been made by the Audit Bench to ensure proper organisation of the training, and to discuss the modalities relating to the opening and closing ceremonies, on the other hand.

2. **Getting in touch with the headquarters of the European Union for possible long-term support**

During meetings, Mr Dominique MALT, head of the European Union team, provided information on the progress of the negotiations with the headquarters of the European

Union with a view of granting a subsidy to the Audit Bench. For this purpose, the Audit Bench was assisted by the European Union to correctly complete the administrative formalities relating to this type of support.

Besides, the European Union entered into negotiations with the French Cour des Comptes to match aid and foster closer co-operation with it. It also agreed with the idea of making available to the Audit Bench, as in the past, an international Technical Assistant.

Finally, it was indicated that the expected budget support will focus substantially on capacity building, while equally benefiting from the expertise of the French Cour des Comptes. The parties agreed that they could discuss issues relating to equipment later.

3. Transposition of the CEMAC Directives and their impact on the missions of the Audit Bench

The EU mission team stressed that the process of transposing the CEMAC directives is an opportunity to grab. In response, the Audit Bench presented an overview of the progress made on this issue and the difficulties encountered.

During the third meeting, the process of adopting the CEMAC guidelines was almost finalised. The members of the delegation of the European Union, therefore, wanted to understand the point of the Audit Bench, and know its roadmap. In response, the president of the Audit Bench reassured them that his institution is preparing on various levels, including the project to laterally recruit experienced Legal and Judicial Officers, the technical capacity building of its staff through training seminars, co-operation with the French Cour des Comptes, which is always ready to support the Audit Bench and finally the increase of its capacity of reception whose responsibility lies with the State.

The Audit bench reported that it drew up a three-year development plan for the 2019–2021 reforms of public finance management. This document has been made available to the Ministry of Finance since 30 May 2018. It concerns internal audits and external controls. The delegation of the European Union expressed interest in having this document to refine its channels of negotiation.

Besides the meetings mentioned above, the Audit Bench hosted a working meeting on Friday 16 November 2018 with representatives of the European Union on the Support Programme for Public Finance Reform (PARFIP 2).

To this end, the representatives of PARFIP 2, wished to inform the Audit Bench of the accounting reforms envisaged given its major role in the certification of the General Account of the State. Finally, the representatives of PARFIP 2, wished to reassure the Audit Bench of their firm intention to propose that it be associated with the feasibility study of accounting reform.

PART TWO: EXECUTION OF THE MISSIONS OF THE AUDIT BENCH IN 2018

CHAPTER 1. JUDICIAL CONTROLS

Single section: Control and judgement of accounts of public accountants in the various Divisions of the Audit Bench

Judicial control concerns the management accounts of principal accountants of financial constituencies of the State, Municipal Treasurers working with Regional and Local Authorities (RLA) and accounting officers working with Public Establishments (PE)

The proceedings referred to the joint session are also subject to judicial control.

Paragraph 1. Submission of management accounts in 2018

The production of the management accounts of public accountants, Municipal Treasurers of Regional and Local authorities (RLA) and accounting officers of Public Administrative Establishments (PAE) is governed by various instruments.

Pursuant to Section 26 (2) of Law No. 2003/005 of 21 April 2003 referred to above, *"Accounts produced by certified accountants, finalised and examined in accordance with the instruments in force, shall be submitted for adjudication to the Audit Bench within three (3) months following the closing of the financial year."*

Section 31 (2) of Law No. 2009/011 of 10 July 2009 on the Financial Regime of Regional and Local Authorities provides as follows, *"However, an additional period from 1 to 31*

January of the following year shall be granted to local authorities for the settlement of command operations at the close of the financial year".

Article 26 of Decree No. 2013/160 of 15 May 2013 on the General Rules governing Public Accounting on its part states that, "*the accounts of the State and management accounts of the principal public accountants shall be produced at the Audit Bench no later than three (03) months after the end of the additional period of the financial year following the year in which they are established*".

According to the above-mentioned provisions, the deadline for submitting the management accounts of the State, Regional and Local Authorities (RLA) and Public Establishments (EP) for the 2017 financial year at the Registry of the Audit Bench is 31 May 2018.

The table below provides information both on the submission of accounts of the 2017 financial year expected in 2018 and accounts not submitted since the 2004 financial year.

Table 3. Submission of management accounts from 2016 to 2018 financial year

Item		2016 financial year			2017 financial year			2018 financial year		
		Current	Previous	Total	Current	Previous	Total	Current	Previous	Total
Public accountants of the State	Accounts submitted	12	-	12	9	1	10	15	3	18
	Accounts expected	13	1	14	13	2	15	18	5	23
	Accounts not submitted	1	1	2	4	1	5	3	2	5
	Rate of submission	**92.30%**	**-**	**85.71%**	**69.23%**	**50%**	**66.7%**	**83.3%**	**60%**	**78.26%**
Municipal Treasurers of RLAs	Accounts submitted	41	235	276	57	158	215	169	143	312
	Accounts expected	374	3,458	3,832	374	3,556	3,930	374	3,715	3,920
	Accounts not submitted	333	3,223	3,556	317	3,398	3,715	205	3572	3,777
	Rate of submission	**10.96%**	**6.80%**	**7.20%**	**15.24%**	**4.44%**	**5.47%**	**45.18%**	**3.84%**	**7.95%**
Accounting Officers of PEs	Accounts submitted	21	65	86	25	39	64	37	33	70
	Accounts expected	97	528	625	97	539	636	97	572	669
	Accounts not submitted	76	463	539	72	500	572	60	539	599
	Rate of submission	**21.64%**	**12.31%**	**13.76%**	**25.77%**	**7.23%**	**10.06%**	**38.14%**	**5.76%**	**10.46%**

This table shows that:

- Out of eighteen (18) accounts of public accountants, fifteen (15) had been submitted as at 31 December 2018, a submission rate of 83.3%, against 69.23% in 2017;

- The increase in the rate of submission of State accounts is due to the establishment of specialised payroll offices;

- Out of three hundred and seventy-four (374) accounts of Council Revenue Offices expected in 2018, only one hundred and sixty-nine (169) were submitted, a submission rate of 45.18%, compared to 15.24% the previous year;

- As at 31 December 2018, the cumulative number of accounts of Council Revenue Offices not submitted was three thousand seven hundred and seventy-seven (3777);

- Out of ninety-seven (97) expected accounts of public establishments, only thirty-seven (37) were submitted, a rate of 38.14% compared to 25.77% in 2017;

- As at 31 December 2018, the cumulative number of accounts of public establishments not submitted was five hundred and ninety-nine (599) accounts.

Paragraph 2. Judgement of management accounts in 2018

A. Examination of accounts

The table below shows the situation of examination reports produced by the various Divisions of the Audit Bench at the end of controls:

Table 4. Examination of management accounts of public accountants from 2016 to 2018

Item			2016	2017	2018
Accounts of public accountants	Examination reports	Fine	2	3	1
		Ruling	29	27	23
		Declaration of de facto management	8	0	11
	S1		**39**	**30**	**35**
Accounts of Municipal Treasurers of RLAs	Examination reports	Fine	14	0	4
		Ruling	101	41	33
		Declaration of de facto management	2	2	9

	S2		**117**	**43**	**46**
Accounts of Accounting Officers of PAEs	Examination reports	Fine	1	9	4
		Ruling	47	63	65
		Declaration of de facto management	1	0	0
	S3		**49**	**72**	**69**
Total (S1 + S2 + S3)			**205**	**145**	**150**

In 2018, the Audit Bench produced one hundred and fifty (150) examination reports distributed as follows: thirty-five (35) by the First Division, forty-six (46) by the Second Division and sixty-nine (69) by the Third Division. There was a slight increase compared to the previous year where one hundred and forty-five (145) examination reports were produced, thirty (30), forty-three (43) and seventy-two (72) respectively for the First, Second and Third Divisions.

B- Rulings delivered by the Divisions in charge of the control and judgement of accounts

During the 2018 financial year, one hundred and nine (109) rulings were delivered by the Divisions in charge of the control and judgement of accounts, including ninety-five (95) interim rulings and fourteen (14) final rulings compared to seventy-eight (78) interim rulings and fifteen (15) final rulings in 2017. This situation is shown in the table below:

Table 5. Rulings delivered by the Divisions in charge of the control and judgement of accounts from 2016 to 2018

Financial years	**2016**			**2017**			**2018**		
Item	**Interim rulings**	**Final rulings**	**Total**	**Interim rulings**	**Final rulings**	**Total**	**Interim rulings**	**Final rulings**	**Total**
First Division	14	7	21	19	4	23	17	4	21
Second Division	64	79	143	47	3	50	30	03	33
Third Division	23	9	32	12	8	20	48	7	55
Total	**101**	**95**	**196**	**78**	**15**	**93**	**95**	**14**	**109**

Paragraph 3. Joint Sessions

Joint Sessions rendered eight (8) rulings during the 2018 financial year, including four (4) interim rulings, three (3) final rulings and one (1) ruling with interim and final provision. Moreover, the panel of Joint Sessions produced eleven (11) reports, including five (5) from the files transmitted by the Supreme State Audit Office, five (5) for review, and one (1) withdrawal report from the Third Division in favour of the said panel.

CHAPTER 2. EXTRAJUDICIAL MISSIONS

Section 1. Administrative controls

Administrative controls are controls carried out within the Fourth Division, which is in charge of the control of public enterprises. One of the characteristics of these enterprises is that they are subject to OHADA accounting, whose financial statements and management report, drawn up by the administrative or management bodies as the case may be, must be submitted to shareholders for approval within six months from the date of closure of the financial year.

Single paragraph. Production and examination of accounts of public enterprises

Accounts of public enterprises consist of the financial statements which, according to article 8 of the OHADA Uniform Act relating to Accounting Law and Financial Information, include *"the Balance Sheet, the Income statement, the cash flow statement as well as the attached notes."*

Table 6. Submission of accounts of PSPE from 2016 to 2018

Financial years	**2016**			**2017**			**2018**		
Item	**Current**	**Previous**	**Total**	**Current**	**Previous**	**Total**	**Current**	**Previous**	**Total**
Accounts submitted	11	16	27	17	11	28	19	17	36
Accounts expected	63	516	579	63	552	615	63	615	678
Accounts not submitted	52	500	552	46	541	587	44	587	631
Submission rate	**17.4%**	**3%**	**4.6%**	**26.9%**	**1.9%**	**4.5%**	**30%**	**2.76%**	**5.30%**

This table shows that six hundred and seventy-eight (678) accounts of public and semi-public enterprises were expected at the registry of the Audit Bench in the 2018 financial year, including sixty-three (63) of the 2018 financial year and six hundred and fifteen (615) for the years prior to 2018.

During the financial year, thirty-six (36) of the six hundred and seventy-eight (678) accounts were submitted to the Audit Bench, nineteen (19) of which related to the financial year under review and seventeen (17) to the previous financial years, representing a submission rate of 5.3%.

As at 31 December 2018, six hundred and thirty-one (631) accounts of enterprises in the public and semi-public sector were still expected.

In addition, during the 2018 financial year, ten (10) accounts were examined, which resulted to eight (08) Interim Observation Reports (IORs) and two (02) Final Observation Reports (FOR).

Section 2. Assistance and advisory missions of the Audit Bench

Legal and regulatory provisions specify the scope of the assistance and advisory missions of the Audit Bench.

Pursuant to Section 3 of Law No. 2003/005 of 21 April 2003 laying down its jurisdiction, organisation and functioning, the Audit Bench of the Supreme Court shall, "*submit to the President of the Republic, the President of the National Assembly and the President of the Senate an annual report setting out the general results of its deliberations and pertinent observations with a view to reforming and improving upon the keeping of accounts and the discipline of accountants*".

According to the provisions of section 10 of the same Law, *"The Audit Bench shall give its opinion on any matter referred to it in connection with the control and verification of accounts."*

Section 39(c) of Law No. 2006/016 of 29 December 2006 laying down the organisation and functioning of the Supreme Court states that, *"the Audit Bench shall be competent to give its opinion on settlement bills presented to Parliament."*

Article 125 (1)(3) of Decree No. 2013/160 of 15 May 2013 on the General Rules governing Public Accounting provides as follows:

"At the end of each year, the Minister in charge of Finance shall submit to the account judge, the General Account of the State".

(3) *"The Audit Bench shall certify that financial statements are regular, truthful and give a fair view of the financial situation of the State".*

Within this framework of assistance and advice during the 2018 financial year, the Audit Bench prepared reports and opinions, participated in the permanent consultation framework with the Ministry of Finance as well as in the preparation of the Global Plan for Public Finance Reform for the 2019–2021 period, and organised exchange forums with the Finance and Budget Committees of the National Assembly and the Senate.

Paragraph 1. Reports and opinions

A. The 2016 Annual Public Report

Pursuant to section 3 of Law No. 2003/005 of 21 April 2003 laying down its jurisdiction, organisation and functioning, the Audit Bench adopted the 2016 annual report on 05 January 2018.

B. The Opinion on the Settlement Bill for the 2017 financial year

Pursuant to section 10 of law No. 2003/005 laying down the jurisdiction, organisation and functioning of the Audit Bench and section 39 (c) of law No. 2006/016 of 29 December 2006 to lay down the organisation and functioning of the Supreme Court, on 26 October 2018, the Audit Bench adopted in Chamber and issued Opinion No. 001/2018/CSC/CDC on the Settlement Bill of the 2017 financial year.

C. The Certification report of the General Account of the State

On 29 October 2018, the Audit Bench adopted the Certification Report on the General Account of the State for the 2017 financial year.

The observations of the Audit Bench contained in the Certification Report as well as those found in Opinions are presented in part three of this annual report.

In accordance with the provisions of Article 126 (5) of Decree No. 2013/160 of 15 May 2013 referred to above, the Opinion and the Certification report were transmitted to Parliament.

Paragraph 2. Permanent Consultation Framework between the Audit Bench and the Ministry of Finance.

The permanent consultation framework held three ordinary sessions during the 2018 financial year respectively on 26 April, 12 July and 11 December 2018.

The proceedings focused on the following issues:

- the basics of judicial control (A),

- the need to increase the rate of submission of management accounts by public accountants of RLAs and PAEs (B),
- the organisation of swearing-in ceremonies of public accountants (C),
- the broadening of the scope of the jurisdiction of the Audit Bench with regard to law No. 2018/012 of 11 July 2018 on the Financial Regime of the State and other Public Entities (D),
- irregularities noted during the judgement of accounts of public accountants (E),
- the implementation of recommendations made by the Audit Bench (F).

A- The basics of judicial control

Some public accountants consider that the Audit Bench unfairly judges and condemns them, whereas authorising officers who cause the irregularities they are accused of are spared.

As a result, the Audit Bench wanted to explain to the permanent staff and public accountants the purpose of judicial control in the light of the laws and regulations in force. In fact, the authorising officer judges the appropriateness: he commits, clears and authorises payment; he also makes sure the expenditure is executed. When it comes to actual payment or recovery, the file is sent to the public accountant who ensures that decisions taken by the authorising officer (commitment, clearance and authorisation) comply with the laws and regulations. In such cases, the accountant shall be the sole judge of the regularity of the decisions of the authorising officer.

This control of regularity is explicitly included both in-Law No. 2003/005 of 21 April 2003 to lay down the jurisdiction, organisation and functioning of the Audit Bench of the Supreme Court and Law No. 2007/006 of 26 December 2007 relating to the Fiscal Regime of the State and in Decree No. 2013/160 of 15 May 2013 on the General Rules governing Public Accounting.

The sanction adopted in the context of judicial control aimed to make the accountant financially liable for his personal assets, as provided for in Article 29 (1) of Decree No. 2013/160 of 15 May 2013, which provides as follows, *"The public accountants shall be personally and financially liable for the operations for which they are responsible and for the exercise of the controls provided for by this decree*."

The judicial control of accountants aims, among other things, to lead them to strengthen the control of the decisions of authorising officers, even if this means using legal means of protection such as requisition of the authorising officers, which, in principle, allows them to transfer the liability to the latter.

In the discussions, some members of the framework considered that the responsibility lies more on accountants, who are generally misled by authorising officers, which is not fair.

Moreover, since the general accounting is accruals, its implies greater responsibility from the authorising officers, who should be judged by the Audit Bench in the same way as the accountant.

The Framework noted that the Audit Bench is aware of these problems, which are now resolved in the new Fiscal Regime of the State. This places the accountants, authorising officers and the financial controllers at the same level of responsibility, each of whom is liable for his or her own misconduct.

B- The need to increase the rate of submission of management accounts of public accountants

The Audit bench shared with the members of the Framework the problem of raising the rate of submission of management accounts. During the 2016 financial year, this submission rate was 92.30% for Public Accountants, 21.64% for Accounting Officers of Public Administrative Establishments and 10.96% for Municipal Treasurers of Regional and Local Authorities.

While the above-mentioned trend has been maintained for public accountants, since 2014 there has been a downward trend in the rate of submission and the quality of the management accounts of Regional and Local Authorities and Public Administrative Establishments. Therefore, the Framework stressed the need and urgency to address this situation, which is detrimental to the production of good financial information.

C- Oath-taking of Public Accountants

Article 32 of Decree No. 2013/160 of 15 May 2013 states that;

" (1) Before being installed in their stations, public accountants shall be required to take an oath before the competent court and to provide guarantees.

(2) Interim accountants shall be required to provide the same guarantees.

(3) The oath provided for above is as follows, ***«I swear and promise to perform my duties as a public accountant correctly and loyally and to fulfil in all circumstances the obligations such duties bestow on me."***

(4) The arrangements for oath taking, the amount of guarantees and the conditions for their constitution are fixed by order of the Minister of Finance. "

These practical arrangements were discussed at the sessions of 12 July and 11 December 2018. In any case, the Audit Bench and the Ministry of Finance must agree on these practical arrangements with a view to organising the first oath-taking ceremony in 2019.

D- Broadening the Jurisdiction of the Audit Bench

Law No. 2018/012 of 11 July 2018 on the Fiscal Regime of the State and other Public Entities broadened the jurisdiction of the Audit Bench to authorising officers and financial controllers. The latter are henceforth subject to the jurisdiction of the Audit Bench in the same way as public accountants in accordance with sections 86, 87 and 88 of the aforementioned law.

It is important for the Permanent Framework to extend its missions to new actors in the management of public finance. As of 2019, these actors, who are henceforth held liable before the Audit Bench, need to be sensitised in order to better respond to the issues related to the new prerogatives of the Audit Bench.

E- Irregularities Noted During the Judgement of the Accounts of Public Accountants

The Audit Bench identified two types of irregularities which show how necessary it is to control the accounting activity. Some of them relate to accounts in figures and others to accounts on documents.

Anomalies in the account in figures result from reviews of the trial balance of accounts and other summary statements. The most recurrent ones are related to the infidelity in the sequencing of balances, the discrepancy between the figures of the management account and those contained in the trial balance of accounts, the discrepancy between the administrative account and the statements of execution of revenue and expenditure, the accumulation in the trial balance of accounts of uncleared deficits, the absence of the statements of banking concordance and their appendices.

Irregularities in accounts on documents concern budget charges, missions, public procurement, payment of taxes and dues deducted at source, salaries, allowances and other benefits paid to staff, grants, imprest funds and revenue collection offices.

F- The implementation of the recommendations of the Audit Bench

The Permanent Framework deplores the non-implementation of some recommendations of the Audit Bench, in particular those relating to the review of Laws No. 2003/005 of 21 April 2003 and 2006/017 of 29 December 2006, the inventory and evaluation of the assets of the State, Regional and Local Authorities and Public Establishments, the submission of accounts, the expenditure made in cash advances, accounting deficits, the notification of decisions rendered by the Audit Bench and the financial information of the State.

The implementation of these recommendations is necessary to improve good governance in the management of public finance.

The work of the Permanent Framework during the financial year resulted in a number of recommendations:

- the sensitisation of authorising officers and financial controllers on their new responsibilities before the Audit Bench;
- the increased pressure on public accountants to make them submit their accounts; the identification and production of a list of all accountants who fail to submit their accounts, the organisation of training seminars on accounting and the preparation of management accounts;

  the organisation and scheduling of the procedures of oath-taking of public accountants
- the preparation of a note to draw the attention of public accountants to the risks incurred in the event of accounting irregularities.

Paragraph 3. Exchange forums with Parliament

The Audit Bench held four (04) forums with the finance and budget committees of Parliament. These are the tenth and eleventh forums with the Senate, and the eighteenth and nineteenth forums with the National Assembly. These meetings were attended by the representatives of the Vice-Prime Minister, the Minister Delegate at the Presidency of the Republic in charge of Relations with the Assemblies, the Minister Delegate to the Presidency in charge of the Supreme State Audit Office, the Minister of Finance, the Minister of the Economy, Planning and Regional Development and the Minister of Territorial Administration and Decentralisation as well as representatives of administrations contributing to good financial governance (CONAC, ANIF).

A. Exchange forums between the Audit Bench and the Finance and Budget Committee of the Senate

These forums held respectively on 19 June and 13 November 2018 at the seat of the Senate at the Yaounde Conference Centre.

The Audit Bench presented its 2016 Bilingual Annual Report at the tenth forum (1) and a summary of Opinion No. 001/2018/CSC/CDC of 26 October 2018 on the Settlement Bill of the 2017 financial year at the eleventh forum (2).

1. Presentation of the 2016 Bilingual Annual Report

The discussions relating to the presentation of the 2016 Bilingual Annual Report focused in particular on the decline in the operating budget and the reduction in the number of staff of the financial jurisdiction, the low submission rate of management accounts by accountants of Public Administrative Establishments (PAE), Regional and Local Authorities

(RLA), and the non-implementation of the recommendations of the Audit Bench, the relationship between the Audit Bench of the Supreme Court and the Supreme State Audit Office, the referral of the Budget and Accounts Disciplinary Board by the Audit Bench, the asymmetrical liability between the functions of authorising officers and accountants, the impact of the reservations issued by the Audit Bench after reviewing the Settlement Bill, the appropriation of CEMAC Guidelines, including the establishment of an Audit Court.

2. Summary of Opinion No. 002/2018/CSC/CDC of 26 October 2018 on the Settlement Bill of the 2017 financial year

A summary of Opinion No. 001/2018/CSC/CDC of 26 October 2018 on the Settlement Bill of the 2017 financial year was also presented.

On the form, the presentation of the SB and its appendices improved, but the length of sessions still does not allow it to be examined properly.

On the substance, we note the absence of adjustment of operations entered in provisional accounts for the financial year, an erroneous balance of outstanding collections (OC) on "Issuance of customs clearance vouchers," the under-consumption of the funds lodged in accounts 45 "Deposits of administrations," amendments to appropriations which are not fully covered by the statutory instruments provided for by law, the increase in the debt stock compared to own-source revenue, the increase in committed undisbursed balances (CUBs) and related interest expense, an inappropriate legal framework for the management of Special Appropriation Accounts (SAAs) and shortcomings in the control of programme budgeting in some administrations.

After discussions, the forum recommended on the substance, the review of the law in particular with regard to the referral to Parliament and the duration of sessions in order to allow Parliament to receive and examine the SB properly and its appendices.

On the substance, the forum recommends the maturation of projects before resorting to loans, diligence in the handling of certain cases like the compensation of the population, the completion of the work underway at the Ministry of Finance to develop the normative framework governing the operation of SAAs, and the implementation of regulatory measures by the Minister of Finance to limit the opening of government deposit accounts to revenue-generating entities only, and to prohibit the funding of such accounts through the use of budgetary appropriations.

B. Exchange forums with the Finance and Budget Committee of the National Assembly

The Audit Bench of the Supreme Court and the Finance and Budget Committee of the National Assembly held two forums, respectively on 22 June and 30 November 2018.

Discussions focused on "the opening up of public data in Cameroon" (1) and "the impact of state holdings in public and semi-public sector enterprises" (2).

1. Opening of public data in Cameroon

During the eighteenth forum with the National Assembly, the Audit Bench made a presentation on the opening of public data in Cameroon. It emerges that the non-effectiveness of the opening up of public data in Cameroon is justified at the national level by the absence of a specific text organising the opening up of public data, the inadequacy of data in existing portals, the lack of demarcation between open information and information to be protected, the absence of a certification body for the reliability of data, the insufficient use of the Internet in public administrations.

However, at the international level, there are resolutions which consider the right to information and the requirement of transparency in public finance as part of human rights.

At the end of the discussions, the forum made the following recommendations:

- the creation of an appropriate legal framework for the opening of public data in Cameroon;
- the supervision of the blossoming of government data portals;
- the permanent updating of data in the portals;
- the establishment of a data certification body;
- increasing the use of the Internet in public administrations.

2. The impact of State shareholdings in public and semi-public enterprises

The nineteenth forum with the National Assembly focused in particular on "the impact of State shareholdings in public and semi-public enterprises." The presentation focused on two points: State's equity participation in enterprises and the budgetary impact of such equity participation.

On the first point, by deciding to participate in the social capital of enterprises, the State wanted to achieve a certain number of objectives, in particular, to contribute to economic and social development, to preserve the sovereignty of the State, to ensure the stability of the industrial fabric by preventing the death of these enterprises, and to increase the budgetary resources of the State. By so doing, the State created semi-public enterprises (SPEs) in which it and/or its subdivisions are the majority shareholders. These are managed by the Division of Participations and Contributions (DPC) of the Ministry of Finance. As at 31 December 2016, State's holdings in 61 enterprises were valued at 480,366,000,000 CFAF. For the 52 enterprises in the portfolio of SNI, the State held 2,600,000 equity securities with a gross value of 58,932,173,485 CFAF during the same period.

On the second point, the Audit Bench discussed the expenditure generated by the State's acquisition of shares in enterprises and the operations related to the State's participation in the capital of enterprises which generate budget revenue, i.e. dividends. In general, the companies in the State's portfolio make profits which may give rise to the payment of dividends which are transferred to the Treasury. Other dividends are recorded by SNH, which transfers them directly to the Treasury. DPC finds it difficult to provide information on the payment of dividends to the State by SNI.

The discussions focused in particular on the power of the Audit Bench to control State holdings, the follow-up of State holdings in enterprises, the low level of State equity participation in public enterprises, the low profitability of State holdings in public enterprises and finally the management of the profitability of the portfolio of State holdings by the National Investment Corporation.

This might lead to the conclusion that the State's portfolio is not perfectly mastered. This is due to the plurality of actors and the absence of a consolidation structure, which does not make it possible to have the exact situation of holdings, to present clearly for each company the capital share, the exact distribution of shareholders and their evolution over time, to follow the performances of enterprises to identify the beneficiary enterprises which are likely to distribute dividends, and be potential niches for the budget revenue for the State.

Moreover, reporting at the level of the centralisation of data on State direct shareholdings is made difficult because of the inefficiency of State representation on boards of directors.

Finally, the accounting of transactions related to State shareholdings remains incomplete. This situation is due to the failure to comply with procedures for the commitment of the State expenditure, the absence of an accrual accounting system, and the failure to integrate expenditures such as holdings acquired through contributions in kind or revenue from the sale of shares and clearance into the budgetary accounting system.

The forum therefore made the following recommendations:

- better monitoring of holdings pertaining to the State portfolio;
- better clarity of the payment of dividends to the State by the SNI;
- more coherent strategy of State equity participation;
- distinction between social enterprises and profit-oriented enterprises;
- more involvement of State representatives in their functions as board members in public enterprises.

PART THREE: DECISIONS OF THE AUDIT BENCH IN 2018

CHAPTER 1. FINAL JUDGEMENTS DELIVERED

Judgements rendered by the Audit Bench in the 2018 financial year concern final debit rulings, discharge rulings.

Single section Final debit rulings

Extract of ruling No. 021/JD/S2 of 27/6/2018

ACCOUNT IN FIGURES

<u>Observation No. 1</u> Nature of account (fixing of cash balances)

Whereas the 1st judgement contained a reservation on nature of the account for the following reasons:

Whereas the accounts of the YAGOUA council for the 2008 financial year were not kept in accordance with Decree No. 94/232 of 05 December 1994, specifying the status and powers of municipal treasurers and Decree No. 98/266/PM of 21 August 1998 to approve the council sectorial accounting standards and adopt the local authority budgetary nomenclature;

Whereas this poor performance of accounting is manifested by a non-compliant revenue and expenditure account marked by the absence of the trial balance of annual accounts;

That indeed, the accountant has produced a document titled "account for the 2008 financial year" in which he states the budgetary revenue and expenditure operations through figures on the execution of revenue and expenditure and the final result of the financial year;

That in addition, his account in figures contains the following data:

Concerning revenue:

Account of the financial year (final result)	179,232,111 FCFA
Status of execution of revenue	179,232,111 FCFA
Administrative account	179,232,111 FCFA

That it appears that the total revenue shown in the account for the financial year (final result) is identical to the state of execution of revenue and the administrative account; that, on the expenditure side, the following data are noted:

Account of the financial year (final result)	179,231,697 FCFA
Status of execution of expenditure/	179,231,697 FCFA
Administrative account	179,231,697 FCFA
Expenditure summary sheets	178,481,697 FCFA

That it can be noted that the total expenditure entered in the account for the financial year (final result) is identical to that shown in the status of execution of expenditure and in the administrative account but it is different from that entered in the summary expenditure records with a difference of 750,000 FCFA;

That in addition, there are other irregularities in his account in figures:

- the absence of the trial balance of accounts;
- the absence of the cash book as at 31/12/08;

- the absence of bank statements;
- the absence of a bank reconciliation statement supporting documents;
- the absence of the application account of inactive values
- the absence of monthly certificates of revenue and expenditure;
- the absence of the general ledger and the journal;

That finally, the following general documents are absent:

- the decree establishing the council ;
- the instrument appointing the Mayor;
- the minutes of the assumption of duties of the Mayor;
- The instrument appointing the Council Revenue Collector;
- the minutes of the assumption of duties of the municipal treasurer;

Whereas by petition dated 03 October 2016, recorded at the central mail service of the Audit Bench on 06/10/2016 under No. 236, Ms D.N. the municipal treasurer reacted by attaching a medical file and requesting a moratorium of one (1) month to respond to the injunctions no later than December 9, 2016;

Whereas on analysis, we realise that since his request for a moratorium on October 03, 2016, which was received at the Audit Bench of the Supreme Court on October 06, 2016, and registered under No. 236, more than 08 months have elapsed, and the municipal treasurer has not yet reacted to date. So it decides;

That, consequently, the reservation made on the nature of the account should be maintained.

Reservation

<u>ACCOUNT ON DOCUMENTS</u>

<u>Injunction No. 3</u>: Payments of electricity bills

Whereas injunction No. 2 of the 1st judgement ordered the accountant to pay into the coffers of the Yagoua council the sum of **2,446,351 CFAF** for the following reasons:

Whereas by various vouchers listed in table No. 02 for a total amount of **2,446,351 CFAF**, the accountant made payments of electricity bills for council buildings and public roads to the benefit of AES-Sonel of Yagoua;

Whereas these payments do not include receipts or payment receipts in violation of Article 83 paragraph 2 of Order No. 62/OF-04 of February 7, 1962, referred to above;

Whereas, therefore, the accountant is held personally and financially liable in accordance with the provisions of Section 48 of the above-mentioned Law No. 2003/005 of 21 April 2003;

That by petition dated 03 October 2016, and registered at the central mail service of the Audit Bench on 06/10/2016 under No. 236, Ms D.N., the municipal treasurer reacted by requesting a moratorium of one (1) month;

Whereas on analysis one realises that since her request for a moratorium on October 03, 2016, which was received at the Audit Bench of the Supreme Court on October 06, 2016, and registered under No. 236, more than 08 months have elapsed, the municipal treasurer has still not reacted to this day;

That, consequently, injunction No. 2 should be transformed into a debit;

Debit decision against D. N for the sum of 2,446,351 FCFA.

Injunction No. 04: Insufficient supporting documents

Whereas injunction No. 03 of the 1st judgement enjoined the accountant to return the sum of **17,708,684** CFAF into the coffers of the Yagoua council for the following reasons:

Whereas the various vouchers listed in Table No. 03 for a total amount of 17,708,684 FCFA show that the municipal treasurer paid expenses related to transport and consumption of electricity in the mayor's residence, financial support to sports associations, construction of nine (9) classrooms for the benefit of various persons;

Whereas these payments made by the accountant were made without supporting documents as shown in the observation column of the said table in violation of Article 83 paragraph 2 of the Order No. 62/0F-04 of February 7, 1962, referred to above.

Whereas by making such payments, the accountant is held personally and financially liable in accordance with the provisions of Article 48 of Law No. 2003/005 of 21 April 2003 referred to above;

That the municipal treasurer responded with a letter authorising a moratorium until December 19, 2016, at 3:30 p.m. whose references are cited. However, to date, no supporting document has been submitted to the Audit Bench;

That, consequently, injunction No. 3 should be transformed into a debit decision;

Debit decision against D. N for the sum of 17,708,684 CFAF.

Injunction No. 05: Non-payment

Whereas the injunction No. 4 of the 1st judgement enjoined the accountant to return the sum of **15,386,538 CFAF** into the coffers of the Yagoua council for the following reasons

Whereas the various vouchers listed in table No. 04 for a total amount of **15,386,538 CFAF** show that the municipal treasurer paid NSIF contributions, taxes and other taxes to the head of the NSIF centre, the head of the accounting post of FEICOM and the tax revenue collector of Yagoua;

Whereas these payments do not include material evidence, such as receipts of payment or transfer of the said contributions to the beneficiary organisations;

That in making such payments, the accounting officer is held personally and financially liable in accordance with the provisions of Article 48 of Law No. 2003/005 of 21 April 2003 referred to above;

Whereas by petition dated 03 October 2016, registered at the central mail and liaison service of the Audit Bench on 06 October 2016 under No. 236, Ms D.N. The municipal treasurer reacted by requesting a moratorium of one (1) month;

Whereas, upon analysis, it appears that since her application for a moratorium on October 3, 2016, received at the Audit Bench of the Supreme Court on October 6, 2016, and registered under No. 236, more than 08 months have elapsed, the municipal treasurer has not yet reacted to date. So it decides;

That, consequently, injunction No. 4 should be transformed into a debit decision.

Debit decision against D. N for the amount of: 15,386,538 CFAF.

Injunction No. 06: Missions

Whereas injunction No. 5 of the 1st judgement enjoined the accountant to return the sum of **4,979,000 CFAF** into the coffers of the Yagoua council for the following reasons:

Whereas the various vouchers listed in table No. 05 for a total amount of **6,335, 000 FCFA** show that the municipal treasurer paid mission expenses to the mayor of the Yagoua council and his deputies in violation of Decree No. 81/148 of 13 April 1981 fixing the benefits and bonuses granted to mayors and municipal councillors;

Concerning payments relating to travel expenses due to F.K. (the Mayor of the council), their ceiling was exceeded in violation of the above-mentioned Decree No. 81/148 of 13 April 1981, which in its Appendix III sets the daily mission expenses inside the country at 8,000 CFAF and at 30,000 CFAF for missions abroad. However, the mayor received 4,000 CFAF per day of mission in the country, a surplus payment of 32,000 CFAF; which makes an overrun of 3,104,000 CFAF for 97 mission days;

That, moreover, he received 90,000 CFAF per day as mission expenses abroad (voucher No. 159), or a difference of 60,000 CFAF. This makes a surplus payment of 720,000 FCFA for 12 mission days;

As for the payment vouchers relating to travel expenses due to deputy mayors (Messrs S.R., N., V. Mr and Mrs F.C), there was also an overrun of the ceiling authorised by regulations; 40,000 CFAF per day instead of 25,000 CFAF with a difference of 21,000 CFAF. This makes a cumulative surplus payment of 1,155,000 CFAF for 55 mission days;

That in making such payments, the accountant is held personally and financially liable in accordance with the provisions of Article 83 paragraph 2 of Order No. 62/of/of 07 February 1962 referred to above;

That by petition dated 03 October 2016, registered at the central mail service of the Audit Bench on 06 October 2016 under No. 236, Ms D.N., the municipal treasurer, reacted by requesting a moratorium of one (01) month; and whose answers have still not reached the Audit Bench;

Whereas on analysis, we realise that since her application for a moratorium on October 03, 2016, received at the Audit Bench of the Supreme Court on October 06, 2016, and registered under No. 236, more than 08 months have elapsed, the municipal treasurer has not yet reacted to date. That note should be taken.

Consequently, injunction No. 5 should be transformed into a debit.

Debit decision against D. N for the amount of: 4,979,000 CFAF.

<u>Injunction No. 07</u>: Provision of funds in violation of the circular and absence of supporting documents

Whereas injunction No. 06 of the 1st judgement enjoined the accountant to return the sum of **38,158,372 CFAF** into the coffers of the Yagoua council for the following reasons:

Whereas by various vouchers listed in table No. 06 for a total amount of **38,158,372 CFAF**, the accountant made funds available to various persons. These payments were made in violation of all MINFI circulars instructing the execution and control of the State budget and those of bodies receiving State subsidies;

Whereas, moreover, these payments were ordered by the Mayor for his own benefit and to various persons, including the cashier. It should be noted that the cashier is one only in name. He is in fact a person appointed by the mayor to circumvent the principle of separation of powers between the Authorising Officer and the accountant. For, this person executes a large part of the budget expenditure unrelated to the classic role of the cashier.

That he is clearly a man under the orders of the mayor to cover up irregular operations;

That one wonders, however, about the passivity of the accountant in the face of these manoeuvres which should have stopped;

That in doing so, the municipal treasurer is held personally and financially liable in accordance with the provisions of Section 48 of the above-mentioned Law No. 2003/005 of 21 April 2003;

That by petition dated 03 October 2016, registered at the central mail service of the Audit Bench on 06/10/2016 under No. 236, Ms D.N., the municipal treasurer, reacted by requesting a moratorium of one (1) month, whose replies have not reached the Audit Bench;

That, consequently, injunction No. 5 should be transformed into a debit amounting to 38,158,372 CFAF;

Debit decision against D. N for the amount of: 38,158,372 CFAF.

FOR THESE REASONS:

Taking a final ruling publicly, and after deliberating in accordance with the law;
Hereby decides as follows:

Decides as follows:

Article 1: Reservation is made on the nature of the account;

Article 2: Ms D.N. is hereby made debtor to the YAGOUA council for the 2008 financial year of the amount of **78,678,945 CFAF**;

Section 3. Discharge cannot be pronounced in her favour.

Article 4: The downgraded documents shall be preserved until the completion of the procedure.

Article 5: This order shall be notified to:

CHAPTER 2. OPINIONS AND CERTIFICATION REPORTS

Section 1. Opinion No. 001/2018/CSC/CDC of 26 October 2018 on the Settlement Bill of the 2017 financial year

The Audit Bench of the Supreme Court sitting on the twenty-sixth of October two thousand and eighteen at 10 a.m. in the ordinary hearing hall of its Head Office Building situated at the Winston Churchill Avenue in Yaounde issued the following opinion on Settlement Bill of the 2017 Financial Year.

Mindful of the Constitution;

Mindful of Law No. 2003/005 of 21 April 2003 to lay down the jurisdiction, organisation and functioning of the Audit Bench of the Supreme Court;

Mindful of Law No. 2006/16 of 29 December 2006 to lay down the organisation and functioning of the Supreme Court;

Mindful of Law No. 2007/006 of 26 December 2007 on the Financial Regime of the State under the auspices of which was implemented the Finance Law for the 2017 financial year.

Mindful of Decree No. 2013/160 of 15 May 2013 on the General Rules Governing Public Accounting;

Mindful of Order No. 2018/07/CAB/PCDC/CSC 088 of 24 August 2018 of the President of the Audit Bench to appoint members of the Committee to prepare the opinion on the Settlement Bill of the 2017 financial year and the Certification Report on the General Accounts of the State for the same financial Year;

Mindful of Letter No. 18/00553/MINFI/SG/DGTCFM/DCP/SDRBEC of 30 August 2018 by the Minister of Finance to forward to the Audit Bench for its opinion the Settlement Bill of the 2017 financial year received at the Bench on 30 August 2018 and registered under numbers 579 and 879;

Mindful of Order No. 2018/08/CAB/PCDC/CSC 088 of 07 September 2018 of the President of the Audit Bench to supplement the list of members of the Committee to prepare the opinion on the Settlement Bill of the 2017 financial year and the Certification Report on the General Accounts of the State for the same financial Year set by order No. 2018/07/CAB/PCDC/CSC 088 of August 24, 2018, of the President of the Audit Bench of the Supreme Court;

Mindful of Letter n ° CF 0000036/088/CAB/PCDC/CSC of 21 September 2018 by the President of the Audit Bench of the Supreme Court to transmit copies of the interim observation reports prepared by the Committee to prepare the opinion on the Settlement Bill of the 2017 financial year and the Certification Report on the General Accounts of the State for the same financial Year to the Minister of Finance for his possible observations;

Mindful of Letter No. 18/00006693/MINFI/SG/DGTCFM/DCP of 09 October 2018 by the Minister of Finance relating to responses to the interim observations reports on the Settlement Bill of the 2017 Financial Year

Mindful of Letter No. 18/00006694/MINFI/SG/DGTCFM/DCP of 09 October 2018 by the Minister of Finance relating to responses to the interim observations reports on Certification Report on the General Accounts of the State for the 2017 Financial Year;

Mindful of Letter No. 23/CDC/CSC/S1 of 18 October 2018 from the Coordinator of the Committee transmitting the work on the Settlement Bill for the Financial Year 2017 and the Certification report of the General Account for the same financial year, received the same day and registered under No. 1014

Mindful of Order No. 2018/09/CAB/PCDC/CSC 088 of 23 October 2018 signed by the President of the Audit Bench to convene members of the Audit Bench of the Supreme Court to sit in Chambers on Friday, October 26, 2018, at 10 a.m. to examine the request for the opinion on the Settlement Bill of the 2017 Financial Year and on Monday, 29 October 2018 at 10 a.m. to adopt the Certification Report on the General Accounts of the State for the same financial year;

The review of the request for opinion on the Settlement Bill for the 2017 financial year calls for the following observations regarding the form and the substance.

I. On the form

Legislative and regulatory instruments define the conditions of form and time line for the transmission of the Settlement Bill for opinion.

These include:

- Section 39(c) of Law No. 2006/016 of 29 December 2006 to lay down the organisation and functioning of the Supreme Court;
- Sections 20, 21 and 22 of Law No. 2007/006 of 26 December 2007 relating to the Fiscal Regime of the State and
- Decree No. 2013/160 of 15 May 2013 relating to the General rules governing Public Accounting.

It follows from the provisions of the instruments cited above that:

- The Settlement Bill and its appendices must be submitted to Parliament not later than 30 September of the year following the financial year to which it relates;
- The opinion of the Audit Bench on the said Settlement Bill as well as the Certification Report on the General Account of the State shall be transmitted to Parliament at the same time.

1.1. Date of transmission of the Settlement Bill to the Audit Bench

Since the review of the Settlement Bill for the 2013 financial year, the Audit Bench and the Ministry of Finance agreed that the Settlement Bill should reach the Financial Jurisdiction by 31 August latest, or a minimum of 30 days, to take into account the time required for its review.

The Settlement Bill for the 2017 financial year for the first time reached the Audit Bench on the agreed date, i.e. 31 August 2018.

1.2. Form and content of the Settlement Bill

The form and content of the Settlement Bill are defined by sections 20 and 22 of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State, which provides that;

Section 20:

" (1) The Settlement Law shall be the law that recognises the last finance law executed.

(2) The Settlement Law shall:

1°) ratify amendments made by decree to advance appropriations made available by the last finance law;

2°) fix the final amount of income and expenditure of the budget concerned as well as the ensuing result;

3°) fix the final amount of resources and cash expenses that contributed to the realisation of the financial equilibrium of the corresponding year;

4°) record the disparities in the implementation of programmes on the basis of the targets of corresponding indicators;

5°) account for the profit and loss statement of the financial year based on the resources and expenditures mentioned in section 12 above;

6°) assign the accounting result of the financial year.

Where necessary, the Settlement Law shall:

1°) include provisions relating to the information and control of public finance management to Parliament, to State accounting and the regime of the financial responsibility of State employees;

2°) adopt the special account balances not carried forward to the next financial year.

Section 22:

The Settlement Law shall be accompanied by:

1) *the development of budgetary transactions presented by type, identifying forecasts, collections and outstanding collections, payments and outstanding payments;*
2) *a statement of expenditure by programme specifying the initial allocation, amendments made in the course of management, payment authorisations and payment arrears accompanied by explanatory appendices on the use of appropriations and disparities between forecasts and actual realisations;*
3) *annual performance reports of State services prepared by principal authorising officers;*
4) *explanatory appendices by annex budget and special account;*
5) *a statement on the execution of all investment projects to justify the disparities noted during the year under review between forecasts and actual realisations, by government service and by region;*
6) *Statement of income for the financial year established from resources and expenses referred to section 12 above."*

The Settlement Bill for the 2017 financial year transmitted by letter No. 18/00553/MINFI/SG/DGTCFM/DCP/SDRBEC of 30 August 2018 by the Minister of Finance is accompanied by:

1) the following appendices:

- Appendix 1: Differences between revenue forecasts and collections by type of revenue;
- Appendix 2: Evolution between allocations, payment authorisations and outstanding payments
- Appendix 3: Report on the issuance of treasury bonds;
- Appendix 4: Situation of Special Appropriation Accounts;
- Appendix 5: General Account of the State on 31/12/2017;

2) PIB appendix to the Settlement Bill 2017;

3) Final Balance of accounts as at 31/12/2017;

4) the regulatory instruments amending the appropriations of the Finance Law (04 decrees): transfer of credit from head to head:

5) Law No. 2016/018 of 14 December 2016 on the Finance Law of the Republic of Cameroon for the 2017 financial year.

On 21 September 2018, the Audit Bench received the Annual Performance Reports of government structures as well as the regulatory instruments amending the appropriations of the 2017 Finance Law.

As a result, the Settlement Bill for the 2017 financial year was submitted in the form and within the time frame provided for by law

II. On the substance:

Execution of the 2017 Budget

2.1. Macroeconomic context of the execution of the budget

2.1.1. International environment

The international economic context in 2017 was marked by a resumption of global growth, which reached a rate of 3.8%, the highest since 2011 according to the International Monetary Fund (IMF). Increased investment and rising final consumption were important drivers of the acceleration in global growth across countries.

In advanced countries, the 0.6 percentage point acceleration in GDP growth in 2017 compared to 2016 is almost entirely due to increased investment. This has remained weak since the global financial crisis of 2008–2009 and was particularly lacklustre in 2016. Under these conditions, growth in the United States consolidated at 2.3%, from only 1.6% in 2016. In the Eurozone, after having suffered for a long time from the sovereign debt crisis in some Member States, activity picked up again (2.5%), boosted by more accommodative financial conditions and the fallout from the fiscal stimulus in the United States.

As for emerging and developing countries, the 0.4 point acceleration in growth in 2017 is mainly due to an increase in private consumption. However, the reality is much contrasted in this group of countries. While China and India experienced growth rates above 6 per cent, commodity exporting countries (notably Brazil and Russia, but also most African countries) were hard hit by the persistent fall in commodity prices. These ultimately contributed little to the acceleration of global growth.

Countries of the CEMAC zone have not escaped this situation. The weak recovery in oil prices and the difficult security situation exacerbated the economic downturn that began in 2016 in the subregion. Budget deficits widened further in countries with a higher dependence on oil, and government indebtedness increased, leading to a reduction in foreign exchange reserves. The result is a consolidated growth in the area which did not exceed 2% in 2017, according to BEAC estimates.

2.1.2. Situation of the Cameroon economy

At the national level, the economy continued to be resilient despite exogenous shocks and security challenges in the East and Far North regions, as well as political and social instability in the North-West and South-West regions. However, growth declined following the deceleration observed since 2016. Forecasts proved too optimistic, as growth was ultimately limited to 3.7 per cent, while the government expected a rate of 6 per cent in its budget framework for the 2017 financial year. However, Cameroon was able to consolidate its status as the locomotive of Central Africa by escaping the prevailing recession, thanks in particular to public investment under the Growth and Employment Strategy Paper (GESP) and the implementation of the three-year emergency plan for accelerated growth (PLANUT).

Externally, the economy remained weakened by an average oil price estimated at USD 53 per barrel in 2017, but still far from its pre-crisis level, and a stronger euro versus the dollar. On 26 June 2017, as part of its efforts to address this situation, the Government agreed to a three-year economic and financial programme with an Extended Credit Facility (ECF) of some USD 666 million. This contributed to stabilising the macroeconomic framework over the medium term, but at the cost of a restrictive fiscal policy.

Finally, on the financial front, despite a debt ratio below the Community ceiling of 70% of GDP, the financing of infrastructural projects through non-concessional loans led to a sharp increase in public debt, which crossed the threshold of 30% of GDP in 2017 from 15.6% in 2012 according to data from the Autonomous Sinking Fund (CAA). The country's risk of over-indebtedness thus rose from "moderate" to "high" according to Moody's rating agency. Only inflation was kept under control at 0.6%, below the EU norm of 3%.

The following table summarises the main figures of Cameroon's economy in 2017:

Table 1. Forecasts, actual data and differences

	2015			2016			2017		
	Forecast	**Data**	**Difference**	**Forecast**	**Data**	**Difference**	**Forecast**	**Data**	**Difference**
Real GDP Growth %	6.3%	5.9%	-0.4	6%	4.7%	-1.3	6%	3.7%	-2.3
Rate of inflation %	3%	2.7%	-1	3%	0.9%	-2.1	3%	0.6%	-2.4
Average price per barrel of oil USD	/	52.35	/	/	43.55	/	/	53	/

Sources:
- *African Economic Outlook 2018, AfDB;*
- *World Economic Outlook April 2018 IMF,*
- *World Bank Global commodity-Price prospects, October 2017*
- *Étude économique COFACE, janvier 2018*

GDP: Gross domestic product; USD: United States Dollar.

Although its contribution is the lowest in Cameroon's GDP, the primary sector was the most dynamic in 2017 with a growth rate of 6.2%. The industrial sector, for its part, stagnated, while the tertiary sector continued its progression, which begun in 2016 as shown in the following table:

Table 2. Growth by sector and detailed structure of the GDP of Cameroon in 2017.

Distribution of economic activity by sector	**Primary sector**	**Secondary sector**	**Tertiary sector**
Added Value (annual growth in %)	6.2	0.7	4.2
Added value (% of GDP)	15.3	24.5	52.1

Source: Rapport sur la situation et les perspectives économiques, sociales et financières de la nation, MINFI/DAE, Exercice 2017

Cameroon's economy in 2017 can be summed up in a few points:

Strong points	**Weak points**

▪ Growth of the country less dependent on natural resources, especially oil, thanks to its relatively diversified economy; ▪ Efforts to improve the business environment in recent years to reassure investors; ▪ Extended Credit Facility obtained from the International Monetary Fund over a period of three years to pursue the course set out for the construction of public investments; ▪ Efforts to optimise the collection of State revenue and rationalise public expenditure; ▪ Fast growing energy sector: prospects for reducing the energy deficit.	▪ Multiple security challenges limiting the country's economic recovery capacity; ▪ Debt servicing remains the largest item of expenditure, which overburdens the state budget; ▪ Reduction in customs revenues and increased competition on local products due to the entry into force on 04 August 2016 of the Economic Partnership Agreements (EPAs); ▪ Not very inclusive economic growth, with a poverty rate that has been struggling to decline for a decade; ▪ Persistent cash flow problems, creating a bottleneck for the private sector and especially for Small and Medium-sized Enterprises (SMEs).

2.2. Execution of the 2017 Budget

2.2.1. Collection of revenue

2.2.1.1. Distribution of revenue in the Settlement Bill

Section 1 of the 2017 Settlement Bill transmitted to the Audit Bench provides that, *"The final amount of State budget revenue for the 2017 financial year is closed at the sum of 4,529 703 498 754 CFAF".* This revenue shows a collection rate of 103.56%, an increase of 14.17% compared to 2016, and is broken down as follows

Table 3. Distribution of revenue in the Settlement Bill

Item	Forecasts	Collections	Collection rate %	Part %
1. Own-source revenue	3,143,300,000,000	3,131,616,860,793	99.63	69.14
- Fiscal revenue	2,519,130,000,000	2,524,855,087,390	100.23	55.75
- Other revenue	624,170,000,000	606,761,773,403	97.21	13.39
2. Loans and grants	1,230,500,000,000	1,398,086,637,961	113.62	30.86
Grand total of revenue (1 + 2)	**4,373,800,000,000**	**4,529,703,498,754**	**103.56**	**100**

Source: 2017 Settlement Bill

Own-source revenue had an implementation rate of 99.63%, including 100.23% for fiscal revenue and 97.21% for other revenue. They account for 69.14% of total revenue. Some of this revenue has higher than expected collection rates.

These include:

- Income tax on natural persons (106.85%);
- Value added tax and turnover tax 104.69%);
- Taxes on determined services (118.68%);
- Taxes on the authorisation to use goods or to carry out the activities (180.43%);
- Duties and import taxes (100.66%);
- Stamp duty and registration (123.47%);
- Financial income to be collected (349.46%);
- Fines and pecuniary penalties (228.69%).

As for the rate of achievement of loans and grants, it stood at 113.62% with an exponential increase of the drawings on external multilateral direct borrowing of their forecasts (account 150). They were executed at 445.46%.

On the other hand, administrative fees and charge (account 710) show the lowest collection rate, 35.15%.

2.2.1.2. Overall evolution of revenue from 2015 to 2017

The table below shows the evolution of the budgetary revenue of the State from 2015 to 2017.

Table 4. Evolution of State revenue from 2015 to 2017

Item	2015	2016	2017	2015/2017		2016/2017	
				Amount	%	Amount	%
1- Own-source revenue	3,128,204.4	2,874,836,74	3,131,616,86	3,412.46	0.11	256,780.12	8.93
- Fiscal revenue	2,269,387.4	2,303,604.69	2,524,855,09	255,467.69	11.26	22,125.04	9.6
- Other revenues	858,817.1	571,232.04	606,761. 773	-252,055.33	-29.35	35,529.73	6.22
2- Loans and grants	782,814.7	1,092,621.8	1,398, 086,64	615,271.94	78.6	305,464.84	27.96
Grand total of revenue Total (1+ 2)	**3,911,019.1**	**3,967,458,54**	**4,529,703, 5**	**618,684.36**	**15.82**	**562,244.96**	**14.17**
Rate of collection (%)	**97.96**	**93.69**	**103.56**				

Variation (%)		-4.36	10.53	

Source: 2015, 2016 and 2017 Settlement Bills

This table shows that state revenue amounted to 3,911,019,141,400 CFAF in 2015, 3,967,458,537,774 CFAF in 2016 and 4,529,703,498,754 CFAF in 2017. They thus recorded for the 2017 financial year an increase of 618,684,357,354 CFAF, that is, 15.82% compared to the 2015 financial year and 562,244,960,980 CFA F, that is, 14.17% compared to the 2016 financial year.

2.2.1.3. Evolution by type of revenue from 2015 to 2017

2.2.1.3.1. Collection of fiscal revenue

Collection of fiscal revenue is summarised in the following table:

Table 5. Collection of fiscal revenue

Head	Item	Collections *in millions of CFA francs*			Achievement rate (%)		
		2015	2016	2017	2015	2016	2017
721	Income tax on natural persons	230,185.6	217,073.43	241,542. 39	109.0	90.83	106.85
723	Tax on profits of non-oil companies	367,077.9	351,818.51	319,500.15	119.5	111.65	90
724	Income tax on persons domiciled out of Cameroon	84,412.3	68,690.59	62,806. 35	91.26	63.78	75.67
728	Tax on transfers, registrations and transactions	50,773.5	52,043.90	54,092.84	125.6	111.09	98.31
730	Value added tax and turnover tax	849,285.6	883,178.95	1,048,485.77	103.5	100.84	104.69
731	Taxes on specific goods and excise duties	289,280.3	317,108.88	327,007.96	122.5	105.99	97.38
732	Taxes on specific services	2,491.2	2,468.64	3,880.86	109.0	87.54	118.68
733	Taxes on the right to exercise a professional activity	9,634.0	10,955.19	11,241.17	94.92	92.68	98.69
734	Taxes on permission to use goods or perform activities	80.9	75.79	54.13	269.7	252.65	180.63
735	Other taxes on goods and	10,732.2	8,957.40	10,590.01	90.03	80.12	97.74

	services						
736	Duties and import taxes	320,314.3	330,842.90	375,550.35	104.4	97.46	100.66
737	Duties and export taxes and other taxes on foreign trade.	17,132.5	16,330.05	22,653.51	81.39	65.06	88.08
738	Registration and stamp duties	37,987.1	44,060.47	47,449.56	101.2	103.60	123.47
Total		**2,269,387.4**	**2,303, 604.69**	**2,524,855.09**	**108.2**	**99.44**	**100.23**
Variation (%)			**1.51**	**9.60**		**-8.13**	**0.8**

Source: 2015, 2016 and 2017 Settlement Bills

The tax revenue collected at the end of the 2017 financial year amounts to 2,524,855.09 million CFA francs. It rose by 221,250. 4 million CFAF, that is a growth rate of 9.60% compared to the 2016 financial year.

2.2.1.3.2. Collection of other revenue

Collection of other revenue evolved as follows:

Table 6. Collection of other revenue

Head	Item	Collections *in millions of CFAF*			Rate of achievement (%)		
		2015	2016	2017	2015	2016	2017
710	Administrative fees and charges	20,630.8	15,812.75	5,150.23	153.35	110.35	35.15
714	Accessory sale of goods	57.8	67.22	67.75	73.11	85.09	85.76
716	Sale of services	150,957.7	12,950.97	16,084.41	905.78	72.29	81.97
719	Rent for buildings and land revenue	4042.3	3,740.69	3,479.11	101.54	93.96	82.84
741	Oil sector revenue	592,722.5	456,924.40	413,795.45	76.49	103.33	83.58
745	Financial services to be collected	42,154.9	34,579.62	119,165.70	242.60	138.32	349.46
761	Contributions to pension funds for civil servants and similar workers	44,674.2	44,660.05	45,783.13	114.55	99.24	83.24
771	Fines and condemnations	3,576.9	2,496.35	3,235.99	252.78	176.42	228.69
Total		**858,817.1**	**571,232.04**	**606,761.77**	**89.84**	**85.27**	**97.21**
Variation (%)		**-**	**-33.49**	**6.22**	**-**	**- 5.08**	**14**

Source: 2015, 2016 and 2017 Settlement Bills.

The 2017 finance law provided 624,170 million CFA F for "other revenue." The latter recorded an increase in execution of 606,761.77 million CFAF, or a growth rate of 97.21%. It increased by 35,529.73 million CFAF from 571,232.04 million CFAF in 2016 to 606,761.77

million CFAF in 2017, or an increase rate of 6.22% compared to forecasts. This is due to the collection of “fines and penalties,” (account 771) and “outstanding financial income “(account 745) beyond forecasts (228.6 9% and 349.46% respectively).

2.2.1.3.3. Loans and grants

The collection of loans and grants is presented in the following table:

Table 7. Collection of loans and grants

Head	Item	Collections in millions of CFAF			Rate of achievement (%)		
		2015	2016	2017	2015	2016	2017
150	Drawings on direct multilateral foreign loans	132,800	139,915.23	457,340	100	34.55	445.46
151	Drawings on direct foreign bilateral loans	171,632.8	366,928.28	514,750	80.53	366.93	140.83
153	Drawings on loans from external private bodies	-	-	119,680	-	-	102.44
161	Issuance of Treasury bonds above two years	460,293.3	538,274.4	239,370	85.88	89.71	42.74
769	Exceptional grants from international co-operations	18,088.6	47,503.89	66,946.64	31.08	33.17	78.30
Total		**782,814.7**	**1,092,621.8**	**1,398,086.64**	**83.27**	**87.54**	**113.62**
Variation %			**39.57**	**27.96**		**5.13**	**29.79**

Source: 2015, 2016 and 2017 Settlement Bills.

This table shows that foreign multilateral, bilateral and private loans had respective collection rates of 445.46%, 140.83% and 102.44%.

While recognising the merits of these findings, the Ministry of Finance attributes these overruns to disbursements resulting from the execution of externally financed projects of previous years, which are carried over to subsequent years. An explanatory statement on external financing and the 2017 PIB were attached to its response.

1.2.1.4. Estimation of revenue

Since the Finance Law of 2014, some revenues have been collected better than their forecasts. These collections have sometimes exceeded double or even triple the amounts as shown in the table below:

Table 8. Estimation of revenue

		2015			2016			2017		
		Estimates in millions of CFA francs	Collections in millions of CFA francs	%	Estimates in millions of CFA francs	Collections in millions of CFA francs	%	Estimates in millions of CFA francs	Collections in millions of CFA francs	%
734	Tax on authorisation to use goods	30	80.9	269.76	30	75.79	252.65	30	54.13	180.43
745	Financial services to be collected	17,376	42,154.9	242.6	25,000	34,579.6	138.32	34,100	119,165.70	349.46
771	Fines and condemnations	1,415	3,576.9	252.78	1,415	2,496.35	176.42	1,415	3,235.99	228.69

Source: 2015, 2016 and 2017 Settlement Bills.

In this regard, the Ministry of Finance assures that measures are taken for more realistic budget revenue forecasts.

2.2.1.5. Differences between forecasts and collections by type of revenue

The table below shows the situation of outstanding collections by type of securities issued, in particular, Recovery Notices (RN), Customs Clearance Vouchers (CCV), Land Titles, Revenue Clearance Vouchers (LTRCV), and other tax debts.

Table 9. Situation of outstanding collections

Nature of operations (in millions of CFA F)	Previous OC (1)	Emissions 2017 (2)	Total (1) + (2)	Collections 2017	OC at the end of December 2017
Collection Notices (taxes)	971,142.92	271,190.66	1,242,333.59	294,511.40	947,822,18
Customs Clearance Vouchers (Customs)	218,357.18	62,410.92	280,768.09	55,814.93	224,953.16
Land titles (revenue from State lands) 9.02 end of 2016	9.44	798.25	807.70	798.25	9. 44
Revenue Clearance Vouchers 0.42	0	0.00	0	0	0
Other tax debts	4,097.63	244,317.28	248,414.91	244,317.28	4,097.63
Total	**1,193,607.18**	**578,717.12**	**1,772,324.29**	**595,441.87**	**1,176,882.42**

Source: Settlement Bill

The total amount of the accumulated outstanding collections (OC) at the end of 2017 is 1,176,882.42 million CFAF. It is down by 1.4% compared to 2016. These outstanding revenues represent 25.98% of the revenue collected during the 2017 financial year.

In the particular case of outstanding collections on "*Issuance of customs clearance vouchers*," the balance of which stands at 224,953.16 million CFA francs at the end of 2017, they include outstanding collections before 2013 of 102,000. 75 million CFA francs paid by way of compensation in accordance with the agreements duly concluded between the state of Cameroon and SONARA. As a result, this balance does not correspond to the exact amount of claims in this category entered in the 2017 fiscal year Settlement Bill. This third-party debt is overvalued by almost half.

This failure to account for revenues recovered by set-off undermines the principle of completeness and the principle of sincerity of the Bill and Regulations.

2.2.1.6. Reconciliation between the trial balance of accounts and the Settlement Bill (SB)

2.2.1.6.1. Mismatch of figures between the Trial balance of accounts and the Settlement Bill

There are discrepancies between the amounts in the Settlement Bill and those in the trial balance of accounts as shown in the table below:

Head	Item	Settlement Bill	Trial balance	Difference
728	Tax on transfers and transactions	54,092,846, 876	52,633,739,814	1,459,107, 062
732	Taxes on determined services	3,880,864,736	3,880,363,517	501,219
735	Other taxes on goods and services	10,590, 014,840	7,807,768,596	2,782,246, 244
710	Administrative fees and charges	5,150,226,531	448,381,184	4,701,845,347
714	Accessory sale of goods	67,753,063	25,368,826	42,384,237
716	Sale of services	16,084,413,344	3,451,800	16,080,961,544
745	Financial services to be collected	119,165,701,303	10,037,889,966	109,127,811,337
761	Contributions to retirement funds for civil servants and similar persons depending on APU	45,783,133,356	45,759,195,665	23,937,691
150	Drawings on direct multilateral foreign loans	457,340,000,000	372,816,087,253	84,523,912,747
151	Drawings on direct foreign bilateral loans	514,750,000,000	520,134,271,667	-5,384,271,667
769	Exceptional grants from international co-operation	66,946,637,961	46,652,151,046	20,294,486,915
201	Proceeds from sales of rights	0	1,756,196, 995	-1,756,196, 995
Total		**1,293,851,592, 010**	**1,061,954,866, 329**	**231,896,725, 681**

The Ministry of Finance has produced the table of transition between the budget nomenclature and the general balance of accounts, which justifies these discrepancies.

2.2.1.6.2. Trial balance of accounts and Settlement Bill: Absence of certain accounts

The table below presents the accounts of the trial balance, which do not feature in the SB and vice versa:

Table 10. Mismatch in figures

Head	Item	Account balances	SB
153	Drawings on loans from private external bodies	None	119,680
160	Long-and medium-term domestic loans	576,898	None
161	Issuance of Treasury Bonds above two years	None	239,370
711	Administrative fees and charges	2,313.76	None
712	Administrative fees and charges	2,388.09	None
715	Accessory sale of goods	42.38	None
717	Sale of services	715.06	None
718	Sale of services	15,365.90	None
725	Taxes on capital gains and added value of transfers	1,459.11	None
726	Taxes on salaries and labour	0.5	None
727	Property tax	1.39	None
739	Other dues and taxes not indicated elsewhere:	2,780.86	None
751	Exceptional proceeds	74, 2243.21	None
754	Transfer of fixed assets	256.37	None
762	Contributions to social protection funds of civil servants and others working with public services	23.94	None
763	Grants from multilateral co-operation	938.60	None
764	Grants from EU multilateral co-operation	19,355.87	None
772	Other proceeds and sundry profits	10,083.39	None

Source: 2017 Settlement Bill and 2017 Trial Balance.

Concerning account 153 "*Drawings on loans from private external bodies*" included in the Settlement Bill and not in the Trial balance of accounts, the Ministry of Finance explains that some transactions such as EXFIN are off-balance.

It should be stressed that all transactions should be recorded in the Trial balance of accounts of the Treasury in accordance with the principle of completeness.

2.2.2. Execution of expenditure

2.2.2.1. Evolution of State budgetary expenditure from 2015 to 2017

Budgetary expenditure from 2015 to 2017 evolved as follows:

Table 11. Evolution of expenditure from 2015 to 2017

In millions of CFA francs

Expenditure \ Years	2015	2016	2017
Forecasts	3,992,600.00	4,234,700.00	4,373,800,00
Execution	3,819,717.00	4,021,791.89	4,229, 422.65
collection Rate (%)	95.67	94.97	96.70

Source: *2015, 2016 and 2017 Settlement Bills.*

The final amount of budgetary expenditure in accordance with Article 2 of the Settlement Bill for the 2017 financial year is 4 229 422,65 million CFAF for an estimate of 4,886,212.81 million CFAF, that is an execution rate of 96.70%, an increase of 1.73 points compared to the 2016 financial year, when it stood at 94.97%.

This expenditure is distributed between operating budget (48%), Public Investment (34%) and debt service (18%), as shown in the table below:

Item	2015	2016	2017	2017/2016
Running Budget	55	51	48	- 3
Public investment	31	35	34	- 1
Debt service	14	14	18	4
Total	**100**	**100**	**100**	

Sources: *2015, 2016 and 2017 Settlement Bills.*

Debt Servicing for the 2017 fiscal year increased by 4% compared to the 2016 fiscal year, reaching 18% of the State budget expenditure, while running budget and public Investment decreased respectively by 3% and 1% compared to the previous fiscal year.

The evolution of the execution of expenditures from payment appropriations to outstanding collections is as follows:

Table 12. Evolution of expenditure from final allocations to outstanding collections

In millions CFA francs

Item	Final appropriations	Authorisations PA	Payment	OC generated later Execution of the budget
Public investment expenditure	1,446,784.45	1,427,011.76	1,142,246.28	284,765.47
Investment	1,164,172.06	1,150,270.17	921,381.86	228,888.31
Holdings	19,976.35	19,976.35	11,225.23	8,751.12

Rehabilitation and restructuring	597.73	597.73	167.29	430.44
Intervention in investment	262,038.30	256,167.51	209,471.91	46,695.60
Running expenditure	2,162,319.14	2,040,717.55	1,787,100.16	253,617.39
Consumption of goods and services	597,406.31	547,194.98	366,743.80	180,451.18
Salaries	940,902.01	901,706.44	895,435.32	6,271.12
Pensions	205,000.00	203,122.13	195,144.74	7,977.39
Common expenditure	419,010.81	388,694.00	329,776.30	58,917.70
Debt service	764,696.42	761,693.34	761,693.34	0.00
Foreign public debt	251,378.07	251,378.07	251,378.07	0.00
Domestic public debt	513,318.35	510,315.27	510,315.27	0.00
Total	**4,373,800.00**	**4,229,422.65**	**3,691,039.78**	**538,382.86**

Sources Appendix 2, Settlement Bill of the 2017 financial year (evolution between allocations, PA authorisations, payments, outstanding collections generated after the execution of the 2017 Budget in millions of FCFA).

2.2.2.2. Presentation of budgetary expenditure by chapter and by economic type

Section 2 of the Settlement Bill for the 2017 financial year presents budget expenditures by head and by economic type.

2.2.2.2.1. Modification of open appropriations

The budget initially authorised by Parliament was modified in the 2017 financial year.

Thus, by decrees, the Prime Minister has authorised transfers of appropriations from one chapter to another in accordance with law. However, these decrees do not explain all of the changes in the appropriations approved, on the one hand, and the introduction of the Settlement Bill does not allow for verification of the 5% legal limit for transfers, on the other hand.

2.2.2.2.1.1. Transfer of appropriations without the authorisation of the Prime Minister

"Section 53 (1) of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State provides as follows, *Appropriations may be transferred from one head to another by decree of the Prime Minister."*

A comparison between the initial allocations under the 2017 Finance Law and the final allocations under the Settlement Bill shows that appropriations approved in all budget heads were modified, with the exception of the following four:

3 "National Assembly," 5 "Economic and Social Council," 53 "Senate" and 55 "Pensions."

Pursuant to this article, the Prime Minister signed four decrees authorising transfers of appropriations from one head to another for a total amount of 537,267,042,293 CFAF.

Three (3) of these decrees (Decree No. 2017/7925/PM/CAB of 25 July 2017, Decree No. 2017/9559/PM of 15 September 2017, Decree no. 2017/10948/PM of 25 October 2017) representing the sum of 102,423,955,873 CFAF were signed during the 2017 financial year and the last one, amounting to 434,843,086,414 CFAF, was signed on 24 April 2018 as an adjustment.

Some of these changes in appropriations for a total amount of 7,269,576,277 CFAF were not justified by the Prime Minister's decrees as shown in the table below:

Table 13. Changes in payment appropriations from one head to another insufficiently justified

Source: 2017 Settlement Bill

Heads		**Prime Minister's decrees authorising the transfer of appropriations**		**Changes in appropriations in the SB**		**Difference to be justified**	
		Debit	**Credit**	**Debit**	**Credit**	**Debit**	**Credit**
2	Services attached to the Presidency of the Republic	38,975,603		38,975,600			3
5	Economic and Social Council	17,707,270		0			17,707,270
15	Basic Education		1,934,917,012		4,763,017,012		2,828,100,000
20	Finance	4,981,550,043		10,753,970,043		5,772,420,000	
22	The Economy, Planning and Regional Development		51,329,454		1,151,744,454		1,100,415,000
30	Agriculture and Rural Development	36,367,575,058		36,547,575,058		180,000,000	
32	Water and Energy		80,066,088,667		80,246,088,667		180,000,000
36	Public Works	77,815,140,761		77,968,733,507		153,592,746	
38	Housing and Urban Development	62,358,246,191		62,355,221,900			3,024,291
40	Public Health	44,951,828,021		43,110,999,317			1,840,828,704
60	Grants and Contributions	3,458,172,540		2,312,316,282			1,145,856,258
65	Common expenditure		176,879,376,142		175,715,812,611	1,163,563,531	
57	Domestic public debt		110,415,269,642		110,418,345,938		3,076,296
94	Intervention in investment		106,487,734,990		106,638,303,445		150,568,455
Total						**7,269,576,277**	**7,269,576,277**

In reaction to this observation, the Ministry of Finance forwarded to the Audit Bench Decree n ° 2017/9558/PM of 15 September 2017 which authorises the transfer of appropriations from Head 20 to Heads 40, 15 and 22 for the sum of 5,772,420,000 FCFA as additional justification. This does not justify the full amount of 7,269,576,277 CFAF. Therefore, the amount of 1,497,156,277 CFAF for which the transfer authorisation has not been submitted remains.

2.2.2.2.1.2. Verification of the legal ceiling of 5% of transfers per section

Section 53 of the Fiscal Regime of the State states that, *"The cumulative amount of appropriations transferred, in the same year, shall not exceed 5% of appropriations allocated by the finance law for that year for each of the sections."*

Moreover section 9 of the same law provides as follows, *"(2) within each head, appropriations shall be presented by section, programme, action, article and paragraph.*

(3) The section is the functional destination of the expenditure."

However, Article 2 of the Settlement Bill presents budgetary expenditure by head, and Article 4 presents it by head and by programme, while concealing the breakdown by section, which makes it impossible to verify the implementation of the provisions of the financial regime in compliance with the ceilings of the transfer of appropriations, and let alone to ascertain the functional destination of appropriations.

The Ministry of Finance points out that with Law No. 2018/012 of 11 July 2018 on the Financial Regime of the State and Other Public Entities, the field "section" now becomes mandatory in the budget nomenclature and that a systematic effort of information will be made.

2.2.2.3. Review of the investment budget

The Public Investment Budget for the 2017 financial year was reduced during its execution due to transfer of appropriations. The MINEPAT report on the execution of the PIB explains this decrease by the large volume of transfers made in some government structures, from investment to operations, with a net variation on the PIB of - 88,571,986,075 CFAF.

However, it emerges from the Settlement Bill that the difference between the initial and final allocations of the PIB is 140,115,554,924 CFAF.

The explanation of the Ministry of Finance remains unclear. It states that, *"this discrepancy between the data of MINEPAT and the data in the Settlement Law would be due to the recording by MINEPAT of certain expenditure executed under the head "common expenditure" (which serves mainly operating purposes) as public capital expenditure, whereas the format of the settlement law does not provide for the breakdown of final allocations of common expenditure into capital and operating expenditure."*

Capital expenditures include the public investment budget of constitutional bodies and ministries, shareholdings, rehabilitation and restructuring expenditures and investment interventions. They were executed as follows:

Table 14. Development Expenditure

Head	Item	Final appropriations	Execution	Execution rate (%)
92	Holdings	19,976,346,344	19,976,346,344	100.00%
93	Rehabilitation/restructuring	597,731,682	597,731,682	100.00%
94	Intervention in investment	262,038,303,445	256,167,508,584	97.76%
	Capital Expenditure of organisations	1,164,172,063,605	1,150,270,168,431	98.81%
	External funding	622,653,564,000	622,653,652,000	100.00%
Total		**1,446,784,445,076**	**1,427,011,755,041**	**98.63%**

Source: Settlement Bill

PIB expenditures for 2017 recorded an operating rate of 98.63%, an increase of 6.13 percentage points compared to the 92.50% execution rate recorded for the 2016 financial year.

2.2.2.3.1. Capital Expenditure of organisations

The expenditure concerning the public investment budget of organisations of a final allocation of 1,164,172,063,605 CFAF was carried out for 1,150,270,168,431 CFAF, an execution rate of 99%.

The State PIB in (PA) financed by Internal Resources (IR) and External Resources (ER) is broken down as shown in the table below:

Table 15: Capital Expenditure of organisations

In billions of CFAF

Source of financing	2014	2015	2016	2017	2016 – 2017 (%)
Internal resources	709.0	821.0	1000.8	961.9	-3.9
OIR	688.0	697.2	578.0	613.6	6.2
- OIR*	533.0	542.0	356.8	356.0	-0.2
- CF/TCD	21.0	10.0	8.0	80.0	900.0
- CF/AE	91.2	91.3	155.0	118.7	-23.5
- TR	42.8	53.9	58.1	58.9	1.4

SIR (C2D)	21.0	27.8	27.8	33.3	19.9
SYTYP				25.0	
PLANUT		66.0	275.0	260.0	-5.5
CAN		30.0	120.0	30.0	-75.0
External resources	291.0	425.0	525.0	625.0	19.0
Total	**1,000.0**	**1,246.0**	**1,525.8**	**1,586.9**	**4.0**

Source: Final Report of execution of the 2017 PIB, MINEPAT;

- SIR: Special Internal Resources;
- CF/TCD: Counterpart funds in Taxes and customs duties;
- CF/AE: Counterpart funds in actual spending;
- RIR: Ordinary Internal Resources;
- RIR*: OIR without CF/TCD, CF/AE and TR;
- SYTYP: Special Three-Year Plan for Young People.

This table shows that resources transferred amounted to 58.9 billion CFA F in 2017, an increase of 1.4% compared to the 2016 financial year.

2.2.2.3.2. Investments expenditure

Head 92 "*Investments*" *is the subject of programme 697 "State holdings in semi-public and Private Enterprises*." The programme consists of a single action No. 2, '*Equity participation in other companies*."

The annexes to the SB show that the expenditure for this action has been planned and implemented as follows:

In thousands of CFA F

Central administration	Initial allocations in PA	Current allocation in PA	Authorisations
- Support to PAEs and bodies	-	1,736, 000	1,736, 000
- Equity participation in companies	20,000, 000	18,240, 346	18,240, 346
Total	**20,000,000**	**19,976, 346**	**19,976, 346**

As in previous years, it is necessary to question the nature of the support granted in Head 92 "*Investment*" to PAEs and beneficiary bodies for the 2017 financial year whose announced list has not reached the Audit Bench.

2.2.2.3.3. Expenditure on rehabilitation and restructuring

Head 93 "*Rehabilitation/Restructuring*" is the subject of the only programme 703 titled "*Rehabilitation/Restructuring of Public Enterprises*."

The list of beneficiary organisations following Joint Order No. 0003/MINFI/MINEPAT of 17 March 2017 establishing the rehabilitation resources made available to public institutions and organisations which signed business contracts with the State for the 2017 financial year has been submitted to the Audit Bench.

In the end, out of an initial allocation in PA of 15 billion CFAF, only 597 million CFAF was approved, which represents an execution rate of 3.98%.

2.2.2.4. Review of the operating budget

The budget allocation for State operating expenditures for the 2017 financial year was 2,162,319,135,398 CFAF compared to 2,133,458,062,155 in 2016. The execution of the operating budget resulted in the authorisation of payment appropriations amounting to 2,040,717,549,785, CFAF, an execution rate of 94.38%.

The table below shows the execution of operating budgets for the last three financial years:

Table 16. Evolution of the execution of the operating budget from 2015 to 2017

Appropriations approved in million CFAF	**2015**	**2016**	**2017**
Expenditure on goods and services	912,137.78	705,019.63	547,194.98
Salaries	775,009.97	828,919.54	901,706.44
Pensions	183,000.00	194,000	203,122.13
Common expenditure	228,795.80	317,368.57	388,694.00
Running budget	2,098,943.55	2,045,307.74	2,040,717.55
Total budget executed	3,819, 717.7	4,021,791.9	4,229, 422.6
Share of the running budget in the total budget executed	54.95%	50.86%	48.25%

Sources: 2015 to 2017 Settlement Bills

The running budget is in a clear decline in terms of State expenditure. Thus, from 54.95% in 2015, it dropped to 50.86% in 2016, and represents 48.25% of the 2017 budget, which ultimately reflects the government's commitment to direct spending towards investment and debt servicing.

2.2.2.4.1. Consumption of goods and services

The final allocation for the consumption of goods and services is 597,406.31 million CFAF against 547,194.98 million CFAF of authorised appropriations. The payments made amount to 366,743.80 million CFAF. Outstanding collections generated after the execution of the 2017 budget amount to CFAF 180,451.18 million.

Consumption of goods and services has been declining over the last three years. Thus, from 912,137.78 million CFAF in 2015, it dropped to 705,019.63 million CFAF in 2016 and finally to 547,194.98 million CFAF in 2017. This downward trend can also be observed in terms of their importance in the running budget executed. Therefore, this expenditure represented 43.45% in 2015, 34.47% in 2016 and 26.81% in 2017.

The table below shows the evolution of consumer expenditure on goods and services in the overall running budget:

Appropriations approved in million CFA	**2015**	**2016**	**2017**
Expenditure on goods and services	912,137.78	705,019.63	547,194.98
Running budget	2,098,943.55	2,045,307.74	2,040,717.55
volume of goods and services in the running budget	43.45%	34.47%	26.81%

Sources: 2015 to 2017 Settlement Bills

2.2.2.4.2. Staff expenditure - salaries

The final allocation granted to the salary and pay expenditures of State employees is estimated at 940,902.01 million CFAF against 901,706.44 million CFAF of payment authorisations. Payments made amount to 895,435.32 million CFAF and the outstanding balance on salaries for the 2017 budget is 6,271.12 million CFAF.

Contrary to expenditure on goods and services, expenditure on wages and salaries has been increasing over the last three years. Thus, from 775,009.97 million CFAF in 2015, it rose to 828,919.54 million CFAF in 2016 to reach 901,706.44 million CFAF in 2017. In terms of its volume in the executed running budget, expenditure on wages and salaries accounted for 36.92% in 2015, 40.52% in 2016 and 44.18% in 2017.

Moreover, from a budgetary and accounting standpoint, there is a mismatch of information between the financial data displayed in the SB and those entered in the trial balance as at 31 December 2017, whereas according to the harmonised framework of the State's accounting and budgetary nomenclature, this information must be consistent in all respects.

The table below shows differences between the budget data displayed in the SB and that provided by the Treasury in the trial balance as at 31 December 2017:

In millions CFA francs

	Authorisations		**Payments**	
	SB 2017	**Trial balance[1]**	**SB 2017**	**Trial balance[2]**
Staff expenditure	901,706.4	1,024,790.1	895,435.3	985,688.1

[1] Sum of the cumulated credit movements of accounts 400,002 and 4,000,062

[2] Sum of the cumulated debit movements of accounts 400,002 and 4,000,062

Difference (Trial balance – SB 2017)	123,083.7	90,252.8

Sources: Appendix 2 of the SB and Balance as at 31 Dec. 2017

2.2.2.4.3. Pension expenditure

Expenditures on pensions are entered in budget head 55 "*Pensions*" The final allocation of the said head is estimated at 205,000 million CFAF while the appropriations authorised amount to 203,122.13 million CFAF and the payments made to 195,144.74 million CFAF. The outstanding balance on pension expenditure for the 2017 budget amounts to 7,977.39 CFAF million.

Between 2015 and 2016, pensions increased from 183,000 million CFAF to 194,000 million CFAF, then to 203,122.13 million CFAF in 2017, an increase of 11,000 million CFAF and 9,122.13 million CFAF respectively. When transferred to their respective running budgets, pension expenditures represented, in terms of volume, 8.5% in 2015, 9.1% in 2016 and 9.95% in 2017 respectively.

However, from a budgetary and accounting point of view, there is a mismatch of information between the financial data displayed in the SB and those recorded in the trial balance as at December 31, 2017.

The table below shows differences between the budget data displayed in the SB and that provided by the Treasury in the trial balance as at 31 December 2017:

In millions CFA francs

	Authorisations		**Payments**	
	SB 2017	**Trial balance[3]**	**SB 2017**	**Trial balance[4]**
Staff expenditure pension	203,122.13	237,506.3	195,144.74	235,209.5
Difference (Trial balance – SB 2017)		34,384.2		40,064.8

Sources: Appendix 2 of the SB and trial balance as at 31 Dec. 2017.

2.2.2.5. The effective servicing of public debt

2.2.2.5.1. Debt servicing as presented in the Settlement Bill

Debt servicing consists of repayments of principal and interest of external and domestic public debt. For final allocations of 764,696.4 million CFAF, debt service was ordered at 761,693.3 million CFAF, representing an execution rate of 99.61%, as shown in the table below:

[3] Sum of the cumulated credit movements of accounts 400,003

[4] Sum of the cumulated debit movements of accounts 400,003

Head	Item	Final appropriation	Execution	Execution rate (%)
56	Foreign public debt	251,378,073,588	251,378,073,588	100.00%
	- Principal	118,197,850,000	118,197,850,000	100.00%
	- Interests	133,180,223,588	133,180,223,588	100.00%
57	Domestic public debt	513,318,345,938	510,315,269,642	99.41%
	- Principal	373,286,705,106	370,286,705,106	99.20%
	- Interests	140,031,640,832	140,028,564,536	99.99%
Total debt service		**764,696,419,526**	**761,693,343, 230**	**99.61%**

Source: 2017 Settlement Bill

In 2017, debt servicing was executed at 100% of budgetary allocations for foreign public debt and 99.41% for domestic public debt.

2.2.2.5.2. Debt servicing burden in the State budget

Budget allocations for debt servicing remain the highest in the overall State budget. The ratio between the amount of expenditure incurred in servicing the debt and the final amount of State budget expenditure per year makes it possible to determine the debt servicing burden.

Table 17. The main heads of the State budget in terms of expenditure

Item	Distribution of total State expenditure %			Variation %
	2015	2016	2017	2017/2016
Debt service	14.17	14.19	18.01	+26.92
Ministry of Public Works	9.53	9.84	8.01	-18.59
Ministry of Secondary Education	5.81	5.75	7.22	+25.56
Ministry of Defence	5.42	9.84	4.95	-49.69

Source: 2015, 2016, 2017 Settlement Bills.

Debt servicing is the largest item of government expenditure; it has seen in sharp increase from 9.27% in 2017 to 18% of total government budget expenditures, ahead of the budgets of the Ministries of Public Works, Secondary Education and Defence respectively.

2.2.2.5.3. Basic State budget balance on 31 December 2017

The basic budget balance (BBB) or primary balance is the difference between the amount of own-source revenue and the amount of annual public expenditure excluding debt servicing in the State budget.

Section 3 (2) of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State indicates, "*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.*"

Since 1 January 2002, one of the criteria of the CEMAC multilateral surveillance framework has been that the basic budget balance transferred to GDP should be positive or zero. Indeed, a negative basic budget balance mechanically reflects the situation of a State that takes on debt to service its debt.

The situation of the basic State budget balance since the 2015 financial year has evolved as shown in the table below.

Table 18. Determination of basic budget balance

	2015	2016	2017
Own-source revenue generated	3,128, 204,400,000	2,874,836,736,272	3,131,616,860,793
Non-Debt-Service Expenditures	3,269,007,100, 000	3,450,872,652,339	3,464,726,228, 530
Basic Budget Balance (BBB)	-140,802,700, 000	-576,035,916,067	-333,109,367, 737
Gross Domestic Product (GDP)	16,851,958,000, 000	17,644,484,000, 000	18,297,329,908, 000
BBB/GDP	-0.83%	-3.26%	-1.82%

Source: World Bank; average exchange rate: 1 USD= 550 XAF

Despite a slight improvement in the deficit of the Basic Budget Balance compared to 2016, this balance remains negative as does the ratio between the latter and Gross Domestic Product (-1.82%), reflecting Cameroon's failure to meet the convergence criterion of the CEMAC Multilateral Surveillance System in 2017.

The Ministry of Finance explains this situation by the recession that affected all the economies of the subregion and which led to the signing of the economic and financial programme with the International Monetary Fund (IMF) in June 2017. It also assures that the successful implementation of this programme will enable our country to recover its balance in the medium term.

2.2.2.5.4. Debt stock on 31 December 2017

The outstanding public debt as at 31 December 2017 amounts to 6,203 billion CFAF, of which 4,625 CFAF billion being the stock of external debt and 1,578 billion CFA F for the stock of domestic debt as shown in the table below (in billions):

Item	31/12/2015	31/12/2016	31/12/2017
Outstanding external debt	3,480	3,961	4625
Outstanding domestic debt	1,139	1,073	1578
Total outstanding public debt	4,619	5,034	6203
Own-source revenue	3128	2,874	3,131
Outstanding debt to Own-source revenue ratio	1.47	1.75	1.99
Debt service	550	570	761
Outstanding debt to Debt service ratio	8.39	8.83	8.21
Variation of outstanding debt %	32.44	8.98	24.42

Sources: 2015, 2016, 2017 Settlement Bills. ASF

The ratio between the outstanding debt and the State's own-source revenue is increasing for a debt stock that is almost double the State's own-source revenue in 2017.

The debt-stock to debt-service ratio stabilised at over 8 due to a sharp increase in debt service. With the current level of debt service, it will take more than eight years for the State to repay the capital owed without taking into account interest.

The Audit Bench observes that the rate of increase in the debt stock is higher than that of the State's Own-source income.

For its part, the Ministry of Finance notes that Cameroon's debt is carried out in strict compliance with the two multilateral surveillance criteria, namely the debt ratio, which remains below 70% of GDP, and its ceiling, which is expected to remain well below 70% for over 25-year.

2.2.2.5.5. Committed Undisbursed Balances (CUBs)

Committed Undisbursed Balances represent the amount of loans Cameroon obtained but not use. The increase in CUBs from year to year causes the State to support interest charges for unused funds. CUBs continued to increase over the period under review as illustrated in the following table:

Table 19. Evolution of CUBs

Items	31/12/2015	31/12/2016	31/12//2017
CUBs (in billions of CFA F)	2,799.46	3,922.5	4491.2
Evolution of CUBs in %	26.81	40.12	14.49
Indebtedness during the financial year	764.72	1045.07	1331.6
SEND/Indebtedness during the financial year	3.66	3.75	3.37

Sources: 2015, 2016, 2017 Settlement Bills. ASF business note

From 2015 to 2017, the Government continued to contract new loans while the funds previously made available to it by donors were not used-up

The Ministry of Finance assures that the implementation of Circular No. 002 C/MINFI of June 19, 2018 amending and supplementing certain provisions of Circular No. 001/C/MINFI of 02 January 2018 will make it possible to provide an appropriate response to the problem of committed undisbursed balances.

2.2.2.5.6. Debt endorsed by the State

Section 28 of Law No. 2016/018 of 14 December 2016 on Finance Law of the Republic of Cameroon for the 2017 financial year provides as follows; *"Within the framework of laws and regulations, the Government is authorised to grant the guarantee of the State to public establishments and semi-public enterprises in the form of concessional loans exclusively for an aggregate amount not exceeding 40 billion CFA francs".*

Reconciliation between the data in the State's provisional balance sheet appended to the SB and the information contained in the ASF business notes reveals the discrepancies shown in the following table:

	31/12/2016			31/12/2017		
	ASF	Balance sheet	Difference	ASF	Balance sheet	Difference
Outstanding guaranteed debt (in billions of CFA F)	71	0	71	51.7	51.9	-0.2

Source: 2016 and 2017 Settlement Bills; ASF business notes

It should be recalled that the 2016 Finance law also limited the amount of the endorsement to be granted for this fiscal year to CFA 40 billion.

The Audit Bench reiterates the need for the figures for the debt produced by the Autonomous Amortisation Fund to be in line with those in the Bill of Regulations, with any difference to be explained in the annexed statement.

2.2.3. Budget balance

2.2.3.1. Accuracy of budget forecasts

Pursuant to Section 3 (1) of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State, "*the finance law shall present accurately all State revenue and expenditure.*"

The sincerity of the budget forecasts of the initial finance law which prescribes the accuracy of the estimate of revenue and expenditure is assessed taking into account the information available during the drafting of the finance law and the forecasts which may reasonably result therefrom.

The analysis of the economic assumptions on which the 2017 Finance Law was established and their actual evolution during the same year shows that the sincerity of the budget forecasts is not in question.

2.2.3.1.1. The budgetary balance for 2017 and its evolution since the 2007 financial year

The budget balance in the Settlement Bill represents the difference between the revenue earned (revenue collected) and the expenditure authorised.

The table and graph below show how it has evolved from 2007 to 2017.

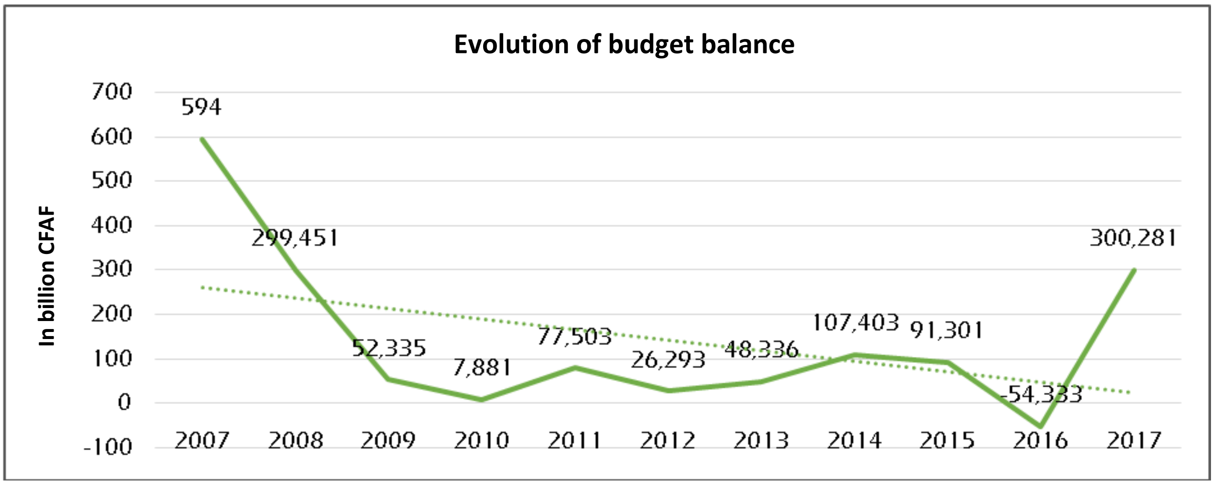
Table 20. Evolution of budget balance from 2007 to 2017

Financial years	Revenue generated	Expenditure authorised	Budget balance
2007 Settlement Bill	2,225, 449 831,111	1,631,298,865,001	594,150,966,110
2008 Settlement Bill	2,353,990,394,932	2,054,539,861,733	299,450,533,199
2009 Settlement Bill	2,093,925,888,514	2,041,591,207,044	52,334,681,470
2010 Settlement Bill	2,340,351,834,587	2,332,470,662,771	7,881,171,816
2011 Settlement Bill	2,531,754,050,964	2,454,250,747,633	77,503,303,331
2012 Settlement Bill	2,751,116,362,685	2,724,823,831,702	26,292,530,983
2013 Settlement Bill	3,022,907,925,888	2,974,552,242,606	48,335,683,282
2014 Settlement Bill	3,384,712,900,000	3,277,297,600,000	107,403,383,502
2015 Settlement Bill	3,911,019,100,000	3,819,717,700,000	91,301,450,852
2016 Settlement Bill	3,967,458,537,774	4,021,791,897,587	-54,333,359,813

2017 Settlement Bill	4,529,703,498,754	4,229,422,648, 056	300,280,850, 698

Sources: Settlement Bill

The graph below shows the evolution of the budget balance from 2007 to 2017:



The budget balance remained positive from 2007 to 2015. It deteriorated to the point of turning negative in 2016; the first time since 2007, then turned positive again in 2017.

The budget balance for the 2017 financial year is set at 300,280,850,698 CFAF compared to 91,301,450,852 CFAF and 54,333,359,813 CFAF respectively in 2015 and 2016.

2.2.3.1.2. The overall execution rate of revenue and expenditure for the 2017 financial year.

The overall execution rate of revenue was 103.56 per cent compared to the forecast, while the overall rate of execution of expenditures was 96.70 per cent.

The evolution of the execution rate of revenue and the authorisation rate from 2007 to 2017 is as follows:

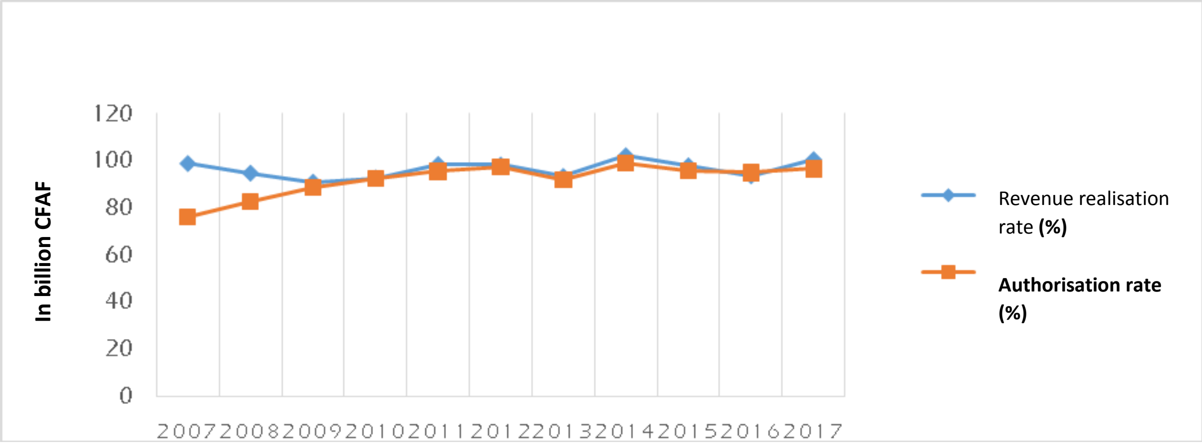
Financial year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue execution Rate (%)	98.9	94.8	91	92.8	98.5	98.3	93.41	102.2	97.96	93.69	103.56
Authorisations Rate (%)	76.2	82.8	88.7	92.5	95.5	97.3	91.92	98.95	95.67	94.97	96.70

Source: 2007 to 2017 Settlement Bills

The execution rate of the budget revenue is up by 9.87 points compared to 2016.

In terms of expenses, the authorisation rate of final allocations is up by 1.73 points compared to 2016.

With the exception of the 2016 financial year, since 2007 the execution rate of revenue has been higher than the rate of expenditure authorisations.



2.2.3.2 Concerning the sincerity of the Settlement Bill

The principle of sincerity applied to the Settlement Bill concerns the accuracy of the accounts.

The public accountants responsible for keeping and drawing up State accounts must ensure the respect of the principles and rules of public accounting and notably ensure the sincerity of accounting entries and the respect of procedures.

2.2.3.2.1. Determination of outstanding collections and outstanding payments

Section 22 (1) of Law No. 2007/006 of 26 December 2007 on the Financial Regime of State provides that the Settlement Bill is accompanied by, “ *the development of budgetary operations presented by type, identifying forecasts, collections and outstanding collections, payments and outstanding payments.”*

Moreover, pursuant to section 63 (1) of this law, the General Accounting of the State is based on the principle of recognition of rights and obligations. This instrument has been applicable since the 2012 financial year (section 78 of the aforementioned law), notwithstanding the provisions of article 128 of Decree No 2013/160 of 15 May 2013 on the General Rules on Public Accounting, a lower standard, which provides for a differed gradual application up till a timeline of six years.

The Settlement Bill of the 2017 financial year deals with the outstanding payments in its appendices I and II.

Appendix I of the Settlement Bill of the 2017 financial year titled "*Differences between forecasts and collections by type of revenue*" presents two tables. The first sets out the status of the total revenue for the year and determines the deviations from budget estimates. This table shows the following findings:

- the execution rate of own-source revenues of 99.62% is dependent on the tax revenues executed at 100.22%;
- Loans were executed at 113.61%.

2.2.3.2.1.1. Outstanding collections

The second table presents, by Region, the emissions, collection and outstanding collections from tax, Customs and Lands revenues, the clearance vouchers and other tax debts of the 2017 financial year and the previous financial years. The settlement bill also highlights the distribution of outstanding collections by nature.

Table 21. Evolution of outstanding collections in relation to own-source revenue

Financial year	2015	2016	2017
Outstanding collections (cumulated)	1,042,194,760,000	1,193,607,180,000	1,176,882,420, 008
Own-source revenue generated	3,128,200,000, 000	2,874,830,000,000	3,131,616,860, 000
Ratio (Outstanding collections/own-source revenue %	**33.31**	**41.52**	**37.58**

Source: 2015, 2016 and 2017 Settlement Bills.

The ratio of outstanding collections to own-source income decreased from 41.52% in 2016 to 37.58% in 2017.

The commitment made by the Ministry of Finance in 2016 during the review of the Settlement Bill of the 2015 Fiscal Year to "*boost the clearance of the outstanding collections*" and the establishment of a Commission by the same ministry to boost the clearance of outstanding collections has not yet produced the expected outcome. There is always a considerable increase in the amounts to be recovered at the same time as their proportion in relation to the own-source revenue.

2.2.3.2.1.2. Outstanding debts

Appendix II of the Settlement Bill of the 2017 financial year indicates that the outstanding debts stood at 538,382,860,000 CFAF against 627,659,370,000 CFA F in 2016.

2.2.3.2.2 Carry-over of closing balances of 2016 into opening balance of the 2017 financial year.

Article 17 of CEMAC Directive No. 03/11-UEAC-195-CM-22 of 19 December 2011 relating to the Chart of Accounts of the State provides that: *"The general accounting of the State shall respect the principle of the intangibility of the opening balance sheet: the detailed opening balance sheet for a financial year must correspond exactly to the detailed balance sheet at the end of the previous financial year."*

The balances of certain accounts of the closing balance of the 2016 financial year have not been accurately carried over in the opening balance of the 2017 financial year. The table below illustrates some of these balances.

Table 22. Balances of some accounts of the 2016 financial year erroneously carried over to 2017

Account	Item	2016 closing balance		2017 opening balance		Difference
		Debit	Credit	Debit	Credit	
4,000,090	Purchase order - Functioning		32,159, 991,832	3,220,477	29,235, 110,240	-2,924, 881,592
4,000,091	Purchase order - Investment		28,928,553, 457		29,069,397, 331	140,843, 874
400,009,216	Purchase order - Other staff expenditure 201 6		1,792,529,560		1,761,006, 092	31,523, 468
4,000,093,11 6	Special purchase orders expenditure transferred to LA-invest 2016		18,824,491,105		18,897,890, 654	73,399, 549
450	Deposits of public administrations		109,842,206,159		110,043,801,339	201,595, 180
4501	Deposits by MINESEC		6,285,775,747		6,493,266,699	207,490, 952
5151	Other current accounts of	10,428,387,920		10,556,903,297		128,515, 377

	accounting stations abroad					
39,010	Cancellation of prescribed security		17,994,811,024		0	-17,994,811, 024
39,031	Exceptional repeat BEC outside PPTE/IADM	517,679,050		18 309,680		-499,369, 370
40,000,212	Expenditure on staff salary CF 2012		182,835,543		5,400,226,606	5,217,391, 063
40,000,312	Expenditure on staff pension CF 2012	958,069,657			5,694,697,758	4,736,628, 101
414,112	Increases in RN 2012	1,959,427,017		2,475,872,217		516,445, 200
4,810,016	Expenditure to be adjusted 2016	32,516,126,976		31,446,365,486		-1,069,761, 490
481,310,115	Non-urgent court costs 2015	9,744,863,515		2,054,235,488		-7,690,628, 027
481,310,116	Emoluments and fees of civil jurisdictions 201 6	3,565,190,918		1,261,390,863		-2,303,800, 055

Source: 2016 and 2017 trial balances

For the Ministry of Finance, the resolution of this problem will be effective with the implementation of the State's new accounting standards.

2.2.3.2.3. TRANSACTIONS IMPUTED ON PROVISIONAL ACCOUNTS AS REVENUE AND EXPENDITURE IN THE 2017 FINANCIAL YEAR , NOT SETTLED BEFORE THE END OF THE SAID FINANCIAL YEAR

Treasury Instruction No. 003/006I/MINFI/DT/DER of 31 December 2003 prescribes that,*"accounts with provisional allocations must be compiled and adjusted during the supplementary day. The supplementary day covers the period reserved for adjustment of operations, which do not affect cash accounts (cash, bank, CCP) especially:*

- *Take-over of revenue and expenditure for the ended financial year;*
- *Reception of Statements of Operations to be Transferred (EDOT);*

The clearance of accounts with provisional allocations, third-party accounts, correspondent councils, rejections, etc.

During this period, the above transactions are backdated to 31 December and will absolutely close on 31 January of the current year in the Sundry Operations Ledger (SOL)".

This position is reaffirmed by the General Instruction on State Accounting of April 2009.

However, the revenue and the expenses to be adjusted during the 2017 financial year were not cleared before the end of the financial year and amounted respectively to 6,426,631,593 CFA F and 76, 223, 031, 728 CFA F as shown in the table below:

Table 23. Situation of operations imputed on provisional accounts during the 2016 financial year

Account	Item	Revenue	Expenditure
4,802,017	Revenue to be adjusted 2017	6,670,413,434	
4,810,017	Expenditure to be adjusted 2017	0	17,003,466, 766
481,117	Rejected expenditure 2017	0	35,395
48,121,317	Bonuses on the sale of stamps 2017	0	8,043, 317
48,121,417	Loss of exchange - PGT 2017	0	590,078, 582
48,121,517	Reimbursement of telephone allowances diplomats PGT 2017	0	10,926, 000
48,122,317	Expenditures to be budgeted- Fiscal assets	0	140,236, 754
48,122,517	Expenditure to be budgeted annual allowance due RR 2017	0	3,181,224
48,122,617	Expenditure to be budgeted- Interest and fees	0	2,750, 000
481,310,017	Emoluments and fees Military jurisdictions 2017	0	405,620, 543
48,131,017	Non-urgent court costs 2017	0	1,239,983, 644
481,311,017	Urgent court costs Military jurisdictions 2017	0	1,055,364, 422
481,311,117	Urgent court costs Civil jurisdictions 2017	0	925,326, 871
48,131,117	Urgent court costs 2017	0	214,055, 670
4,813,117	Court costs to be shared 2017	0	487,406, 360
4,813,217	Bonus sale of stamps 2017	0	943,027,056
Total		**6,670,413, 434**	**76,226,248,347**

Source: 2017 Settlement Bill

While acknowledging the relevance of this observation, the Ministry of Finance points out that measures have been taken within the framework of Circular No. 002 C/MINFI of 19 June 2018 amending and supplementing certain provisions of Circular No. 001/C/MINFI of 02 January 2018 to remedy this situation and ensure that the volume of expenditures made in cash advances is considerably reduced.

During the final phase of the contradictory hearing held on 15 October 2018 at the Audit Bench, the Director General of the Budget justified this situation by forecasts that were generally lower than achievements. It was agreed that the solution is based on the use of cash advance decrees, provided for in the Fiscal Regime of the State.

2.2.3.2.4. Analysis of the budget balance

For the 2017 financial year, the budget balance established by the Settlement Bill transmitted to the Audit Bench and calculated by the difference between cash receipts (4,529,703,498,754 CFAF) and authorisations (4,229,422,648,056 CFAF) is in surplus by FCFA 300,280,850,698.

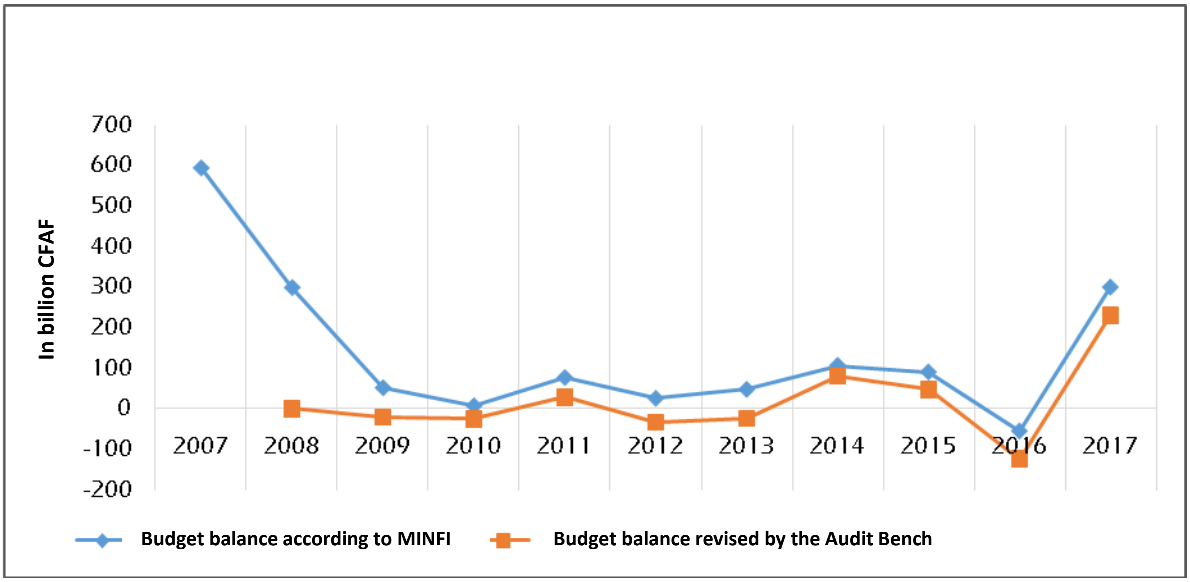
This balance would be 230,725,015,785 FCFA, taking into account the revenue and expenditure to be regularised for the 2017 financial year.

The following table shows the evolution of budget balances and revised budget balances since 2007.

Table 24. Evolution of budget balances since the 2007 financial year

Financial year	Budget balances according to MINFI	Budgetary balances from the point of view the Audit Bench
2007	594,150,966,110	-
2008	299,450,533,199	-
2009	52,334,681,470	-20,068,511,913
2010	7,881,171,816	-24,899,842,916
2011	77,503,303,331	28,553,739,658
2012	26,292,530,983	-33,259,645,732
2013	48,355,683,282	-24,083,707,344
2014	107,403,383,502	79,925,213,201
2015	91,301,450,852	47,666,907,333
2016	-54,333,359,813	-124,129,759,948
2017	300,280,850, 698	230,725,015, 785

Source: 2007 to 2017 Settlement Bills



2.2.3.2.5. Use of accounts 45 "deposits by administrations"

This use reduces the temptation of keeping funds out of the treasury circuit. The latter thus fulfils its traditional function of the State's bank. However, the generalisation of deposit accounts undermines certain cardinal principles of public finance, notably:

- The principle of service rendered in that budgetary allocations are transformed into managed deposits as advance funds and thus support the payment of expenditure before services, which puts their regularity to question.

- The principle of budget annuality since the transformation of budgetary allocations into deposits simulates consumption, while their use beyond the year violates the principle and conceals under-execution.

Moreover, some administrations have over spent in favour of these deposit accounts.

It is noted that the credit balance of these accounts decreased from 109,842,206,159 FCFA at the end of the 2016 financial year to 85,539,120,822 FCFA at 31 December 2017.

The Ministry of Finance points out among other measures taken, Circular No. 002/C/MINFI of 19 June 2018 amending and supplementing certain provisions of Circular No 001/C/MINFI of 02 January 2018 which limits the opening of deposit accounts of administrations to only revenue-generating entities and prohibits the furnishing of these accounts with budget appropriations.

2.3. Special Appropriation Accounts

Law No. 2016/018 of 14 December 2016 on the Finance Law of the Republic of Cameroon for the 2017 financial year opened in its eighth chapter and in its sections 11 to 24, fourteen (14) Special Appropriation Accounts (SAAs) balanced in revenue and expenditure at the total amount of 107,600,000,000 CFAF. Compared to the 2016 financial year, this budget increased by 900,000,000 CFAF assigned to the Special Appropriation Account for Modernisation of Research in State Universities, which increased from 9,600,000,000 CFAF to 10,500,000,000 CFAF.

2.3.1. Presentation of Special Appropriation Accounts

Special Appropriation Accounts opened by this law as well as their respective allocations are presented in the following table:

Table 25. Presentation of SAAs

Serial No.	Special Appropriation Account	Initial allocations
1	Support Fund for victims of disasters and natural calamities	2,000,000,000
2	Special Appropriation Account for the Regulation of Public Contracts	8,000,000,000
3	Special Appropriation Account for support to Cultural Policy	1,000,000,000
4	Special Appropriation Account for the Modernisation of Research in State Universities	10,500,000,000
5	Special Appropriation Account to support Touristic activities	1,000,000,000
6	Seed Fund	1,000,000,000
7	Special Appropriation Account for financing Sustainable Water and sanitation Development Projects	500,000,000
8	Forestry Development Fund	2,000,000,000
9	Road Fund	60,000,000,000
10	Special Appropriation Account for the Development of Telecommunications	14,000,000,000
11	Special Fund for Electronic Security	1,000,000,000
12	Special Appropriation Account for the development of the Postal Sector	1,000,000,000
13	Special Appropriation Account for the production of secured transport documents	3,500,000,000
14	Royalties paid by autonomous ports to the National Ports Authority	2,100,000,000
Total		**107,600,000,000**

Source: 2017 Finance Law

2.3.2. Execution of operations of Special Appropriation Accounts

The execution of the operations of Special Appropriation Accounts shall relate to revenue and expenditure operations. The table below shows these operations:

Table 26. State of execution of revenue and expenditure

No.	Special Appropriation Account	Initial allocations	Revenue		Expenditure	
			Execution	achievement Rate	Execution Rate	Execution Rate
1	Support Fund for victims of disasters and natural calamities	2,000,000,000	1,500,000,000	75.00%	888,590,969	44.43%
2	Special Appropriation Account for the Regulation of Public Contracts	8,000,000,000	7,837,320,337	97.97%	7,070,153,984	88%
3	Special Appropriation Account for support to Cultural Policy	1,000,000,000	1,000,000,000	100.0%	1,170,018,928	117%
4	Special Appropriation Account for the Modernisation of Research in State Universities	10,500,000,000	10,504,735,000	100.05%	10,454,240,136	99.56%
5	Special Appropriation Account for support to touristic activities	1,000,000,000	1,091,705,800	109.17%	948,784,553	94.88%
6	Seed Fund	1,000,000,000	1,514,100,000	151.41%	2,488,201,886	248.82%
7	Special Appropriation Account for financing Sustainable Water and sanitation Development Projects	500,000,000	154,446,029	30.89%	284,130,384	56.83%
8	Forestry Development Fund	2,000,000,000	1,809,305,265	90.47%	2,021,465,649	101.07%
9	Road Fund	60,000,000,000	-	0.00%	36,134,900,000	60.22%
10	Special Appropriation Account for the Development of Telecommunications	14,000,000,000	18,943,579,660	135.31%	25,891,622,121	184.94%
11	Special Fund for Electronic Security	1,000,000,000	551,287	0.06%	556,287,550	55.63%
12	Special Appropriation Account for the development of the Postal Sector	1,000,000,000	108,850,000	10.89%	51,470,808	5.15%
13	Special Appropriation Account for the	3,500,000,000	2,817,946,974	80.51%	3,499,362,762	99.98%

	production of secured transport documents					
14	Royalties paid by autonomous ports to the National Ports Authority	2,100,000,000	2,110,266,537	100.49%	2,394,761,102	114.04%
Total		**107,600,000,000**	**49,392,806,889**	**45.90%**	**93,853,990,832**	**87.22%**

Source: 2017 Settlement Bill

The review of these Special Appropriation Accounts revealed irregularities already reported in previous opinions.

These include:

- overrun of ceilings
- allocation of subsidies;
- payment of non-eligible expenditures for SAAs;
- poor carry forward of balances;
- non-inclusion of cash balances in the general result;
- confusion in the management of resources of PAEs and those of their SAAs
- absence of a decree governing the Support Fund for victims of disasters and natural calamities.

2.3.3. Overrun of ceilings

According to section 32 (2) of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State, *"Without prejudice to the special provisions of this law, operations entered in special accounts shall be provided for, authorised and executed under the same conditions as those of the general budget."*

The review of the Settlement Bill for the 2017 financial year reveals that five (5) Special Appropriation Accounts, did not comply with the ceilings of revenue and expenditure set by the Finance Law as shown in the tables below:

Table 27. Overrun of revenue

No.	Special Appropriation Account	Initial allocations	Execution	Overrun	
				Amount	Variation
1	Special Appropriation Account for the Modernisation of Research in State Universities	10,500,000,000	10,504,735,000	4,735,000	0.05%
2	Special Appropriation Account for support to Cultural Policy	1,000,000,000	1,091,705,800	91,705,800	9.17%

3	Seed Fund	1,000,000,000	1,514,100,000	514,100, 000	51.41%
4	Special Appropriation Account for the Development of Telecommunications	14,000,000, 000	18,943,579, 660	4,943,579, 660	35.31%
5	Royalties paid by autonomous ports to the National Ports Authority	2,100,000,000	2,110,266, 537	10,266, 537	0.49%
Total		**28,600,000,000**	**34,164,386, 997**	**5,564,386,997**	**19.46%**

Source: 2017 Settlement Bill

As can be seen, in terms of revenue, in 2017 as in 2016, five (5) accounts exceeded the ceiling.

However, it can be noted that this overrun is significantly lower than that of the 2016 financial year, as in that year the overrun amounted to 33,025,718,070 CFAF against 5,564,386,997 CFAF in the 2017 financial year, a difference of 27,461,331,073 CFAF.

Table 28. Overrun on expenditure

No.	Special Appropriation Account	Initial allocations	Achievement	Overrun	
				Amount	Variation
1	Special Appropriation Account for support to Cultural Policy	1,000,000,000	1,170,018,928	170,018,928	17.00%
2	Seed Fund	1,000,000,000	2,488,201,886	1,488,201,886	148.82%
3	Forestry Development Fund	2,000,000,000	2,021,465,649	21,465,649	1.07%
4	Special Appropriation Account for the Development of Telecommunications	14,000,000,000	25,891,622,121	11,891,622,121	84.94%
5	Royalties paid by autonomous ports to the National Ports Authority	2,100,000,000	2,394,761,102	294,761,102	14.04%
Total		**20,100,000,000**	**33,966,069,686**	**13,866,069,686**	**68.99%**

Source: 2017 Settlement Bill

In terms of expenditure, five (5) accounts exceed the ceiling for an amount of 33,966,069,686 CFAF against 5,269,153,226 CFAF in 2016, i.e. an increase of 28,696,916,460 FCFA.

In this regard, the Ministry of Finance assures that from 2018 onwards, arrangements will be made to ensure that only disbursements authorised by the budget of the financial year are reconciled with the initial allocations provided for in the budget.

2.3.4. Allocation of subsidies to Special Appropriation Accounts

Section 26 (2) of Law No. 2007/006 of 26 December 2007 mentioned above states that, "*Unless otherwise provided for by a finance law, an appropriation account may not be subsidised from the general budget.*"

Eight (8) Special Appropriation Accounts out of fourteen (14) received government grants as summarised in the table below:

Table 29. Subsidies to SAAs

No.	Special Appropriation Account	Decrees	Initial allocations	Subsidies received
1	Support Fund for victims of disasters and natural calamities	-	2,000,000,000	1,500,000,000
2	Special Appropriation Account for the Regulation of Public Contracts	No. 2005/5155/pm of 30 November 2005	8,000,000,000	1,500,000,000
3	Special Appropriation Account for support to Cultural Policy	No. 2001/389 of 03 December 2001	1,000,000,000	1,000,000,000
4	Special Appropriation Account for the Modernisation of Research in State Universities	No. 2009/121 of 08 April 2009	10,500,000,000	10,500,000,000
5	Special Appropriation Account for support to touristic activities	No. 99/111 of 27 May 1999	1,000,000,000	1,000,000, 000
6	Seed Fund	No. 2005/169 of 26 May 2005	1,000,000,000	1,400, 000,000
7	Forestry Development Fund	No. 96/237/PM of 10 April 1996	2,000,000,000	1,500,000,000
8	Special Appropriation Account for the development of the Postal Sector	No. 2004/110 of 10 May 2004	1,000,000,000	100,000,000
Total			**26,500,000,000**	**18,500,000, 000**

Source: 2017 Settlement Bill

Provisions of Section 26 (1) of Law No. 2007/006 of 21 April 2003 referred to above provide that, "*Appropriation Accounts shall show, under conditions provided for in a finance law, budgetary transactions financed by special revenue which are by nature directly related to the expenses concerned.* However, despite the various observations of the Audit Bench on this point, some SAAs are set up and operate without any revenue allocation in breach of these provisions.

In responses to comments on the Settlement Bill of 2016, the Ministry of Finance indicated that reflexion is underway to redesign the operating mechanisms of Special Appropriation Accounts.

While there has been a decrease in the amounts of subsidies granted to the SAAs in relation to the 2016 financial year, on the one hand, and an abolition of the subsidy granted to the Special Appropriation Account for the Development of Telecommunications which amounted to 23,388,958,407 CFAF in 2016, on the other hand, the issue of bringing the texts governing the creation and operation of the SAAs into conformity with the financial regime of the State and the Finance Law is still relevant.

2.3.5. Payment of salaries and allowances from special appropriation accounts

Section 32 (1) of Law No. 2007/006 of 21 April 2003 referred to above provides, "*It shall be forbidden to charge directly, to a special account, any expenditure resulting from the payment of wages, salaries, allowances and sundry entitlements.*"

Upon review of the appendices, it is noted that the special accounts listed in the table below recorded payments of various allowances and bonuses in violation of legal provisions.

Table 30. Sundry allowances and entitlements paid by SAAs

No.	Special Appropriation Account	Type of expenditure	Amount
1	Special Appropriation Account for the Modernisation of Research in State Universities	Research Allowances	10,500,000, 000
2	Development Fund for the Forestry sector	Operating allowances	4,200, 000
		Sitting/committee allowances	160,659, 000
		Bonuses and premiums	15,000, 000
		Total 1	179,859, 000
3	Special Appropriation Account for the development of the Postal Sector	Allowances for members of the Tenders' Board and ad-hoc committees	13,025, 000
		Total 2	13,025, 000
4	Special Appropriation Account for the production of secured transport documents	Recovery input allowances	50,000,000
		Total 3	50,000,000
Total		**10,742, 884,000**	

Source: 2017 Settlement Bill

2.3.6. Expenditure without any link to assigned revenues

In violation of Section 26 (1) of the aforementioned Law No. 2007/006 of 26 December 2007, various expenses such as benefits in kind to the Chairman of the Board of Directors, funeral expenses, donations and gifts, entertainment expenses, allowances for members of the board of directors, the expenses of sovereignty were paid from certain SAAs.

As an illustration, the fees of the Government consulting services within the framework of the Mbalam iron project were paid from the "Special Appropriation Account for Telecommunications for an amount of 2,320,262,062CFAF, i.e. 77% of the capital expenditure of this SAA, although this expenditure is clearly not related to its missions.

2.3.7. Carry forward of balances

Section 32 (3) of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State provides that, *"Unless otherwise specified by a finance law, the balance of each special account shall be carried forward to the following year. The results of each category of accounts shall feature in the overall result of the year."*

With respect to the appendices of Settlement Bill of the 2017 financial year, there are inconsistencies between the entry balances as presented in these appendices and the cash balances for 2016.

The balances entered in the following table were not faithfully carried forward.

Table 31. Inconsistency on the carry forward of balances the 2016 financial year

No.	Special Appropriation Account	Achievement of revenue	Achievement of expenditure	Calculated balance 2016 (1)	Balance of 2016 carried forward in the SB of 2017 (2)	Difference on Balance Carried Forward (2-1)
1	Support Fund for victims of disasters and natural calamities	824,680,480	736,371,000	88,309,480	5,581,944,480	5,493,635,000
2	Special Appropriation Account for the Regulation of Public Contracts	7,069,773,231	8,497,189,451	-1,427,416,220	243,839,858	1,671,256,078
3	Special Appropriation Account for support to Cultural Policy	1,000,000,000	683,757,825	316,242,175	684,706,291	368,464,116
4	Special Appropriation Account for support to touristic activities	1,144,848,219	1,025,555,008	119,293,211	563,654,815	444,361,604
5	Seed Fund	4,011,963,562	2,142,677,664	1,869,285,898	2,582,210,608	712,924,710

6	Special Appropriation Account for financing Sustainable Water and sanitation Development Projects	239,104,176	153,471,726	85,632,450	192,491,730	106,859,280
7	Development Fund for the Forestry sector	2,889,336,896	2,456,790,261	432,546,635	593,988,116	161,441,481
8	Road Fund	60,000,000,000	30,890,367,000	29,109,633,000	-	-29,109,633,000
9	Special Appropriation Account for the Development of Telecommunicat ions	42,097,136,850	16,460,996,920	25,636,139,930	6,988,545,048	-18,647,594,882
10	Special Fund for Electronic Security	618,154,627	99,093,779	519,060,848	2,027,708,471	1,508,647,623
11	Special Appropriation Account for the development of the Postal Sector	228,529,853	223,519,303	5,010,550	15,552,687	10,542,137
12	Special Appropriation Account for the production of secured transport documents	3,208,808,269	3,050,933,557	157,874,712	2,095,781,020	1,937,906,308
13	Royalties paid by autonomous ports to the National Ports Authority	1,925,000,000	1,871,534,503	53,465,497	27,943,616	-25,521,881
Total		**135,739,768,706**	**78,578,201,919**	**57,161,566,787**	**21,794,855,361**	**-35,366,711,426**

Source: 2016 and 2017 Settlement Bills

2.3.8. Cash balance of Special Appropriation Accounts

The table below shows cash balances at the end of the period as they are presented in the appendices to the Settlement Bill of the 2017 financial year.

Table 32. Cash balances of SAAs

No.	Special Appropriation Account	Cash balances as at 31/12/2017
1	Support Fund for victims of disasters and natural calamities	6,193,353,520
2	Special Appropriation Account for the Regulation of Public Contracts	1,289,638,598
3	Special Appropriation Account for support to Cultural Policy	276,737,298
4	Special Appropriation Account for Modernisation of Research in State Universities	249,473,700
5	Special Appropriation Account for support to touristic activities	862,939,987
6	Seed Fund	1,581,514,730
7	Special Appropriation Account for financing Sustainable Water and sanitation Development Projects	62,807,375
8	Forestry Development Fund	541,090,190
9	Road Fund	-
10	Special Appropriation Account for the Development of Telecommunications	1,767,776,996
11	Special Fund for Electronic Security	1,471,972,208
12	Special Appropriation Account for the development of the Postal Sector	16,914,709
13	Special Appropriation Account for the production of secured transport documents	1,414,365,232
14	Royalties paid by autonomous ports to the National Ports Authority	1,777,672
Total		**15,730,362,215**

Source: 2017 Settlement Bill

Section 32 (3) of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State provides that, "*... The results of each category of accounts shall feature in the overall result of the year*."

However, the review of the appendices to the Settlement Bill of the 2017 financial year does not provide any information on the inclusion of these cash balances of these accounts in the general result for the year 2017.

This anomaly violates the principles of sincerity and transparency in budget and accounting management.

2.3.9. Confusion in the management of resources of PAEs and those of their SAAs

The management of SAAs opened at the Public Contracts Regulatory Agency (PCRA), the National Ports Authority (NPA), and the Road Fund is confounded with that of the other resources of these public administrative establishments. Thus the funds assigned respectively to the Special Appropriation Account for the Regulation of Public Contracts, the Road User Charge and the royalties paid by the autonomous ports to the National Ports Authority are used in managing the ordinary operation of their PAEs.

During the final phase of the contradictory hearing held on 15 October 2018 in the Audit Bench with the officials of the Ministry of Finance, it was acknowledged that the problem resulted from:

- the establishment by decrees of SAAs which allocate resources to certain Government structures without previously identifying revenue, as stipulated by law;

- the allocation, by the same decrees, of the said resources to expenditure prohibited by law.

Acknowledging the relevance of the observations of the Audit Bench on this issue, the Director General of the Budget confirmed that the Ministry of Finance has undertaken an in-depth reform of SAAs. He stressed that the new Financial Regime of the State will make it possible to speed up these reforms, which should lead to the abolition of the SAAs without earmarked revenue and, in return, an increase in the budget allocations of the government structures concerned.

III. Review of Annual Performance Reports of government structures

Pursuant to section 39 (c) of Law No. 2006/016 of 29 December 2006 determining the organisation and functioning of the Supreme Court, “the Audit Bench shall be competent to give its opinion on settlement bills presented to Parliament.”

The aforementioned Law n ° 2007/006 of 26 December 2007 specifies in its section 22 (3) that, “the Settlement Bill shall be accompanied ... annual performance reports of State services prepared by principal authorising officers.”

Following the transmission of the Settlement Bill for the 2017 financial year to the Audit Bench, as for the 2016 financial year, the Ministry of Finance forwarded thirty-seven annual performance reports on 20 September 2018.

The joint submission of the Settlement Bill for the 2017 financial year and the APR of the same year is a continuation of the implementation of budgeting by programmes. The analysis of APR is part of the review of the Settlement Bill.

At the end of the review of the 2016 APR, the Audit Bench recommended, among other things,

1) to submit the APRs duly signed by the principal authorising officers who are the authors;

2) to provide all information on all parts of the APR;
3) to specify in the introductory part, reasons for the choice of target years and give an explanatory note on the determination of the target values;
4) to harmonise reference and target years between actions and programmes;
5) to ensure that the functions of managers are not combined for greater efficiency;
6) to attach Annual Performance Projects (APPs) and Medium-term Expenditure Frameworks (MTEFs) to the APRs for a better appraisal of performance;
7) to accompany the performance reports with a quantified evaluation of the execution;
8) to revise certain objectives and indicators to make them more relevant;
9) to use significant indicators in relation to the actions to be carried out;
10) to ensure the maturation of projects;
11) to provide details of calculations of technical and financial achievement rates;
12) to improve internal audits for all programmes;
13) to take into account the qualitative aspect of the presentation of the programmes.

A review of the APRs submitted for the 2017 financial year identified deficiencies in the following areas:

- the form and content of annual performance reports;
- operational programmes and support programmes;
- links between programmes and organisation charts of public entities;
- Performance measurement.

3.1. Form and content of Annual Performance Reports

Some of the shortcomings which gave rise to the above-mentioned recommendations come up again:

- APRs not duly signed by the principal authorising officers who are the authors;
- The functions of the program managers are not specified.

Other shortcomings were discovered in the course of the review.

3.1.1. Incompatibility between the position and the function of programme managers

The review of the APRs of chapters 10, 11 and 25 showed, as indicated in the table below, that Inspector Generals and people of equivalent status are programme managers in violation of the principle of separation of management functions and control functions.

Table 33. Incompatibility between the position and the function of programme managers

Heads	Programmes	Officials	Observations
10: Public Contracts	717: Governance and institutional support in the public contracts subsectors	FRU Jonathan (Inspector General in charge of Evaluation of Performance of Services)	Incompatibility of function between the Inspector General of Services and official of the programme
11: Supreme State Audit	137: Intensification, diversification of audits and systemisation of sanctions against unscrupulous managers	CHI ASAFOR Cornelius State Inspector, Internal Auditor)	Incompatibility of functions between internal auditors and programme managers
25: Secondary Education	332: Improvement in the quality of education and life in the school milieu in the secondary education subsector	Dr BELLO, Inspector General and Coordinator in charge of Guidance and School Activities	Incompatibility of functions between Inspector General and programme manager
	333: Intensification of professionalisation and optimisation of training in the secondary education subsector	Pr SATSA née AWOUNDJA Catherine Marie Ida, General Inspector of Teaching	Incompatibility of functions between Inspector General and programme manager

Source: 2017 Settlement Bill

3.1.2. Absence of explanatory notes in some APRs

APRs of heads 10 (MINMAP), 15 (MINEDUB), 16 (MINSEP), 25 (MINESEC), 26 (MINJEC), 33 (MINFOF), 35 (MINEFOP) and 40 (MINSANTE) do not contain explanatory notes that situate the issues of the programme implementation within the head.

3.1.3. Lack of information on certain actions

Actions 1, 2 and 3 of Programme 154 'Reinforcement of border security' of Chapter 12 (DGNS) have not been included in the APR of that Head.

3.1.4. Contradictory presentation of the same programme

Each programme is presented in a unique way in the Annual Performance Report. A double presentation of some programmes with different information was noted. The reading of these reports did not allow the Audit Bench to know what information to retain.

The table below gives details of the programmes which were the subject of two different presentations.

Table 34. Contradictory presentation of the same programme

Heads	Programmes	Observation		
		Features of programmes	**Presentation 1**	**Presentation 2**
29: Mines, Industry and Technological Development	376 "Development of mineral and geological resources "	Indicator 1 Financial year	2014	2015
		Indicator 2 - Reference value,	4	5
		- Financial year	2016	2014
46: Transport	603, Governance and institutional support to the transport subsector	*Indicator title*	*Number of complaints from MINT users*	*Action plan implementation rate.*
		Unit of measure	Number	%
		Financial year	2013	2014
		Reference value,	75	70
		Target value	25	100
		Number of actions	3	5
		Initial allocations in PA	925,696,471	2,495,723,000
	604 "Development and rehabilitation of national meteorological network"	Unit of measure	%	Not specified
		Reference value,	15%	Not specified
		Financial year	2014	Not specified
		Target value	20%	Not specified
		Target year	2019	Not specified
		Number of actions	4	5
		Initial allocations in PA	272,000,000	1,996,041,250
		Technical result obtained	100%	Nothing to report
		Rate of execution of the indicator	100%	73%
	604, "Development and rehabilitation of basic infrastructure"	Reference value,	03	00
		Financial year	2012	2013
		Target value	2018	2016
		Number of actions	3	4
		Initial allocations in PA	1,140,000,000	2,743,235,750
		Programme manager	Absent	MBAMOME NKEDONG Divine
		Rate of execution of the indicator	100%	42%

Source: 2017 Settlement Bill

3.1.5. Contradictory presentation of the same action

Each action is presented in a unique way in a programme. A double presentation of some actions with different information was noted. The reading of these reports did not allow the Audit Bench to know what information to retain.

The table below gives details of the actions which were the subject of two different presentations.

Table 35. Contradictory presentation of the same action

Heads	Programmes	Actions	Observation		
			Indicator Criterion	**Presentation 1**	**Presentation 2**
12: General Delegation for National Security	151 "Consolidation of Public Security"	1 "Reinforcing operations of preventive police"	Financial year	2016	2017
			Reference value,	750	900
			Technical result	900	Not specified
			Rate of technical achievement	90%	Not specified
			Consumption of appropriations	394,606,610	Not specified
			Financial achievement rate	11.61%	Not specified
		2 "Reinforcing operations of immigration "	Objective	Controlling migration flows	Minimising criminal offences and terrorist acts
			Unit of measure	%	Number
			Reference value,	165	75
			Financial year	2016	2017
			Target value	180	72
			Target year	2018	2018
			Initial allocations in PA	60,000,000	350,000,000
			Technical result obtained	170	Not specified
		03 "Reinforcing operations of repressive police"	Financial year	2016	2017
			Reference value,	50	100
			Technical result	100	Not specified
			Financial achievement rate	80.55%	Not specified
			Rate of technical achievement	83.33%	Not specified
		04 "Strengthening surveillance of public roads"	Financial year	2016	2017
			Reference value,	80	100
			Technical result	100	Not specified
			Rate of technical achievement	83.33%	Not specified
			Financial achievement rate	30.75%	Not specified

	152 "Governance and institutional support"	03 "Human Resources Development and Management."	Financial year	2016	2017
			Reference value,	90%	35%
			Target value	92%	55%
			Technical result	90	Not specified
			Rate of technical achievement	97.83%	Not specified
			Financial achievement rate	89%	Not specified
		8 "Communications and Public Relations."	Financial year	2016	2017
			Reference value,	16	17
			Technical result	17	Not specified
			Financial achievement rate	100%	Not specified
			Rate of technical achievement	94.4 4%	Not specified
			Initial allocation in PA	113,829,171	29 000,000

Source: 2017 Settlement Bill

3.2. Operational programmes and Support programmes

The programmes fall into two categories namely,

- operational programmes
- and support programmes.

Operational programmes are geared towards achieving results that meet the needs of citizens. Support programmes assist operational programmes by mobilising the transversal means necessary to reach their objectives.
From the analysis of the data contained in section 4 of the Settlement Bill and those contained in annual performance reports, the Audit Bench determined the relative financial weight of operational and support programmes.

Thus, out of a total amount of approved payment appropriations of 4,229,648,056 CFAF, operational programmes account for 3,365,053,806,783 CFAF and support programmes for 864,368,841,273 CFAF, i.e. 79.56% and 20.44% respectively.

The volume of the different types of programmes in the overall budget is presented below:

Table 36. Breakdown of consumption of appropriations by programme category

	Allocations PC	Authorisations PC	Weight of programmes*
Support programmes	913,569,108, 040	864,368,841, 273	20.44%
Operational programmes	3,460,230,891,960	3,365,053,806, 783	79.56%
Total	**4,373,800,000, 000**	**4,229,422,648, 056**	**100%**

*calculation basis: prescription column

A reduction in the weight of support programmes in the overall budget envelope has been noted. Thus, from 28% in 2016, these decreased to 20.44% in 2017, and correlatively, the volume of operational programmes in the overall budget increased from 72% in 2016 to 79.56% in 2017.

In accordance with the requirements of paragraph 19 of Circular No. 001/CAB/PRC of 28 July 2016 on the preparation of the State budget for the 2017 financial year, "*The allocation of staff expenditure shall be made systematically in the operational programmes in order to streamline the support programmes.* "

However, section 4 of the Settlement Bill/shows that fifteen (15) government services continue to allocate most of their budget to the implementation of their support programmes, as illustrated in the table below:

Table 37. Administrations which have allocated more than 50% of their budget to the support programme

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Budget Heads	Title of the support programme	Overall budget allocation	Allocation of the support programme	Volume of the support programme the overall budget
Budget head: 10: PUBLIC CONTRACTS	Programme: 717 GOVERNANCE AND INSTITUTIONAL SUPPORT TO THE PUBLIC CONTRACTS SUB-SECTOR	16,223,756,405	9,052,507,479	55.80%
Budget head: 12 GENERAL DELEGATION FOR NATIONAL SECURITY	Programme: 152 GOVERNANCE AND INSTITUTIONAL SUPPORT	75,116,729,538	66,960,552,860	89.14%
Budget head: 14 ARTS AND CULTURE	Programme: 183 GOVERNANCE AND INSTITUTIONAL SUPPORT TO THE ARTS AND CULTURE SUB-SECTOR	3,470,583,171	1,833,364,104	52.83%
Budget head: 17 COMMUNICATION	Programme: 228 GOVERNANCE AND INSTITUTIONAL SUPPORT TO THE COMMUNICATION SUB-SECTOR	3,788,085,708	3,278,815,128	86.56%
Budget head: 18 HIGHER EDUCATION	Programme: 244 GOVERNANCE AND INSTITUTIONAL SUPPORT TO THE HIGHER EDUCATION SUBSECTOR	78,394,326,386	42,198,284,911	53.83%

Budget Heads	Title of the support programme	Overall budget allocation	Allocation of the support programme	Volume of the support programme the overall budget
Budget head: 41: LABOUR AND SOCIAL SECURITY	Programme: 543 GOVERNANCE AND INSTITUTIONAL SUPPORT TO THE LABOUR AND SOCIAL SECURITY SUB-SECTOR	2,984,843,012	1,626,206,241	54.48%
Budget head: 42: SOCIAL AFFAIRS	Programme: 570 GOVERNANCE AND INSTITUTIONAL SUPPORT TO THE SOCIAL AFFAIRS SUB-SECTOR	7,224,199,794	3,803,398,349	52.65%
Budget head: 50 PUBLIC SERVICE AND ADMINISTRATIVE REFORM.	Programme: 618 GOVERNANCE AND INSTITUTIONAL SUPPORT TO THE MINISTRY OF PUBLIC SERVICE AND ADMINISTRATIVE REFORM	11,093,226,938	10,163,353,086	91.62%

Source: 2017 Settlement Bill

During the review of the request for an opinion on the Bill for the 2016 financial year, the Ministry of Finance explained that support programmes were a considerable part of the overall budgets by the fact that salaries of administrations as well as certain expenditure of devolved services were allocated to them.

3.3. Links between programmes and organigram of public entities

3.3.1. Superposition of departments in the execution of the same programme

A budget head comprises between two and four programmes.

Most organigram of public entities provide for more than four operational departments. In this context, several directors of public entities are mobilised to achieve the objective of a single programme. The programme manager, who is also the authorising officer by delegation, is generally appointed from among the managers concerned.

In practice, the mission of the programme manager is often undermined because he or she is called upon to manage people of the same hierarchical level as him or her from the point of view of the organigram.

The table below shows the Government services which are concerned:

Table 38. Superposition of departments in the execution of the same programme

Heads	Programmes	Departments involved	Function of the programme manager
6: External Relations	076: Valorisation of the potential of bilateral co-operation	- Department of African Affairs; - Department of European Affairs; - Department of American and Caribbean Affairs; - Department of Asian Affairs and Relations with the Islamic Co-operation Organisation	Not specified
	077: Revitalisation of multilateral and decentralised co-operation	- Department of the United Nations and Decentralised Co-operation; - Department of Relations with the Francophonie International Organisation; - Department of Relations with the Commonwealth; - Department of African Affairs; Department of European Affairs; - Department of American and Caribbean Affairs; - Department of Asian Affairs and Relations with the Islamic Co-operation Organisation;	Not specified
11: Supreme State Audit	137: "Intensification, diversification of audits and systemisation of sanctions against unscrupulous managers"	- Division of Inspection and Control of Public Administration - Division of Inspection and Control of Regional and Local Authorities - Division of Inspection and Control of Public Establishment and specific bodies - Division of Inspection and Control of Public and Semi-public Enterprises;	CHI ASAFOR Cornelius State Inspector, Internal Auditor
21: Trade	287: Regulation of foreign trade	- Department of internal trade - Department of Metrology, Quality and Prices - Department of National fraud Control and Repression Brigade	Department of foreign trade
40: Public Health	527: Disease prevention	- Department of disease, epidemics and pandemics control (Art. 47 organisational chart) - Department of Family Health (Art. 59 organisation chart).	Dr NDO Jean Rollin Bertrand
	528: Health Promotion	- Department of Health Promotion (Art. 68 organisational chart) - Department of Family Health (Art. 59 organisation chart).	Pr NGA'WONO Thérèse spouse of NKOA

	530: Governance and institutional support in the health sector	- Department of Pharmacy, Medicines and Laboratories (Art. 81 organisation chart) ; - Division of Co-operation (Art. 95 organisational chart) ; - Department of Human Resources (Art. 98 organisational chart) ; - Division Studies and Projects (Art. 92).	Pr KOULLA SHIRO Sinata
	531: Management of cases	- Department of Family Health (Art. 59 organisational chart); - Studies and Projects Division (Art. 92 organisation chart).	Pr KINGUE Samuel
37: State property and Land Tenure	483: Constitution of land reserves and development of public lands	- Department of State Property (Art. 25 Organisational chart) ; - Department of Land Tenure (Art. 37 Organisational chart).	MEVONGO OKOMONO Paul Felix, Director of State Property

Source: 2017 Settlement Bill

3.3.2. Failure to define the role of the major actors in the programme budget in the organigram

There are two main actors in the performance of an administration: the programme manager and the administrative controller.

The Programme Manager is responsible for the drawing up of the Programme, the development of its strategy, objectives, performance indicators, coordination of actions, activities and tasks within the Programme. He plays a steering role and ultimately draws-up monitoring reports and APRs in all aspects of the programme.

The administrative controller is involved both in the preparation and implementation phases. In the preparatory phase of the programme, he ensures that all the technical conditions are met for measuring the performance of the programmes included in PPAs. In the implementation phase, he collects, processes and comments on the most relevant information implemented in the programme, in particular the centralisation of operational dashboards.

However, the functions of programme managers and management controllers do not appear in the organigram of the administration.

During the final phase of the contradictory hearing held on 15 October 2018 at the Audit Bench with officials of the Ministry of Finance, the Head of Division of Budget Reform at MINFI acknowledged the topicality of these issues, which are always raised by government services

On the issue of partial integration of the missions set out in the organigrams of the programmes, he revealed that PPA indicators take into account only strategic activities and not subsidiary ones, but that there are appended documents that list all the activities of programmes.

Concerning programme managers who are Inspectors General, he explained that these are programmes whose missions are shared by several departments. When it is not possible to select a Director from among the officials involved in a programme, some heads of government services prefer to assign the management of the programme to a more senior official.

The Head of the Division of Budget Reform concluded that in order to resolve these difficulties, a strategy for linking the organigrams of administrative services to their programmes has been drawn up on the instructions of the Prime Minister, and is awaiting validation.

For a better analysis of the APRs, the Audit Bench wanted the corresponding PPAs to be systematically forwarded to it, to which the Finance officials committed themselves.

The Audit Bench took note of it.

3.4. Measure of performance

The approach of the Audit Bench consisted in verifying the relevance in the determination of indicators and examining the results of the programme implementation.

3.4.1. Relevance in the determination of indicators

The Annual Performance Reports mention the performance indicators for the achievement of each programme for the period under review.

Section 8 of the Law on the Fiscal Regime of the State defines the indicator as, "*a qualitative or quantitative variable that helps to measure outcomes in the realisation of objectives*."

Thus, the indicator must have a reference year, a reference value, a unit of measurement, a target value and a target year, thus comprising a total of five (5) criteria.

The review of the APRs identified several deficiencies.

3.4.1.1. Absence of part or all of the indicator criteria

The indicators of actions listed in the table below do not include some or all of the 5 criteria:

Table 39. Absence of part or all of the indicator criteria

Heads	Programmes	Actions	Missing criteria
13: Defence	166: Reinforcement of the defence of the territory	1, 2, 3.5	Reference value; target value
	170: Participation in the protection of persons and	5 and 6	Reference value;

	property		target value
23: Tourism and Leisure	320: Governance and institutional support to the tourism and culture subsector	12	The 5 criteria
30: Agriculture and Rural Development	391: Governance and institutional support in the agriculture and rural development subsectors	2 to 9; 11	Reference value; target value
36: Public Works	467: Construction of roads and other infrastructure	7 to 11	Reference value,
43: Women Empowerment and the Family	575: Women empowerment and gender equality	1 to 4	The 5 criteria
46: Transport	604: Development and rehabilitation of national meteorological network	3	Unit of measure
		4	The 5 criteria

Source: 2017 Settlement Bill

3.4.1.2. Lack of relevance in the choice of the target value.

The achievement rate of the indicator of some actions exceeded the threshold of 100% before the target year as reflected in the following table:

Table 40. Lack of relevance in the choice of the target value.

Heads	Programmes	Actions	Target year	Rate in 2017 %
06: External Relations	079: Governance and institutional support to external relations subsectors	03	2018	114.3
18: Higher Education	241: Development of the technological and professional component of higher education	02	2018	122
	242: Modernisation and professionalisation of classical faculty establishments	01	2018	257.5
45: Posts and Telecommunications	587: Development and optimisation of telecommunications networks and services	01	2018	160

Source: 2017 Settlement Bill

This situation reflects the underestimation of target values as they exceeded one year before the target year for the achievement of objectives.

3.4.1.3. Identical activities in the actions of the same programme

Within the same programme, different actions include the same activities even though they pursue different objectives. This is true of the actions in the table below:

Table 41. Identical activities in the actions of the same programme

Heads	Programmes	Actions	Amount	Activities

07: Territorial Administration and Decentralization	092: Modernization of territorial administration	1: territorial management	9,942,405,560	- one (1) pilgrimage to Mecca organised; - 02 orders to approve NGO and 02 orders to renew approval to NGO signed; - 02 reports of the commission responsible for examining applications for approval or withdrawals of approval and monitoring the activities of establishments and private security companies available; - one (1) control mission of casinos conducted; - twenty (20) competition games approved; - ten (10) foreign associations approved.
		6 controls of the circulation of arms and the activities of private security companies	31,686,167	- one (1) pilgrimage to Mecca organised; - 02 orders to approve NGO and 02 orders to renew approval to NGO signed; - 02 reports of the commission responsible for examining applications for approval or withdrawals of approval and monitoring the activities of establishments and private security companies available; - one (1) control mission of casinos conducted; - twenty (20) competition games approved; - ten (10) foreign associations approved.
06: External Relations	076: Valorisation of the potential of bilateral co-operation	1 expansion of the diplomatic and consular map	35,466,220	Appointment of 113 staff to the External Services of MINREX: - 15 Ministers Counsellors; - 3 Consuls General; - 6 Consuls; - 29 First Counsellors; - 12 Vice-consuls; - 22 Second Counsellors; - First secretaries; - 4 Second secretaries
		Building the operational capacities	407,596,735	Appointment of 113 staff to the External Services of MINREX:

		of external services		- 15 Ministers Counsellors; - 3 Consuls General; - 6 Consuls; - 29 First Counsellors; - 12 Vice-consuls; - 22 Second Counsellors; - 2 First secretaries; - 4 Second secretaries
39: Small and Medium-sized Enterprises, Social Economy and Handicraft	- 513 (Promotion of the social economy and handicrafts) on pages 35 and 36;	3: improving the competitiveness of handicraft products	473,192,625	- complete the rehabilitation of the artisanal villages of Bertoua and Bamenda - continuing the construction works of the artisanal villages of Foumban and Ngaoundéré
		5: marketing handicraft and SEO products	1,762,335,196	- completing the rehabilitation of the artisanal villages of Bertoua and Bamenda - continuing the construction works of the artisanal villages of Foumban and Ngaoundéré

Source: 2017 Settlement Bill

This table shows that a double budget allocation has been authorised for similar activities.

3.4.2. Programme execution outcomes for the year 2017

APRs under review present an overall performance programme and a detailed performance by action. The review made findings on both technical and financial aspects.

3.4.2.1. Technical Achievements

Two shortcomings were observed.

3.4.2.1.1. Low rate of technical achievement compared to the rate of consumption of payment appropriations

Table 42. Low technical achievement rate compared to the rate of consumption of payment appropriations

Heads	Programmes	Actions	Consumption rate of PA	technical achievement rate
6: External Relations	076: Valorisation of the potential of bilateral co-operation	01 02	90% 61%	14.3% 0%
	077: Revitalisation of multilateral and decentralised co-operation	01 03	98% 88.4%	28% 3.23%
	079: coordination and monitoring of the activities of services	01	82.38%	0%
10: Public Contracts	717 Governance and institutional support to the sub-sector of Public Contracts	2 3 4 5	100% 100% 100% 100%	4% 4% 0% 1%
15: Basic Education	199: LITERACY	08 09	99.9% 98.18%	28.8% 13.43%
16: Sport and Physical Education	Development of sports infrastructure	1	99.31%	0%
	213: Governance and Institutional Support to the physical education subsector	5	98.69%	28.33%
17: Communication	227: Improvement of the offer and access to information	4	100%	0%
20: Finance	272 Management of the State treasury, public debt, public accounting and financing of the economy	4	72.6%	30%
	274: modernisation of the State's budget management	3 7	100% 100%	0% 33.3%
	275: Governance and Institutional Support to MINFI	4	98%	35%
21: Trade	286: Export Development	3	87%	I1: 0% I2: 0%
22: Economy, Planning and Regional Development	303: strengthening development partnership and regional integration	5	100%	0%
	Reinforcement of planning, development and intensification of regional development actions	10 11 12 13	86.23% 100% 102.48% 89.55%	10% 8% 10% 15%
25: Secondary Education	332: Improvement in the quality of education and life in the school milieu in the secondary education subsector	1 2	74.03% 100%	0% 0%
	333: Intensification of professionalisation and optimisation of training in the secondary education subsector	2	98.69%	10.45%

26: Youth Affairs and Civic Education	346 Civic educations and national integration	1 3 5	97.44% 100.19% 100%	11.25% 36.66% 0%
	348 Governance and Institutional Support to the Ministry of Civic Education	11	94. 98%	20%
28: Environment, Protection of Nature and Sustainable Development	361: combating desertification and climate change	1	97.9%	16.66%
30: Agriculture and Rural Development	393: modernisation of rural and production infrastructure	2	36.05%	15%
36: Public Works	Construction of roads and other infrastructure	10	100%	0%
37: State Property, Surveys and Land Tenure	481 Modernisation of surveys	3	93.61%	0%
43: Women's Empowerment and the Family	575: Women empowerment and gender mainstreaming	4	77.63%	30%
45: Posts and Telecommunications	586 Densification of the network and improvement of national postal coverage	1 4	100% 100%	10% 10%
46: Transport	604: Development and rehabilitation of the national meteorological network	1 4	100% 100%	3% 34%

Source: 2017 Settlement Bill

The assessment of the resources needed to fully implement the programmes of public administrations is questioned.

During the final phase of the contradictory hearing held on 15 October 2018 at the Audit Bench with some managers of the programmes concerned, the latter did not recognise/the figures attributed to them, which turned out to be automatically generated by PROBMIS, a computer application used at the Ministry of Finance.

By way of example, the manager of Programme 717 at MINMAP submitted a document indicating a 100 per cent implementation rate for Action 04 "*legal advice*" and not 0 per cent as indicated in the APR transmitted to the Audit Bench

Officials of the Ministry of Finance acknowledged these discrepancies and insisted that PROBMIS data contained in APRs should be updated in a timely manner by programme managers.

3.4.2.1.2. Failure to report the technical achievement rate of some programmes and actions.

The technical achievement rate of some actions were not reported.

Table 43. Failure to report the technical achievement rate of some programmes and actions.

Heads	Programmes	Actions	Allocation PA
6: External Relations	076: "Enhancing the potential of bilateral co-operation"	3: "Monitoring of bilateral co-operation"	162,262,567
		4: "Building the operational capacities of external services"	780,000,000
7: Territorial Administration and Decentralisation;	92: "Modernisation of the territorial administration"	4: "Optimising the operational capacities of administrative authorities"	2,883,675,676
		6: "Control of the circulation of arms and the activities of private security companies"	31,686,167
		8: "Coordination of the activities of the devolved services of the State"	2,453,152,476
	94: 094 Development of National Civil Protection Mechanism	1: "Disaster risk prevention. "	1,252,000,000
		4: Management of refugees and internally displaced persons	162,317, 401
10: Public Contracts	716: *"Improving the control of the execution of public contracts"*	1: "Periodical evaluation of the physical and financial execution of public contracts"	680,772,594
		2: "Enhancing the control of the execution of public contracts"	1,912,781,132
	717 "Governance and institutional support to the of Public Contracts sub-sector"	7: "Improving the working environment"	1,409,609,170
45: Post and Telecommunications	587:"Developing and optimising telecommunications networks and services".	5: "Optimising the use of ICT terminals and infrastructure"	44,122,500

Source: 2017 Settlement Bill

3.4.2.2. Financial achievements

The financial achievement rate is the ratio between payment appropriations used and any revised payment appropriations.

Five (5) deficiencies were noted.

3.4.2.2.1. Failure to report the financial achievement rate of some programmes and actions.

The table below summarises the shares for which the financial achievement rate is not indicated in APRs. Without this rate, the analysis of the performance of the public administrations concerned cannot be complete.

Table 44. Actions concerned

Head	Programme	Actions
30: Agriculture and Rural	391 Governance and institutional support to the agriculture and rural development subsector	5 "Development of Human Resources"

Development		6 **“**Improving the working environment”
		7 **“**Development of ICTs”
		8 **“**Control and internal audit”
7: Territorial Administration and Decentralization	093: Intensification of the decentralisation process	1 **“**Mobilisation and optimisation of RLA financial resources”
		2 **“**Financing municipal or inter-municipal projects”
		4 “Governance and control of the RLAs”
		5 **“**Monitoring-evaluation of the decentralisation process”
10: Public Contracts	717 Governance and institutional support to the sub-sector of Public Contracts”	7 **“**Improving the working environment”

Source: 2017 Settlement Bill

3.4.2.2.2. Payment appropriations consumed which are higher than the revised allocations.

According to Section 15 (3) of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State, “*Payment appropriations constitute the upper limit of expenditure that may be committed and authorised during a financial year to cover commitments entered into under commitment authorisations.* "

The analysis of the APRs of administrations highlights PA consumption, which is higher than the revised allocations as shown in the following table:

Table 45. Payment appropriations consumed which are higher than the revised allocations.

Head	Programme	Action	Revised allocation PA (1)	Consumption PA (2)	Overruns (2)-(1)
7: Territorial Administration and Decentralization	92: Modernization of territorial administration	8	2,453,152,476	2,536,941,579	83,789,103
22: Economy, Planning and Regional Development	301: Governance and institutional support to the Economy, Planning and regional Development subsector	3	2,240,144,706	2,476,513,807	236,369,101
		4	1,301,455,675	1,302,132,775	677,100
		5	239,498,189	257,607, 008	18,108, 819

	304: Reinforcement of planning, development and intensification of regional development actions	9	1,217,506,606	1,326,029,167	108,522, 561
		12	1,301,804,624	1,334,030,624	32,226,000
43: Women's Empowerment and the Family	575: Women empowerment and gender mainstreaming	1	334,653,905	334,860,050	206,145
		2	21,436,800	22,680,400	1,243,600
39: Small and Medium-sized Enterprises, Social Economy and Handicraft	511: Promoting private initiative and improving the competitiveness of SMEs	6	1,348,425,804	1,450,366,311	101,940, 507
	513: Promotion of the social economy and handicrafts	4	637,761,040	650,269,040	12,508, 000
		5	1,754,358,204	1,762,335,196	7,976, 992
	514: Governance and Institutional Support of the Small and Medium-sized Enterprises, Social Economy and Handicrafts subsector	2	467,235,403	500,329, 603	33,094, 200
26: Youth Affairs and Civic Education	346: Civic Education and national integration	3	51,999,999	52,099,999	100,000
	348: Governance and Institutional Support to the Ministry of Civic Education	5	585,327,941	589,639,333	4,311, 392

Source: 2017 Settlement Bill

During the exchange of 15 October 2018, the Director General of the Budget indicated that overruns noted in APRs were only apparent, and explained that they resulted from special supports granted to some administrations which failed to integrate them into their information system.

3.4.2.2.3. Low Financial achievement rates for some actions

Financial realisation rates below 40% for some actions can reasonably be considered low. The following table lists the actions concerned:

Table 46. Low financial achievement rates

Heads	Programmes	Actions	Financial achievement rate	Rate of technical achievement
23: Tourism and leisure	317: Development of tourism and leisure	01	21.41%	NA

26: Youth Affairs and Civic Education	348: Governance and Institutional Support to the Ministry of Civic Education	06	9.4%	61.24%
28: Environment, Protection of Nature and Sustainable Development	363: Fight against pollution and nuisances and harmful and/or dangerous chemical substances	03	28.82%	0%
33: Forests and Wildlife	962: Securing and Enhancing Wildlife Resources and Protected Areas	03	32.98%	105%
		04	26.52%	60.5%
	963: Development of timber and non-timber forest resources	06	2.11%	73.44%
30: Agriculture and Rural Development	393: Modernisation of rural and production infrastructure	02	36.05%	15%
	391: Governance and institutional support to the agriculture and rural development subsector	10	0%	NA
6: External Relations	077: Revitalisation of multilateral and decentralised co-operation	02	39.8%	9.74%
25: Secondary Education	331: Reinforcement of access to secondary education	02	27.18%	51.5%
	333: Intensification of professionalisation and optimisation of training in the secondary education subsector	03	13.64%	88.25%
7: Territorial Administration and Decentralization	092: Modernization of territorial administration	08	1.03%	NA

Source: 2017 Settlement Bill

These abnormally low financial achievement rates reflect an under-consumption of payment appropriations.

The differences observed between these low rates and the rates of technical achievement rates raise questions about the general policy of allocation of budgetary appropriations.

3.4.2.2.4. The miscalculation of financial achievement rates of some actions.

The financial achievement rate (FAR) is the ratio between payment appropriations used (PAU) and any revised payment appropriations (RPA). It has been found that in some APRs these rates are different from those recalculated by the Audit Bench.

The following table illustrates this situation:

Table 47. The miscalculation of financial achievement rates of actions.

Head	Programme	Action	RPA	PAU	Financial achievement rate of APRs	financial achievement rate	Differences (%)

					(%)	calculated by the Audit Bench	
16: Sport and Physical Education	Governance and Institutional Support to the physical education subsector	1 coordination and monitoring of the activities of MINSEP	**1,130,172, 996**	**299,772, 996**	100	26.52	73.48
22: Economy, Planning and Regional Development	Reinforcement of planning, development and intensification of regional development actions	8 support to regional and local development	**26,660,067,581**	**13,436,678, 581**	99.69	50.4	49.29
		13 mastery and development of the potential of the territory and of its borders	**12,734,088, 395**	**7,250,857, 395**	89.55	56.94	32.61
36: Public Works	Construction of roads and other infrastructure	1 asphalting of the structuring network	**124,982,852, 627**	**123,696,695, 400**	99.96	92.79	7.17
		3 Asphalting of the non-structuring network and the council network	**45,755,265, 895**	**40,464,799, 942**	94.54	88.44	6.1
	468: rehabilitation and maintenance of roads and other infrastructure	1 rehabilitation of the asphalted network	**6,705,602, 983**	**6,435,410, 984**	96.09	95. 97	0.12
		3 rehabilitation and maintenance of municipal roads	**15,365,697,646**	**149,035, 274**	100	0.97	99.03

*FAR = (PAU/RPA)*100
Source: 2017 Settlement Bill

3.4.2.2.5. Discrepancy between the financial results of APRs and those of the Settlement Bill

The financial results contained in the APRs do not always correspond to those of the Bill and Regulations.

CONCLUSION

The examination of the 2017 Budget Review Bill has enabled the financial jurisdiction to mention the ameliorations and shortcomings on the form and substance.

On the form

The agreed deadline for the transmission of the Settlement Bill to the Audit Bench of the Supreme Court was met for the first time.

In addition, all the documents which must accompany the Settlement Bill for the 2017 financial year, provided for in sections 20 and 22 of the aforementioned Law No. 2007/006 of 26 December 2007, were submitted; and there was a clear improvement in the presentation of the Settlement Bill and its appendices.

The referral to the Audit Bench under these conditions is regular on the form.

On the merits

As in 2016, the 2017 Finance Law was implemented in an environment characterised by the continued fall in the price of a barrel of oil, precarious security in the Eastern and Far North Regions, and political and social instability in the North-West and South-West Regions.

Nevertheless, the rate of execution of revenue ((103.56%) and expenditure (96.70%), which remained satisfactory, increased by 6 and 2 percentage points respectively. Contrary to the previous year, revenue collections are higher than authorised expenditure.

The voted 2017 Finance Law in balance at 4,373,800,000,000 CFAF was executed in income at 4,529,703,498,754CFAF and in expenditure at 4,229,422,648,056 CFAF, which resulted in a surplus budget balance of 300,280,850,698 CFAF, as shown in the Settlement Bill. The necessary adjustment of transactions entered in provisional accounts for the financial year would bring the said budget balance to 230,725,015,785 CFAF.

The proportion of outstanding collections is declining compared to own-source revenue.

However, many anomalies were observed.

The underutilisation of funds in accounts 45 "deposits by administrations," whose balance is 85,539,120,822 CFAF as at 31 December 2017, continues to pose a problem of budgetary discipline. The same applies to amendments to the appropriations which are not fully covered by the statutory instruments provided for by law.

The outstanding public debt has reached the rate of 1.99% of collected revenue. As at 31 December 2017 it amounted to 6,203 billion CFAF, of which 4491.2 billion CFAF of appropriations committed but not yet disbursed.

Irregularities continue to be observed in the management of Special Appropriation Accounts. They are mainly due to an inappropriate legal framework, which, according to the Ministry of Finance, calls for in-depth reflexion on the redesign of the current operating mechanisms.

A review of annual performance reports continue to reveal shortcomings in the mastery of the programme budgeting in some administrations.

Notwithstanding the above observations and in view of the progress made in the report on the execution of the State budget of this financial year, the Audit Bench of the Supreme Court is of the opinion that Parliament should adopt the Settlement Bill for the 2017 financial year as it stands.

Thus, issued the same day, month and year as above.

SECTION 2 Certification report of the General Account of the State for the 2017 financial year

CERTIFICATION MISSION OF THE AUDIT BENCH

In accordance with the provisions of section 60 of Law No. 2007/006 of 26 December 2007 relating to the Fiscal Regime of the State, "*State accounts must be regular, genuine and give a true image of its patrimony and financial situation*."

The general account of the State features among these accounts, which according to section 63 of the law referred to above, describes the operations of the general accounting of the State.

Articles 125 and 126 of Decree No. 2013/160 of 15 May 2013 relating to the General Rules governing Public Accounting indicate that the Minister in charge of Finance shall submit to the accounts jurisdiction the general accounts of the State in support of the Settlement Bill which is communicated to it annually. The jurisdiction gives an opinion on the Settlement Bill and produces a certification report on the General Accounts of the State.

By this certification, the Audit Bench ensures, on the one hand, that the General Account of the State is established in accordance with the legal and regulatory provisions and decides, on the other hand, on the regularity, sincerity and the fairness of the financial statements that compose it.

The certification issued by the Bench aims at clarifying Parliament in charge of controlling the execution of the finance law. It is also forwarded to the Government and to a larger extent to all users of financial statements.

By so doing, the Bench is performing its mission of assistance to Parliament and the Government in the control of execution of the finance law.

The certification report recalls the observations made regarding the form and substance of the General Account of the State transmitted by the Ministry of Finance.

I-. On the form

1.1. Deadline for the transmission of the General Account of the State for the 2017 financial year to the Audit Bench

By correspondence No. 18/00553/L/MINFI/SG/DGTCFM/DCP/of 30 August 2018, the Minister of Finance transmitted to the President of the Audit Bench for opinion, the settlement bill for the 2017 financial year. This bill was accompanied by the General Account of the State in accordance with the provisions of article 126 (3) of Decree No. 2013/160 of 15 May 2013 according to which, "*the General Account of the State shall be produced by the Minister in charge of Finance to the accounts judge in support of the settlement bill which is communicated to him annually.*"

According to section 21 of Law No. 2007/006 of 26 December 2007 relating to the Fiscal Regime of the State, "*The settlement bill and its appendices must be tabled not later than 30 September of the year following the financial year to which it is related".*

Article 26 of the aforementioned Decree No. 2013/160 of 15 May 2013 also provides that, "*the accounts of the State ... shall be produced at the Audit Bench not later than three (3) months after the end of the supplementary period of the financial year ... "*and according to Section 62 (3) of the aforementioned Law No. 2007/006 of 26 December 2007, "*the time-limit shall be 28 February of the year".*

It follows that the General Account of the State must be transmitted to the Audit Bench from 1st June in order to let the jurisdiction carry out certification before the date of presentation to Parliament of the Settlement Bill set for 30 September.

However, since the review of the Settlement Bill for the 2013 financial year, the Audit Bench and the Ministry of Finance agreed that the Settlement Bill should reach the Financial Jurisdiction by 31 August latest, or a minimum of 30 days, to take into account the time required for its review.

The General Account of the State accompanying the settlement bill for the 2017 financial year reached the Audit Bench on 31 August 2018, that is, within the agreed deadline.

1.2. Content of the general account of the State for the 2017 financial year

In accordance with section 61 of Law No. 2007/006 of 26 December 2007, the State shall also keep budgetary and analytical accounts, a general accounting system based, according to section 63 of the same law, on the principle of the recognition of rights and obligations and whose rules differ from those applicable to companies only because of the specificities of its action.

This general accounting records all the operations of the State, that is to say those related to its products, expenses, credits and debts and generally all operations affecting its assets, is described in the General Account of the State.

Decree No. 2013/160 of 15 May 2013 above provides in its Article 126 (125) that, "*The General Account of the State shall include the trial balance of the State and the financial statements especially the balance sheet, the income statement, the cash flow table and the annexed statement.*"

Article 126 (2) of the same decree thus reproduces and supplements these provisions,

"The general State account shall include:

- *the account balance;*
- *the balance sheet;*
- *the income statement,*
- *the summary statement of budgetary execution for revenues;*
- *the summary statement of budgetary execution for expenditure;*
- *the statement of accounts of correspondents;*
- *the cash flow table."*

The General Account of the State for the 2017 financial year, in the configuration of Article 126 (2) referred to above, transmitted to the Audit Bench by correspondence No. 18/00553/MINFI/SG/DGTCFM/DCP/SDRBEC of 30 August 2018 from the Minister of Finance, is accompanied by the Trial balance of accounts of the Treasury at the end of December 2017.

It includes in appendix V of the Settlement Bill:

- the provisional balance sheet on 31 December 2017;
- the income statement on 31 December 2017;
- the cash flow table on 31 December 2017.

The summary statements of the execution of the budget in income and expenditure are set out in Appendices I and II:

- Appendix I: Differences between forecasts and collections by type of revenue;
- Appendix II: Evolution between allocations, authorisation payments and outstanding payments

The same elements of the execution of the budget in income and expenditure also appear respectively in sections 1 and 2 of the Settlement Bill.

The accounts of correspondents detailed in the general balance are summarised in a *Treasury-Liabilities Structure* table *which contains the balances of "financial services provided by the Treasury for the benefit of conventional correspondents, PAEs, RLAs, central administrations etc.*" However, the statement of these accounts proper was not transmitted to the Audit Bench at the same time as the Settlement Bill, despite the commitment of the Ministry of Finance on the occasion of the review of the General Account of the State in 2016.

In response to the observation of the Audit Bench, the said document was submitted and it is the account thus constituted that is subject to certification.

The gradual application of some provisions of Article 128 of the Decree of 15 May 2013 was postponed until the end of a six (6) year period. It's about:

- The full application of rules and procedures resulting from the principle of the establishment of rights and obligations as well as patrimonial accounting governing general accounting;

- The report of the jurisdiction on the certification of accounts.

Nevertheless, although the General Account of the State for the 2017 financial year has been the subject of regular transmission to the Audit Bench, its certification must still take into account the level of appropriation and application of "the rules and procedures arising from the principle of the recognition of rights and obligations, as well as the accrual accounting system governing general accounting", referred to in Article 128 of the aforementioned Decree No. 2013/160 of 15 May 2013.

Subject to this reservation, the Audit Bench may, like in the last five years, carry out its mission to certify the General State Account for the 2017 financial year. This certification is part of a constructive approach to support the gradual implementation of the accounting reform and public finance management.

1.3. Certification methodology

The Audit Bench carried out its audit within the ambit of Law No. 2003/005 of 21 April 2003 to lay down the jurisdiction, organisation and functioning of the Audit Bench of the Supreme Court and of Law No. 2006/016 of 29 December 2006 to lay down the organisation and functioning of the Supreme Court and by referring to generally recognised international standards in matters of audit of public finance, notably ISSAI standards.

1.3.1. Audits

Three principles govern the organisation and activity of the Audit Bench both with regard to the execution of its controls and enquiries and with regard to the drafting of its public reports or opinions. These principles are: independence, opposition and collegiality.

Institutional independence of the Audit Bench, which is enshrined in section 37 of the Constitution guarantees that all controls carried out and conclusions reached are in total freedom of appreciation.

Contradiction implies that all facts and assessments resulting from controls, enquiries or audits as well as all the ensuing observations and recommendations are systematically submitted to officials of the structures or bodies concerned. They can only be made final after consideration of the responses received.

Collegiality intervenes to conclude the main stages of the control and publication procedures.

This applies to the Act of certification of State accounts.

1.3.2. Application of International Standards on Auditing approved by the legislative body of INTOSAI," International Standards of Supreme Audit Institutions" (ISSAI)

ISSAI standards that are applied partially or fully here concern:

- ISSAI 1210 "*Agreement on the objectives of the audit mission":* this standard is applicable in the sense that Decree No. 2013/160 of 15 May 2013 above provides that:

  "*Article 125*.- (3) "The Audit Bench shall certify that the financial statements are regular, sincere and give a true image of the financial situation of the State."

  "*Article 126*.- (3) The General Account of the State shall be produced by the Ministry in charge of Finance to the accounts judge in support of the Settlement Law which is forwarded to him annually."

  "(4) Based on the Settlement Bill and the administrative accounts of principal authorising officers, the judge shall issue an opinion and a certification report on the General Accounts of the State";

  "(5) ... The opinion and the report shall be forwarded to Parliament."

- ISSAI 1250 "*Consideration of Laws and Regulations in an Audit of Financial Statements*": The Audit Bench ensures that acts, operations and accounts submitted to it for examination comply with the regulations governing them. For this purpose, it takes into consideration all the regulatory and legal instruments governing State accounting, the preparation of General Accounts of the State which describes the operations and certification of the said account by the accounts judge. Lastly, laws giving jurisdiction to the Audit Bench and CEMAC Directives were taken into consideration;

- ISSAI 1260 "*Communication of Audit Matters with Those Charged with Governance*";

- ISSAI 1300 "*Planning an Audit of Financial Statements and distribution of tasks*";

- ISSAI 1510: "*Initial Audit Engagements- Opening balances*": opening balances are systematically examined in order to ensure the exact transfer of balances from the accounts of one financial year to another both at the level of the trial balance as well as that of financial statements;

- ISSAI 1520: *"Analytical Procedures";*

- ISSAI 1700 "*Forming an Opinion and Reporting on Financial Statements*": an interim certification report is produced and submitted for opposition by the Minister of Finance. The final report is forwarded to Parliament as provided for by the decree referred to above.

- ISSAI 1710: "*Comparative information- Corresponding figures and Comparative financial Statements*", the production of data for the 2016 financial year carried forward in the general accounts of the State for 2018 ensured comparative analysis from one financial year to another.

It should be noted, just like in the preceding financial years, that within the framework of the certification of the General Accounts of the State for the 2017 financial year, the Audit Bench could not apply certain important standards in matters of audits. They notably include:

- ISSAI 1265 *"Communicating Deficiencies in Internal Control to Those Charged with Governance and Management";*

- ISSAI 1402 "*Audit Considerations Relating to an Entity Using a Service Organisation*";

- ISSAI 1500: "*Audit evidence*": the verification of documents could not be carried out because of the reduced deadlines of the certification mission. The Audit Bench could not therefore collect conclusive elements on the observations made on the financial statements especially;

- ISSAI 1505 "*External Confirmations*": they could not be carried out as their framework has not yet been agreed with the Ministry of Finance;

- ISSAI 1530: *"Audit sampling* "was not performed for lack of time and preliminary exchange between the Ministry of Finance and the Audit Bench;
- *ISSAI 1560 "Subsequent Events";*
- *ISSAI 1610 "Using the work of Internal Auditors."*

II- On the merits

According to article 125 (3) of the decree of 15 May 2013 above, "*the accounts court shall certify that the financial statements are regular, fair and give an accurate image of the financial situation of the State."* For this to take place the Audit Bench notably verifies, on the one hand, respect of the principles which govern the preparation of the said statements and, on the other hand, the exactness and coherence of transactions recorded in these financial statements.

Upon examination of the General Account of the State for the 2017 financial year, the Audit Bench notes the inadequacies already observed in the 2016 financial year. As in the previous year, it makes seventeen (17) observations concerning the non-compliance with accounting principles and rules and the uncertainty of certain entries of operations in the financial statements of the financial year.

2.1. Non-compliance with accounting principles and rules

A) Carry-forward of the trial balance of accounts of the 2017 financial year

From year to year, the Audit Bench raises inconsistencies in the carry-over of the closing balance of a financial year to the opening balance of the following financial year. As in previous years, the examination of the trial balance of accounts for the 2017 financial year revealed, particularly for the fixed asset accounts and those of classes 3, 4 and 5, that the opening balances do not always correspond to the closing balances of the 2016 financial year. In addition, certain accounts included in the trial balance as of 31 December 2016, no longer appear in the trial balance for the 2017 financial year and vice versa, whereas the changes in the nomenclature for 2017 do not concern these accounts.

The tables below illustrate this situation

- **Case of fixed assets accounts (class 2 accounts)**

Account	Tangible assets	Closing balance 2016	Opening balance 2017
		New balance debit	Opening balance in debit
20	Fixed assets	111,338,571, 214	0

21	Building lands	1,980,970, 999	0
22	Buildings, equipment and furniture	965,164,180, 375	0
23	Counterpart for actual expenditure	218,911,873, 988	0
26	Equity security	18,540,346, 344	0
27	Non distributed investment expenditure	23,715,231, 991	0
28	Capital transfers	140,357,585, 835	0
Total 2		**1,480,008,760, 746**	**0**

Source: General Account of the State 2017

If the number of lines of entries concerned is the same in 2017 as in 2016, the amount of transactions is 40% higher in 2017 than in 2016. Thus, at the close of the 2016 fiscal year, fixed assets show a debit balance of 1,480,008,760,746 CFAF in the trial balance of accounts, which is not carried forward to the opening balance of the 2017 fiscal year.

- **Case of class 3 accounts**

Accounting entry		**Closing Balance 2016**		**Opening balance 2017**	
Account	Item	Debit	Credit	Debit	Credit
38,510,415	Issuance of public securities 2002	0	21,456,455	0	21,610,655
38,516,002	Costs of prosecution on ime 2002	0	28,674,104	0	28,669,204
38,516,104	Costs of prosecution RN 2004	0	50,917,198	0	50,922,098
38,516,108	Costs of prosecution RN 2008	0	1,659,602	0	1,936,712
39,000	Difference on opening balance (account blocked after the transfer of opening balances)	4,198,955,120,398	0	5,113,211,468,013	0
39,010	Cancellation of prescribed security	0	17,994,811,024	0	0
39,020	Cancellation of unjustified entries of previous years	1,371,983,949	0	0	15,342,223
39,031	Exceptional repeat BEC below PPTE/IADM	517,679,050	0	18,309,680	0

Source: General Account of the State 2017

In 2017, account "39,000 *Difference on opening balance*" records a debit balance from 4,198,955,120,398 CFAF as at 31 December 2016 to 5,113,211,468,013 CFAF as at 1 January 2017, or a difference of 914,256,347,615 CFAF. This is far from correcting these inconsistencies, but further degrades the sincerity of the accounts.

- **Case of class 4 accounts**

Accounting entry		Balance at close 2016		Opening balance 2017	
Account	**Item**	**Debit**	**Credit**	**Debit**	**Credit**
40,000,212	Expenditure on staff salary CF 2012	0	182,835,543	0	5,400,226,606
40,000,312	Expenditure on staff pension CF 2012	958,069,657	0	0	5,694,697,758
40,000,409	Expenditure on staff salary 2009	11,031,221	0	11,640,528	0
40,000,412	Expenditure on staff salary 2012	384,661,615	0	384,052,308	0
400,006,116	Commitment orders operating investment 2016	0	166,209,683,810	0	166,260,155,373
400,009,011	Purchase voucher - functioning 2011	0	65,259,751	3,077,095	0
400,009,012	Purchase voucher - functioning 2012	0	24,242,077	0	12,070,278
400,009,013	Purchase voucher - functioning 2013	0	3,328,392,850	0	1,383,897,235
400,009,014	Purchase voucher - functioning 2014	0	2,275,016,687	0	2,281,215,119
400,009,015	Purchase voucher - functioning 2015	0	2,598,061,771	0	2,600,801,054
400,009,016	Purchase voucher - functioning 2016	0	23,869,018,696	0	22,956,983,172
400,009,112	Purchase voucher - investment 2012	0	194,613,624	0	193,458,624
400,009,113	Purchase voucher - investment 2013	0	1,773,878,858	0	1,832,308,965
400,009,115	Purchase voucher - investment 2015	0	5,594,403,361	0	5,629,483,684
400,009,116	Purchase voucher - investment 2016	0	17,417,984,701	0	17,476,283,391
400,009,213	Purchase vouchers- Other staff expenditure 2013	0	136,708,178	0	118,600,844
400,009,214	Purchase vouchers- Other staff expenditure 2014	0	34,679,959	0	33,696,023
400,009,215	Purchase vouchers- Other staff expenditure 2015	0	554,080,348	0	554,080,543
400,009,216	Purchase vouchers- Other staff expenditure 2016	0	1,792,529,560	0	1,761,006,092
4,000,093,116	Special purchase orders expenditure transferred to LA-invest 2016	0	18,824,491,105	0	18,897,890,654
4,000,093,213	Special purchase orders expenditure transferred to RLA-ADP 2013	0	1,018,674	0	1,078,674
404,004	Expenditure file to be adjusted 2004	0	835,263,971	0	836,317,950

414,006	RN debts 2006	10,145,999,891	0	10,258,947,935	0
414,008	RN debts 2008	30,002,668,665	0	30,068,119,725	0
414,009	RN debts 2009	31,517,240,604	0	31,556,366,908	0
414,012	RN debts 2012	106,699,694,854	0	106,183,249,654	0
414,106	Increases on RN 2006	5,953,532,277	0	5,840,584,233	0
414,108	Increases in RN 2008	15,975,542,193	0	15,910,091,133	0
414,109	Increases on RN 2009	8,695,381,952	0	8,656,255,648	0
414,112	Increases in RN 2012	1,959,427,017	0	2,475,872,217	0
414,208	Costs of prosecution in RN 2008	1,659,602	0	1,936,712	0
41,611	Government securities debts 2011	2,695,230	0	3,118,482	0
420	Financial services of PAE	0	1,004,210,598,936	0	1,004,135,563,676
421	Financial services of Councils	0	29,166,694,286	0	29,166,637,524
450,016	DGT deposits share of excise duty to be distributed	0	35,227,771	0	34,908,471
450,018	DGT share of premiums on sales of windscreen licence	0	199,727,434	0	194,150,962
4501	Deposits by MINESEC	0	5,333,930,516	0	5,541,421,468
470,569	Shares of products of fines, transactions DT	0	131,729,090	0	126,825,468
480,013	Collection and recovery costs to be distributed;	0	0	0	2,091,200
480,021	Support to recovery (CAC Customs) TGD	0	350,494	0	398,871
4,810,016	Expenditure to be adjusted 2016	32,516,126,976	0	31,446,365,486	0
481,201	Financial charges	383,042,285	0	382,891,531	0
48,121,401	Loss of exchange - PGT 2001	133,337,939	0	133,033,528	0
48,121,411	Loss of exchange - PGT 2011	897,305,190	0	897,473,887	0
48,121,412	Loss of exchange - PGT 2012	1,681,844,612	0	1,681,814,621	0
48,122,308	Expenditures to be budgeted- Fiscal assets 2008	6,046,253,278	0	5,891,579,769	0
48,122,310	Expenditures to be budgeted- Fiscal assets 2010	216,749,407	0	371,422,916	0

4,813,101	Court costs to be shared 2001	10,112,691,303	0	20,107,119,385	0
481,310,115	Non-urgent court costs 2015	9,744,863,515	0	2,054,235,488	0
481,310,116	Emoluments and fees Civil Jurisdictions 2016	3,565,190,918	0	1,261,390,863	0
4,813,111	Court costs to be shared 2011	482,009,939	0	482,269,939	0
48,131,116	Urgent court costs 2016	2,800,778,909	0	2,800,518,909	0

Source: General Account of the State 2017

In 2016, the differences in class 4 accounts concern 10 additional entry lines in 2017

- **Case of class 5 accounts**

Accounting entry		Closing Balance 2016		Opening balance 2017	
Account	**Item**	**Debit**	**Credit**	**Debit**	**Credit**
5110	Outstanding payments of the State	64,303,893,611	0	0	0
5221	Advance for the purchase of vehicles for civil servants	0	373,852	0	111,135,046
5222	Advance for purchase of vehicles for military personnel	328,801,311	0	884,602,025	0
5311	Cash with treasury accountants	16,017,871,313	0	16,061,410,771	0
5812	Movements of funds between TPG accountants towards accounting stations	279,952,002,626	0	283,618,393,116	0
5851	Movements of internal funds	0	3,502,466	0	0

Source: General Account of the State 2017

Some adjustments were made, but there are still lines at variance in class 5 accounts. The most significant discrepancies are recorded in accounts 5110 "*Outstanding payments of the State*" and 5812 "*Movements of funds between TPG accountants towards accounting stations*".

- **Accounts in the closing balance of the 2016 financial year, which do not appear in the opening balance of the 2017 financial year**

Account	Item	2016 closing balance	2017 opening balance
3610	Current account revenue collection services	37,800 (SC)	None

38,510,416	Issuance of collection documents 2016	37,800 (SC)	None
38,516,106	Costs of prosecution RN 2006	185,512 (SC)	None
38,516,112	Costs of prosecution RN 2012	91,598 (SC)	None
400,009,111	Purchase voucher -investment 2011	9,810,246 (SC)	None
400,009,211	Purchase vouchers- Other staff expenditure 2011	12,136,789 (SC)	None
4,000,093,212	Special purchase orders expenditure transferred to RLA-ADP 2012	60,000 (SC)	None
414,206	Costs of prosecution on RN 2006	185,512 (SD)	None
414,212	Costs of prosecution on RN 2012	91,598 (SD)	None
41,805	Revenue Clearance Vouchers 2005	423,243 (SD)	None
480,019	Commission on the securities to be distributed	48,377 (SC)	None
48,121,410	Loss of exchange - PGT 2010	168,697 (SD)	None
512,004	Advance for the purchase of vehicles for civil servants	110,761,194 (SC)	None
512,005	Advance for the purchase of vehicles for civil servants	555,800,714 (SD)	None

Source: General Account of the State 2017

The number of lines of entries remains the same as in 2016, but with lower amounts.

- **Accounts that do not feature in the closing balance of the 2016 financial year, but appear in the opening balance for the 2017 financial year with non-zero balances**

Account	Item	2016 closing balance	2017 opening balance
4200	Financial services of PAEs Operating	None	75,035,260 (SC)
480,314	Rejected revenue 2014	None	839,931 (SC)
480316	Rejected revenue 2016	None	4,736,541 (SC)

Source: General Account of the State 2017

These inconsistencies, which were already noted in 2016, still appear in the General Account of the State for the 2017 financial year for the accounts of classes 3 to 5.

However, a slight improvement is observed for class 3 accounts (15 lines in 2016 compared to 8 lines in 2017) and those that do not appear in the closing balance of the 2016 financial year but are contained in the opening balance of the 2017 financial year with non-zero balances (6 lines in 2016 compared to 3 lines in 2017).

For the Ministry of Finance, the inconsistencies noted for class 2 accounts result from the failure to finalise the accounting referential for monitoring these accounts.

In the final phase of the contradictory hearing held on 15 October 2018 at the Audit Bench with officials of MINFI, the Director of Public Accounting attributed these discrepancies in the accounts of classes 3, 4 and 5 to accounting posts abroad which do not always comply with the accounting calendar, and send some accounts for consolidation 06 months after the closing of the financial year and the closing of accounts.

He nevertheless noted that these variance are decreasing over the years, thanks to the observations of the Audit Bench.

These unfaithful carry forwards of the closing balances of the 2016 financial year into the balance of the 2017 financial year is a violation of the principle of the intangibility of the opening balance sheet at the same time as they alter the reliability of accounts.

B) Abnormal balances

The examination of the trial balance of accounts for the 2017 financial year shows that some imputation accounts recorded abnormal balances in violation of Instruction No. 17/001/MINFI/SG/DGTCFM/CLC of 10 January 2017 relating to the nomenclature of treasury accounts for the year 2017. Thus, some of these accounts whose balances are normally in debit have credit balances on the balance sheet and vice versa.

Similarly, accounts whose balances are compulsorily nil are entered in the balance with a debit or credit balance.

The tables below illustrate the various situations mentioned above for abnormal balances as of 31 December 2017.

- **Balances which in principle should be in credit are instead in debit**

Head	Item	Debit balance in 2017	Debit balance in 2016
3862	Clearance of movement of funds	252,587,976,530	252,587,976,530
3864	Clearance accounts transfer files	637,227,203,606	563,529,565,034
40,000,214	Expenditure on staff salary CF 2014	12,086,352	12,086,352
40,000,215	Expenditure on staff salary CF 2015	104,989,681	104,989,681
40,000,216	Expenditure on staff salary CF 20	74,868,495	74,868,495

40,000,409	Expenditure on staff salary 2009	11,640,528	11,640,528
40,000,410	Expenditure on staff salary 2010	18,474,747	18,474,747
40,000,412	Expenditure on staff salary 2012	384,052,308	384,052,308
40,000,413	Expenditure on staff salary 2013	2,129,623	-
40,000,509	Expenditure on staff pension 2009	3,094,758	3,094,758
40,000,510	Expenditure on staff pension 2010	20,544,115	20,544,115
40,000,511	Expenditure on staff pension 2011	26,621,452	26,621,452
40,000,512	Expenditure on staff pension 2012	364,757,973	360,946,441
40,000,513	Expenditure on staff pension 2012	1,152,126	-
400,009,011	Purchase voucher - functioning 2011	3,220,477	3,077,095
400,009,012	Purchase voucher - functioning 2012	8,888,437	-
400,009,013	Purchase voucher - functioning 2013	349,015	-
400,009,113	Purchase voucher -investment 2013	228,736,825	-
413,015	Collection documents debts 2015	21,456,455	21,456,455
413,016	Collection documents debts 2016	154,200	154,200
460,102	Salary debt - Repute. security matured 2002	19,300,000	19,300,000
460,103	Salary debt - Repute. security matured 2003	17,600,000	17,600,000
460,104	Salary debt - Repute. capital security matured 2004	41,895,000	41,895,000
460,105	Salary debt - Repute. capital security matured 2005	94,700,000	94,700,000
460,112	Salary debt - Repute. capital security matured 2012	700,000	700,000
460,113	Salary debt - Repute. capital security matured 2013	3,100,000	3,100,000
460,115	Salary debt - Repute. capital security matured 2015	1,200,000	1,200,000
460,202	Salaries Debt-Repayment of interest 2002	380,000	380,000
460,203	Salaries Debt-Repayment of interest 2003	518,000	518,000

460,204	Salaries Debt-Repayment of interest 2004	1,496,000	1,496,000
460,205	Salaries Debt-Repayment of interest 2005	4,735,000	4,735,000
460,212	Salaries Debt-Repayment of interest 2012	1,484,000	1,484,000
460,213	Salaries Debt-Repayment of interest 2013	93,000	93,000
460,215	Salaries Debt-Repayment of interest 2015	36,000	36,000
470,201	Salary deductions	9,356 962,335	-
470,203	Pension deductions	1,312,789,647	-
470,420	Security by accountants	471,659,552	389,425,656
470,501	Sundry deductions on balances	544,037,082	281,134,500
470,568	Bonus from proceeds of export tax	73,409,872	307,328,474
470,420	Security by accountants	389,425,656	471,659,552
470,568	Bonus from proceeds of export tax to be distributed	73,409,872	307,328,474
5222	Advances for the purchase of vehicles for military personnel	1,225,684,465	884,602,025
5223	Short-term advance above1 year	500,000,000	500,000,000
52,311	Short-term loans below 1 year	30,000,000,000	30,000,000,000

Source: General Account of the State 2017

- **Balances which in principle should be in debit or nil appear in credit**

Head 2014 FY	Item	Credit account in 2017	Credit account in 2016
3610	Current account revenue collection services	37,800	37,800
40,000,309	Expenditure on staff pensions transmitted 2009	11,542,027,929	-
40,000,310	Expenditure on staff pensions transmitted 2010	17,976,498,227	-
40,000,311	Expenditure on staff pensions CF 2011	9,433,794,232	-
40,000,312	Expenditure on staff pensions CF 2012	5,694,697,758	5,694,697,758
40,000,317	Expenditure on staff pensions	1,694,737,031	-

	CF 2017		
471,201	Computerised advances on salaries	38,579,127,628	28,204,333,667
51,242	Escrow Account-Debt	205,228,313,171	199,593,778,812
51,243	Special Account BEAC Road Fund	72,689,788,660	72,689,788,660

Source: General Account of the State 2017

Balances which in principle should be nil appear in either debit or credit

Account	Item	Balance in 2017	Balance in 2016
39,010	Cancellation of prescribed security	20,516,383 (SC)	-
39,020	Cancellation of unjustified entries of previous years	71,875,353 (SC)	-

In 2017, abnormal balances of some accounts observed in 2016 were adjusted. This partial adjustment reflects the inadequacy for the maintenance of the trial balance of accounts.

For the Ministry of finance, more emphasis is placed on monitoring budget accounting.

However, these shortcomings do not allow the court to rule on the completeness of the accounting entries (carry forward of closing balances), on their reliability (abnormal balances) and, consequently, on the accuracy of the image of the financial situation of the State as at 31 December 2017.

C) Accounts showing negative transactions in debit or credit

Certain accounts in the trial balance of accounts summarised in the table below, show negative debit or credit movements.

Account	Item	Debit Movement	Credit Movement
38,510,202	RN issuance 2002	5,888,499	-1,466,000
38,510,204	RN issuance 2004	18,458,710	-182,427,456
38,510,205	RN issuance 2005	447,602,304	-437,160
38,510,207	RN issuance 2007	165,416,397	-139,327,092
38,510,208	RN issuance 2008	656,955,171	-619,073
38,510,209	RN issuance 2009	1,291,406,628	-1,950,732

38,510,210	RN issuance 2010	288,573,585	-66,757,611
38,510,211	RN issuance 2011	4,166,364,735	-470,287,697
38,510,212	RN issuance 2012	4,661,805,042	-379,055,014
38,510,214	RN issuance 2014	11,488,444,797	-19,632,586
38,510,215	RN issuance 2015	21,875,147,697	-358,694,021
38,510,216	RN issuance 2016	63,797,361,207	-3,418,385,472
38,515,101	Increases in RN 2001	3,978	-7,250,930
38,515,102	Increases in RN 2002	805,985	-8,224,297
38,515,103	Increases in RN 2003	11,565,158	-23,088,421
38,515,104	Issuance, debts, penalties, fines, and interest for late payment 2004	1,413,191	-53,792,956
38,515,105	Increases in RN 2005	190,731,370	-7,870,200
38,515,106	Increases in RN 2006	28,318,835	-3,320
38,515,107	Increases in RN 2007	3,255,095	-145,672,480
38,515,108	Increases in RN 2008	299,848,494	-4,578,631
38,515,109	Increases in RN 2009	1,511,862,870	-3,427,973
38,515,110	Increases in RN 2010	188,811,636	-108,298,473
38,515,113	Issuance, debts, penalties, fines, and interest for late payment 2013	69,495,517	-82,725,133
38,515,114	Issuance, debts, penalties, fines, and interest for late payment 2014	1,732,779,604	-23,231,307
38,515,115	Issuance, debts, penalties, fines, and interest for late payment 2015	714,120,913	-330,667,613
38,515,116	Issuance, debts, penalties, fines, and interest for late payment 2016	1,400,906,148	-145,584,924
38,516,111	Costs of prosecution RN 2011	0	-76,273,117
40,000,213	Expenditure on staff salary CF 2013	-672,490,740	0
40,000,313	Expenditure on staff pension CF 2013	-602,068,946	0
40,000,413	Expenditure on staff salary 2013	340,138,291	-1,218,382,113

40,000,513	Expenditure on staff pension 2013	738,920,036	-2,177,073,440
40,000,515	Expenditure on staff pension 2015	190,557,279	-5,464,025
400,006,013	Commitment order operating 2013	7,326,328	-5,189,734,169
400,006,014	Commitment order operating 2014	4,962,740,788	-39,912,000
400,006,015	Commitment order operating 2015	7,226,107,417	-492,835,584
400,006,016	Commitment order operating 2016	71,880,682,901	-147,541,957
400,006,113	Commitment orders investment 2013	1,000,481,000	-10,876,013,539
400,006,116	Commitment orders investment 2016	125,476,031,566	-100,000,000
400,006,213	Commitment orders other staff expenditure 2013	600,000	-345,008,463
400,006,214	Commitment orders other staff expenditure 2014	600,000	-19,666,280
400,006,215	Commitment orders other staff expenditure 2015	36,293,247	-33,964,500
400,006,216	Commitment orders other staff expenditure 2016	8,634,989,828	-99,727,406
4,000,065,013	Commitment orders other transfers 2013	61,360,239	-3,161,192,419
4,000,065,014	Commitment orders other transfers 2014	627,561,048	-3,681,852
4,000,065,015	Commitment orders other transfers 2015	3,985,033,915	-6,070,301
4,000,065,016	Commitment orders other transfers 2016	13,522,441,974	-62,768,911
4,000,065,017	Commitment orders other transfers 2017	78,175,443,180	115,234,709,248
4,000,065,113	Commitment orders capital transfers 2013	0	-1,014,336,782
400,006,713	Commitment order Participation 2013	0	-3,158,281,000
400,006,813	Commitment order restructuring/Rehabilitation 2013	0	-650,000,000
400,006,913	Commitment orders investment DM Intervention in investment 2013	0	-4,410,828,600
400,009,013	Purchase voucher - functioning 2013	1,207,983,500	-176,262,750
400,009,014	Purchase voucher - functioning 2014	65,060,182	-167,207,331
400,009,015	Purchase voucher - functioning 2015	764,417,357	-281,107,591

400,009,112	Purchase voucher -investment 2012	12,876,444	-180,582,180
400,009,113	Purchase voucher -investment 2013	545,386,133	-1,515,659,657
400,009,114	Purchase voucher -investment 2014	1,489,328,585	-378,868,767
400,009,115	Purchase voucher -investment 2015	3,556,800,815	-197,820,668
400,009,116	Purchase voucher -investment 2016	13,771,174,737	-72,668,999
400,009,213	Purchase vouchers- Other staff expenditure 2013	0	-118,600,844
400,009,214	Purchase vouchers- Other staff expenditure 2014	13,287,239	-2,935,191
400,009,215	Purchase vouchers- Other staff expenditure 2015	54,735,000	-23,448,602
400,009,216	Purchase vouchers- Other staff expenditure 2016	1,647,375,942	-9,705,948
4,000,093,013	Special purchase orders expenditure transferred to RLA- Operating 2013	407,900	-7,068,150
4,000,093,014	Special purchase orders expenditure transferred to RLA- Operating 2014	720,604	-2,982,601
4,000,093,015	Special purchase orders expenditure transferred to RLA- Operating 2015	3,543,450	-8,502,308
4,000,093,016	Special purchase orders expenditure transferred to RLA- Operating 2016	942,662,144	-6,487,831
4,000,093,112	Special purchase orders expenditure transferred to RLA- Investment 2012	0	-22,061,000
4,000,093,113	Special purchase orders expenditure transferred to RLA- Investment 2013	22,563,120	-218,625,106
4,000,093,114	Special purchase orders expenditure transferred to RLA- Investment 2014	229,222,426	-42,092,543
4,000,093,115	Special purchase orders expenditure transferred to RLA- Investment 2015	691,925,530	-76,491,987
4,000,093,116	Special purchase orders expenditure transferred to RLA- Investment 2016	17,207,731,793	-50,891,216
4,000,093,213	Special purchase orders expenditure transferred to RLA-ADP 2013	91,000	-910,674
4,000,093,215	Special purchase orders expenditure transferred to RLA-ADP 2015	4,822,000	-113,000
414,002	RN debts 2002	-1,466,000	5,888,499
414,004	RN debts 2004	-182,427,456	18,458,710
414,005	RN debts 2005	-437,160	61,029,586
414,007	RN debts 2007	-139,327,092	165,416,397

414008	RN debts 2008	-619,073	656,955,171
414009	RN debts 2009	-1,950,732	1,291,406,628
414010	RN debts 2010	-66,757,611	288,573,585
414011	RN debts 2011	-470,287,697	4,166,364,735
414012	RN debts 2012	-379,055,014	4,661,997,722
414014	RN debts 2014	-19,632,586	11,488,444,797
414015	RN debts 2015	-358,694,021	21,875,147,697
414016	RN debts 2016	-3,418,635,392	63,797,420,843
414101	Increases in RN 2001	-7,250,930	3,978
414,102	Increases in RN 2002	-8,224,297	805,985
414,103	Increases in RN 2003	-23,088,421	11,565,158
414,104	Increases in RN 2004	-53,792,956	1,413,191
414,105	Increases in RN 2005	-7,870,200	190,731,370
414,106	Increases in RN 2006	-3,320	28,318,835
414,107	Increases in RN 2007	-145,672,480	3,255,095
414,108	Increases in RN 2008	-4,578,631	299,848,494
414,109	Increases in RN 2009	-3,427,973	1,511,862,870
414,110	Increases in RN 2010	-108,298,473	188,811,636
414,111	Increases in RN 2011	-57,735,889	1,129,541,327
414,113	Increases in RN 2013	-82,725,133	69,495,517
414,114	Increases in RN 2014	-23,231,307	1,732,779,604
414,115	Increases in RN 2015	-330,667,613	714,120,913
414,116	Increases in RN 2016	-145,584,924	1,400,846,512

Source: General Account of the State 2017

The number of lines of accounting entries for these movements increased by 37% from 67 to 101 accounts between 2016 and 2017, notwithstanding the statement by the Ministry of Finance that, concerning the accounts for the 2016 financial year, this posting, which does not comply with the regulations on the keeping of accounts, will have to undergo changes with the work in progress.

While acknowledging the relevance of this observation, the Ministry of Finance explains the negative signs by reductions in unjustified receivables, and cancellations of outstanding payments without supporting documents or accounting relevance.

Entering negative amounts in the "Movements" column of the Trial balance alters the regularity and accuracy of the accounting records.

D) Review of the consistency of the trial balance of accounts

(i) Inconsistency between account 385,102 (*Recovery Notice*) "RN *issuance*" and account 4140 "*RN debts*"

The General Instruction on State Accounting provides that, the Recovery Notice is managed by the relevant Tax Revenue. This is done by debiting account 4140 "*RN debt*s" and crediting account 385,102 "RN *Issuance*." When the rights are extinguished, this entry takes the opposite direction. Therefore, the balances of these two accounts must have the same amount at the end of the fiscal year.

The review of the trial balance of accounts rather presents discrepancies between the amounts of these two accounts as illustrated in the table below:

Table 1: Reconciliation between account 385,102 "*Issuances of RN*" and account 4140 "*RN debts*"

Accounts with debit balances		Amounts	Accounts with credit balances		Amounts	Difference
414,000	RN debts 2000	18,936,184,325	38,510,200	RN issuance 2000	85,618,570	18,850, 565,755
414,005	RN debts 2005	26,440,101,640	38,510,205	RN issuance 2005	45,400,318,297	18,960,216,657
414,006	RN debts 2006	10,059,068,926	38510206	RN issuance 2006	10,059,115,547	46,621
414007	RN debts 2007	12,604,678,180	38510207	RN issuance 2007	12,495,027,278	109,650,902
414010	RN debts 2010	33,121,464,737	38510210	RN issuance 2010	33,121,418,116	46,621
414012	RN debts 2012	101,142,196,918	38510212	RN issuance 2012	101,142,345,598	148,680

414013	RN debts 2013	21,825,893,768	38510213	RN issuance 2013	21,825,688,664	205,104
414014	RN debts 2014	165,300,431,848	38510214	RN issuance 2014	165,300,108,839	323,009
414015	RN debts 2015	125,402,631,004	38510215	RN issuance 2015	125,403,215,537	584,533
414016	RN debts 2016	62,949,772,234	38,510,216	RN issuance 2016	62,950,081,790	309,556
414,017	RN debts 2017	109,023,097,830	38,510,217	RN issuance 2017	109,022,747,910	349,920

Source: General Account of the State 2017

(ii) Inconsistency between the accounts 385,151 overestimation on RN and accounts 4141 overestimation on RN

The General Instruction on State Accounting provides that, *"The assumption and recovery of increases and prosecution costs shall follow the same procedure as that applied to the main proceedings. Accounts used are 414 1 and 385,151 for overestimation."* The balances of these two accounts should normally have an identical amount at the end of the year.

However, review of the Trial Balance shows discrepancies between these accounts as illustrated in the table below:

Table 2: Reconciliation between accounts 385,151 *"Increases on RN"* and 4141 *"Increases on RN."*

Accounts with debit balances		Amounts	Accounts with credit balances		Amounts	Difference
414,114	Increases in RN 2014	16,893,057,477	38,515,114	Issuance, debts, penalties, fines, and interest for late payment 2014	16,893,021,941	35,536
414,115	Increases in RN 2015	11,347,671,037	38,515,115	Issuance, debts, penalties, fines, and interest for late payment 2015	11,348,952,224	1,281,187
414,116	Increases in RN 2016	19,692,226,586	38,515,116	Issuance, debts, penalties, fines, and interest for late payment 2016	19,690,716,199	1,510,387
414,117	Increases in RN 2017	9,405,442,349	38,515,117	Issuance, debts, penalties, fines, and interest for late payment 2017	9,405,542,349	100,000

Source: General Account of the State 2017

These irregularities, which were noted during the review of the General Account of the State for the 2016 financial year and attributed by the Ministry of Finance to the non-extinction of rights during the collection of taxes and duties, and the incorrect transfer of debts from one Tax Revenue Office to another during the establishment of CIMEs, Pilot Centres, Specialised Centres, etc., were not adjusted in 2017.

The Ministry of Finance indicates that its competent services are working to make the information contained in the Trial balance of accounts more reliable.

This situation reflects an irregularity in the accounting records, which questions the accuracy of the information contained in accounts.

2.2. Financial statement of the General Account of the State for the 2017 financial year

According to article 112 (3) of Decree No. 2013/0160 of 15 May 2013 referred to above, "*the rules applicable to the general accounting of the State are based on internationally recognised accounting principles. They must allow the production of the General Account of the State which includes the trial balance of accounts and the financial statements...*

The trial balance of accounts is a comprehensive and mandatory summary statement, drawn from all the accounts and showing for each of them, the total amounts of debits and credits and the balance that may be in debit, credit or nil. It also allows, at the end of the financial year, from the balances of all the accounts, to establish the profit and loss account and the balance sheet and to check for example that the total of the debit balances of the balance sheet items minus the total of debit balances is equal to the result which is also equal to the difference between credit balances and debit balances in income and expense accounts.

2.2.1. Accounts of the balance sheet

a) State fixed assets

State assets in the balance sheet at 31 December 2017 amounted to a gross amount of 9,111.10 billion CFA F, an increase of 1,480.03 billion CFA F compared to the 2016 financial year. These fixed assets include especially intangible assets (8%), tangible assets (62.2%) and financial fixed assets (29.8%).

- **Carry forward to balance sheet**

The General Account of the State for the 2016 financial year has already shown inconsistencies in the carry forward of certain balances in the balance sheet. If in 2017, certain adjustments in relation to the observations made by the Audit Bench are noted, there are still some violations of the principle of sincere carry forward of balances.

The trial balance of accounts records only the movements of these assets during the financial year. Fixed assets acquired previously and mainly since 2003 are subject to an extra accounting registration and are added to the balance for their registration in the balance sheet. This is the option taken by the Ministry of Finance to determine the value of state assets pending a general census. This option generates a difference between the balance of accounts and the balance sheet.

For the Ministry of Finance, these inconsistencies in the recording of fixed asset accounts are the result of the current State accounting system of fixed assets, which allows neither a real monitoring nor an appropriate valuation of assets, all of which will be adjusted by the ongoing reform.

- **Fixed tangible assets and the problem of depreciation**

The review of the State's provisional balance sheet as at 31 December 2017 led the Audit Bench to maintain the observation it has been making since 2013 on the value of the State's fixed tangible assets. In fact, the accounting record of the State capital assets excludes assets acquired before 2003. Therefore, only investments in fixed tangible assets made from 2003 to 2017 are taken into account.

In 2017, these were included in the overall balance of accounts and in the table of fixed assets at 5,664.19 billion CFAF of which 967.15 billion CFAF were achieved in 2017.

In addition, the valuation of these state assets is not taken into account in respect of their depreciation over time. As a result, the real value of fixed assets at 31 December 2017 remains uncertain and this uncertainty is shared by the Ministry of Finance, which, in reaction to this same observation on the General Account of the State for the 2014 financial year, already acknowledged that in order to have more reliable data ... it is essential that a physical survey and a valuation of all the State's fixed assets be carried out.

Furthermore, on the same observation in 2016, the Ministry of Finance considered that the monitoring of depreciation is not yet a reality in the Cameroonian accounting law. As a result, the fixed assets entered in the State's balance sheet for the time being is only symbolic. Standards for the valuation of state property have not yet been established. Depreciation and provision rules are expected and it is not possible for the Minister of Finance to make these entries without a legal basis.

Thus, for the Ministry of Finance, only the validation and implementation of the accounting framework will allow a better assessment of the State's fixed assets.

Currently, the absence of completeness of fixed assets and the lack of information on their depreciation do not give a true picture of the State's assets and liabilities, which calls into question the principle of balance sheet equilibrium.

- **Fixed financial assets**

The financial assets recorded in the State balance sheet as of 31 December 2017 are as follows:

- fixed assets on counterpart funds: 218.92 billion CFAF;
- equity securities and holdings: In billions of CFAF;

- undistributed fixed assets: 23.72 billion CFAF;
- capital transfers: 140.36 billion CFAF.

Between 2016 and 2017, the total value of financial fixed assets increased from 2,316.84 billion CFA francs to 2,718.38 billion CFA francs, a net increase of 401.54 billion CFA francs. This increase is mainly due to *fixed assets on counterpart funds: (account 23)* for 218.92 billion CFAF and *Capital Transfers* (account 28) for 140.36 billion CFAF.

As for account *2601 "Holdings in public establishment*," it only shows an execution of 18.54 billion CFAF in the Trial balance of accounts.

The Settlement Bill reveals, however, that the holdings of the State in semi-public and private enterprises were the subject of payment appropriation of 20 billion CFAF out of commitment authorisations of 19.97 billion CFAF.

This information should have been supported by an explanatory appendix and a statement of the holdings and the various payment appropriations the Audit Bench has been claiming since 2016. Without these documents, it cannot express an opinion on the reliability of the information relating to the financial holdings of the State.

In order to solve this problem, the Ministry of Finance is planning to implement new State accounting standards by 2021.

b) Circulating assets: debtors

- **Carry forward to the balance sheet**

From 2015 to 2017 an inconsistency was noted in the carry forward of the balance of Account 414: "*Debts*" to the balance sheet. In fact, a difference of 4,058 billion CFAF is recorded each time in the carry forward of the balances of account 414 of the Trial balance to the balance sheet for the 2015, 2016 and 2017 financial years as shown below:

(Amounts in billions of CFAF)

Financial year	Trial balance	Balance sheet	Difference
2015	953,460	957.52	4,058
2016	971,142	975.20	4,058
2017	937,822	951.88	4,058

Source: General Account of the State 2017

- **Debts and the likelihood of their non-recovery**

Tax debts decreased from 1,193.57 billion CFAF as at 31 December 2016 to 1,176.84 billion CFA F at the end of 2017, a decline of 16.73 billion CFAF. This decline results exclusively from the debts attached to the taxes.

Taxes represent 80.9% of tax debts, the amounts of which are broken down into:

- Principal: 776,649,661,341 CFAF;
- Increases and prosecution costs 171,172,521,117 CFAF

Instead, receivables from customs increased in 2017. They increased from 218.36 billion CFAF in 2016 to 224.95 billion CFAF, an increase of 6.59 billion CFAF.

Although the registration of these debts in the various financial statements does not call for any observations, the fact remains that these debts, the oldest of which dates back to the 2000 financial year, poses in varying degrees the problem of their actual existence based on evidence and their "*recoverability*."

No indication is given on "*Bad debts*" whose item on the balance sheet shows a zero amount and on "*contentious debts*," whose item does not appear in the assets of the balance sheet either.

In addition, there is no statement of good debts and outstanding debts. This does not allow them to be assessed at fair value and to take into account the risk that an ongoing dispute will have an unfavourable outcome for the State. The probability of total non-recovery of these debts may justify the constitution of the provisions for depreciation.

In the current state of the establishment of the accrual accounting by the Committee created by Memo No. 11/256NS/MINFI/S4/DGTCFM/DT of 2 August 2011, the registration of the depreciation of the debts and their provision are not made, which directly impacts the real value of these assets and raises the question of the value of the result reported in the balance sheet and in the income statement.

While acknowledging the relevance of this analysis, the Ministry of Finance assured, during the review of the General Account of the State for the 2016 fiscal year, that the relevant departments of the Directorate General of the Treasury, Financial and Monetary Co-operation and the General Directorate of Taxes are actively working to improve the presentation of outstanding collections that may have adverse consequences on the State's anticipated cash flow potential.

Concerning this General Account of the State, the Ministry of Finance indicates that "work is planned to clean up the balance, which will make it possible to retain only "real claims; old and unjustified ones must be waived".

In the meantime, the seniority of these debts puts an uncertainty on their value as reflected in the State's balance sheet as at 31 December 2017.

c) Cash-assets

As of 31 December 2017, the cash - assets of the State is estimated at 832.63 billion CFAF, an increase of 362.96 billion CFAF, or 77.28%. It is divided between:

- cash resources in banks: 815.73 billion CFAF;
- cash on hand: 15.97 billion CFAF;
- cheques and transfers to be cashed: 0.93 billion CFAF.

In the absence of statements of banking concordance, the cash position remains uncertain insofar as the structure of the cash accounts as at 31 December 2017 appended to the General Account of the State shows a discrepancy between the amount shown in the trial balance and that from bank statements and minutes of the internal cash control.

This difference results mainly from the following accounts, with a debit balance (DB) or credit balance (CB) on the balance of accounts:

Type	Balance amount	Actual amount	Differenc e
Other current accounts Accounting stations abroad	10.70	15.72	-5.02
Escrow account VAT	433.54	0.14	433.40
Escrow Account-Debt	- 205.23	3.69	-208.92
Special Account BEAC Road Fund	- 72.69	0.00	-72.69
French bilateral C2DHIPC	185.19	74.81	110.38
Total	**351.51**	**94. 36**	**257.16**

Source: General Account of the State 2017

As for liquid assets, the balance sheet shows a balance of 832.63 billion CFAF against an actual amount of 575.47 billion CFAF resulting from the above-mentioned internal controls. The recording on the balance sheet of balances in the cash accounts is based, as a general rule, on end-of- year inventory results, in this case bank reconciliations and cash controls as shown in the table "Structure of cash accounts as at 31 December 2017."

The amount of cash and cash equivalents shown in the balance sheet of the State as at 31 December 2017 as a carry-over of the balance of the trial balance is different from that resulting from this inventory work is questionable.

This inconsistency had already been noted during the review of the General Account of the State for the 2016 financial year and the Ministry of Finance attributed it to the difficulty for authorised accountants, who are not the Central Treasury Accounting Agency, to produce accounting documents, a situation which will gradually be resolved in 2017 and 2018.

This situation increases uncertainty about the reliability of the balances in the cash accounts and, consequently, about the accuracy of the image of the financial situation of the State at 31 December 2017.

d) Adjustment accounts:

The balance sheet of the State as of 31 December 2017 contains two categories of adjusted accounts: 481 *"provisional imputation of expenditure" and* 58 *"Adjustment account of assets and liabilities*

With regard to account 481 "*Provisional Imputation of Expenditure*", it brings together expenses to be adjusted, the legal costs and the premiums on the sale of the stamps.

(i) Accounts 48,131 and 481,212: Court costs

Accounts 48,131 and 481,212 devoted to court costs show in the trial balance of accounts as at 31 December 2017 balances of 245.6 billion CFA francs and 19.44 billion CFA francs respectively, or a cumulative balance of 265.04 billion CFA francs. This cumulative balance is different from the balance in the balance sheet of 272.02 billion FCFA. This inconsistency already appeared in the balance of 2016.

(ii) Accounts 481,213 and 48,132: Bonuses on sales of stamps

Similarly, the balances of accounts 481,213 and 48,132 on the trial balance as of 31 December 2017 are respectively 3,516 billion CFA francs and 6.98 billion CFA francs, that is a total of 10,496 billion CFA francs. The balance of these accounts carried over to the balance sheet is 3.52 billion CFA francs. This carry-forward is incorrect as it does not include the amount of 6.98 billion CFAF.

This inconsistency already noted in 2015 and 2016 persists in 2017. The current data allow us to conclude that the balances of these balance accounts are incorrectly recorded on the balance sheet.

For the Ministry of Finance, efforts are being made to gradually reduce the outstanding volume of expenditure to be adjusted, with the aim of achieving a zero balance at the end of the financial year.

These anomalies are likely to increase uncertainty about the fairness of the accounts concerned and therefore call into question the accuracy of the image of the financial situation of the State.

e) Inventories

As in the 2016 financial year, inventory data for government departments are not recorded in the balance sheet as at 31 December 2017. This situation is at odds with the chart of accounts which reserves Class 3 for accounting on inventory transactions.

It should be settled in the context of an accrual accounting. The current approach of evaluation of fixed assets may be transposed to inventories, failing to use statements of stores management accounts established each year under the provisions of Circular No. 002/CAB/PM of 19 February 2008.

For the Ministry of Finance, the accounting of inventories is conditioned by the implementation of accrual accounting, for which the framework is currently being completed.

The absence of accounting records relating to stocks weakens the structure of the State's balance sheet in that it does not integrate the operations of an important part of its assets.

f) Financial debts

As at 31 December 2017, the trial balance of accounts recorded financial debts valued at 5,668.555 billion CFA francs. On the same date, the liabilities of the State balance sheet indicate for the same financial debts an amount of 6,305.93 billion CFA francs, a difference of 637,375 billion CFA francs. This difference reflects an unfaithful carry forward of the balance to the balance sheet as recorded in the 2016 financial year.

Offset revenue

Account 385,300 "Issuance of *customs clearance vouchers*" has a balance of 224,953,585,356 FCFA in 2017, or an increase of 6,596,410,260 FCFA over the 2016 financial year. This balance includes outstanding collections from previous financial years, particularly those before 2013 amounting to 102,000,750,706 CFAF, which were paid by compensation in accordance with conventions regularly signed between the State of Cameroon and SONARA. As a result, the balance of this account does not correspond to the exact amount of this category of debts that was entered in the balance at 31 December 2017.

This third-party debt (Account 415 customs revenue) accounted for 224,953,162,104 billion CFA francs in the balance and in the balance sheet as at 31 December 2017, is thus overvalued.

This situation has regularly been brought to the attention of the Ministry of Finance, who considered that "*this problem is due to lack of credit for budgetary coverage, and that efforts will be made to make provisions for coverage in subsequent years.* "

However, no changes are recorded in the General Account of the State for the 2017 financial year.

The Ministry of Finance now intends to develop a multi-annual clearance plan.

2.2.2. Income and expenditure during the 2017 financial year

The income statement of the State at 31 December 2017 shows revenues of 2,883.08 billion CFA francs and expenses of 2,223.28 billion CFA francs, a surplus income of 659.80 billion CFA F.

a) Revenue

(i) Evolution of revenue

State revenue increased by 315.46 billion CFA francs, an increase rate of 10.94% between 2016 and 2017.

This increase is due to a rise in sovereign revenue (taxes, dues and customs duties), revenue from interventions.

Operating revenue- taxes and duties (1,606.19 million CFAF) and customs duties (918.68 million CFAF), including revenue from interventions (112.73 million CFAF) increased by 186.8 million CFAF, 34.46 million CFAF and 59.82 CFA million respectively in 2017. They represent 82.46% of operating revenue of the period.

However, oil revenue, for its part, continued to fall from 456.92 million CFAF in 2016 to 413.79 million CFAF in 2017. This is due to the continuous fall in the price of oil per barrel in the international market. These variations, however, do not affect the uncertainties regarding the performance of certain products whose balances recorded in the income statement are nil as the years go by.

(ii) Low yield revenue

As in the 2015 and 2016 financial years, some accounts have balances lower than 100 million CFAF in the profit and loss account. Considering the nature of the revenue, reservations made about the completeness and accuracy of the entries of transactions relating to these categories of revenue should be maintained.

The table below reproduces a sample of these revenues by reconciling the balances of three years: 2015, 2016 and 2017.

Table 3. Accounts of low-yield revenue (in billions CFAF)

Account	Item	Balance		
		2017	2016	2015
7105	Fees for examinations and competitive examinations	0.00	0.01	0.0
7115	Fees for issuance of drivers' licence	0.00	0.00	0.0
7120	Fees for issuance of taxpayers' card	0.00	0.00	0.0
7122	Fees for issuance of passports and laissez-passer	0.00	0.00	0.0
7123	Fees for issuance of identity cards and residence permits	0.00	0.00	0.0
7151	Revenue from the sale of petroleum products	0.00	0.00	0.00
7172	Services of military hospitals	0.00	0.00	0.0
7181	Hospital admissions	0.00	0.00	0.0
7185	Mortuary fees	0.00	0.01	0.0
7189	Vehicle Inspection fees	0.00	0.01	0.01
726	Taxes on salaries and labour	0.00	0.00	0.00
7323	Taxes on insurance contracts	0.00	0.00	0.0
7333	Fees for setting up and merging of companies	0.00	0.00	0.0
7338	Tax on games of chance and amusement	0.03	0.06	0.01
7349	Transport licences	0.00	0.00	0.0
7363	Customs duty on petroleum	Non-existent	12.90	0.01
7375	Customs computer tax	Non-existent	0.00	0.0
7384	Stamps duty on driving licences	0.00	0.00	0.0
7385	Stamps duty on vehicle registration certificates	0.03	0.01	0.01
7397	Taxes on State property	0.00	0.00	0.00

Source: General Account of the State 2017

The Ministry of Finance stated on the occasion of the review of the General Account of the State for the 2016 financial year that this situation was due to the revenue managed at the level of service income. Fees are collected by the issuing administrations or services which use them to operate their services (secondary schools, hospitals, CAS MINTRANSPORT, forest, etc.). In the absence of budgetary coverage, this revenue cannot appear in the execution of the State budget.

The present General Account of the State indicates that the ongoing work on the State's accounting framework provides for detailed information on revenue accounts to be given in the appended statement, with the switch from the current accounting system to the accruals system planned for 2021.

In the meantime, this lack of information on income accounts does not make it possible to express an opinion on the reliability of the balances of these accounts as recorded in the income statement of the State as at 31 December 2017.

b) Expenditure

As concerns expenses which increased by 81.1 billion CFAF in 2017, cases of zero balance accounts were noted. These cases are listed in the table below:

Account	Item	2016	2017
6123	Fuel and lubricants for ships and speedboats	0.07	0.06
6129	Fuel and lubricants for special machinery	0.01	0.01
6143	Metre connection	0.04	0.04
6144	Consumption of gas and other energies	0.02	0.02
6146	Supplies Solar energy	0.00	0.00
6157	Renting of congress, conference, seminar or show rooms	0.14	0.01
6156	Rental of technical equipment	0.00	0.00
6169	Fire safety	0.23	0.07
6183	Subscriptions and consumption of radiocommunications	0.07	0.04
6191	Road maintenance	0.00	0.00
6192	Maintenance of urban roads and road equipment	0.28	0.15
6193	Maintenance of works of art	0.00	0.00
6197	Maintenance of hydraulic installations	0.01	0.02
6198	Maintenance of port facilities and military airports	0.14	0.19
6199	Maintenance of other infrastructure	0.01	0.07
6217	Allowances linked to the general status	0.00	0.00
6218	Benefits in kind linked to function	0.00	0.00

6227	Allowances related to special status	0.00	0.00
6228	Benefits in kind linked to function	0.00	0.00
6229	Support for new positions to be created	0.00	0.00
6232	Officer cadets during the legal period	0.40	0.00
6233	Students of vocational training schools	0.60	0.00
6240	Staff with overall salary	0.00	0.65
6252	Decision and Auxiliary staff	0.00	0.00
6254	NSIF contributions on salaries of contract workers	0.14	0.00
6251	Contract workers	0.00	0.00
6265	Allowance for payment in cash	0.01	0.01
6266	Allowances for work on call	0.17	0.10
6281	Support for researchers	0.00	0.00
6310	Taxes and similar payments	0.97	0.00
6532	Capital grants to state-owned enterprises	0.00	0.00
6539	Capital grants to cultural and sports institutions	0.08	0.06
6534	Capital grants to NGOs and Associations	0.01	0.02
6615	Death benefits	0.00	0.00
6711	Medical repatriations	0.06	0.07
6716	Provisions for elections	0.00	0.00
6723	Allowances paid to advisers	0.02	0.01
6726	Allowances paid to court assessors	0.10	0.09
6729	Subsidies for households	0.00	0.00
6722	Allowances paid to MPs	0.06	0.00
6421	Interest and fees on LMT loans from	0.00	0.01
6431	Interest and fees on foreign banks commercial debt	0.00	0.00
6430	Interest on non-negotiable Treasury bills	37.92	0.00
6441	Interest and fees on LMT's loans from financial institutions and the banking system	0.00	0.00

Those of the accounts concerned are notably expenditures on staff accounts and financial expenditures. Moreover, discrepancies were observed between certain expenditure in section 2 of the settlement bill and their amount in the trial balance of the State.

For the Ministry of Finance, detailed information on these accounts will be provided in the appended statement, as soon as the new accounting standards of the State resulting from the accruals-based system are implemented as scheduled in 2021.

This lack of information on expenditure accounts does not make it possible to express an opinion on the reliability of the balances of these accounts as recorded in the income statement of the State as at 31 December 2017.

(iii) Discordance between the figures in the trial balance of accounts and the SB

Instruction No. 13/001/MINFI/SG/DGTCFM/CLC of 10 January 2016 on the nomenclature of the Treasury accounts for the year 2017, in its "T*able of correspondences between the budget accounts and class 4 accounts*," indicates with regard to the expenditure of Heads 92 "Holdings," 93 "*Rehabilitation/Restructuring*," 94 "*Investment interventions*," that the unique counterparts are respectively accounts 400 0067, 400 0068, and 400 0069.

The review of section 2 of the Settlement Bill and the general balance of accounts, highlights in the following table, the differences between the budgetary expenditures and the accounts mentioned above:

Table 4. Consistency between section 2 of the Settlement Bill and the trial balance of accounts

2017 Settlement Bill (Section 2)			Trial balance			DIFFERENCE
Head		Execution	Account number	Item	Credit movements	
92	Holdings	19,976,346,344	4,000,067, 17	Commitment order DM participation 2 017	19,976,346, 344	0
93	Rehabilitation/re structuring	597,731,682	4,000,068, 17	Commitment order DM Rehabilitation/ Restructuring 2017	430,442, 000	167,289, 682
94	Intervention in investment	256,167,508,584	400,0069,17	Commitment order DM Counterpart fund 2017	156,837, 949,415	99,329,559, 169

The table above shows differences between the amounts of executions of heads 93 and 94 with their "*single counterparts*" in the Trial balance for the 2017 fiscal year in violation of the instruction relating to the nomenclature of accounts.

For the Ministry of Finance, these are expenditures executed off-balance, but nevertheless included in the settlement bill.

This situation reflects a lack of completeness and accuracy of accounting records.

2.2.3. Cash flow table

As noted in the 2013, 2014 and 2015 financial years, the amounts of expenditure recorded in the income statement differ from those of the cash flow statement, which influences the determination of the net change in cash position.

Three expenditure categories show differences in their amounts in the cash flow statement and in the income statement or balance sheet for the 2017 financial year.

Compared to the income statement, intervention expenses are recorded for an amount of 422.31 billion CFA F and financial expenditures for 174.35 billion CFAF while in the cash flow statement at 31 December 2017, these amounts are respectively 450.42 billion CFA F and 212.94 billion CFA F.

As for the balance sheet, correspondent deposits, accounts 420 "*Financial Services PAE*", 421 "Financial Services RLA," 450 *"Financial Services government structures*," and 470 "*Other Financial Services"* are recorded for 1,034.6 billion CFA F while the cash flow statement shows the sum of 868.84 billion CFA F.

This observation had been made during the examination of the General State Account for the 2015 and 2016 financial year and the Ministry of Finance had recognised its relevance. However, this situation has not been adjusted in the General Account of the State for the 2017 financial year.

The Ministry of Finance explains these discrepancies by the fact that the expenses in the income statement are shown on the basis of authorisations (class 6) whereas the cash flow table shows the actual disbursements (class 4 debit).

However, in the absence of a correspondence table Balance - cash flow table, the inconsistencies which persist in the recording of expenses and deposits of correspondents in the balance sheet and the cash flow table for the same year do not allow an accurate assessment of the evolution of the State's cash position for the 2015, 2016 and 2017 financial years.

CONCLUSION

The General Account of the State for the 2017 financial year is regularly transmitted to the Audit Bench of the Supreme Court within the agreed period and in the form provided for by law.

Its substantive review revealed the same anomalies and shortcomings as those noted in previous years relating to:

- Inventory of assets and evaluation;

- Constitution of depreciation and provision of certain elements of assets;
- carry-forward of balances of accrual accounts;
- Accounting for revenue collected through compensation;
- absence of information on certain revenue and expenditure;
- abnormal movements of balances;
- accounts showing negative movements in debit or credit;
- inconsistency between some accounts in the trial balance of accounts;
- discrepancy between the figures in the trial balance of accounts and those in the Settlement Bill;
- accuracy of the amounts in the cash flow table

These anomalies can only be resolved with the implementation of new State accounting standards scheduled for 2021. As a result, significant efforts are still needed to make the General Account of the State eligible for certification.

Therefore, the Audit Bench considers that the General Account of the State for the 2017 financial year does not lend itself, as it stands, to certification.

Thus, issued the same day, month and year as above.

Done at the Audit Bench at Yaounde, on 29 October 2020

PART FOUR: RECOMMENDATIONS OF THE AUDIT BENCH IN 2018

CHAPTER 1: RECOMMENDATIONS IMPLEMENTED DURING THE 2018 FINANCIAL YEAR

Section 1 Enabling instruments of Law No. 99/016 of 22 December 1999 on the general rules and regulations of public establishments and public and semi-public enterprises

In 2007, the Audit Bench recommended compliance with the provisions relating in particular to the conformity of the Articles of Association of public and semi-public enterprises with the OHADA law regarding the length of the terms of office and the incompatibility of the various management organs.

It also recommended the drafting of an enabling legislation, in particular to regulate the benefits granted to the managers of public establishments and public and semi-public enterprises, Decree No. 87/1141 of 20 August 1987 fixing remuneration and benefits of employees of State corporations, public establishments and semi-public enterprises being deemed obsolete or in contradiction with the aforementioned Law No. 99/016 of 22 December 1999.

Recommendations **Nos**. **07-3, 07-4, 07-5 and 07-10** as well as the injunction of 17 December 2008 addressed to the Minister of Finance decried this situation.

On 12 July 2017, the Head of State enacted Laws Nos. 2017/010 and 2017/011 of 12 July 2017 relating to the General Rules and Regulations of Public Administrative Establishments and Public Enterprises respectively. These two laws partially implement the interim ruling of the Audit Bench of 17 December 2008 and the various recommendations mentioned above.

Section 2 Inventory and evaluation of assets of the State, Regional and Local Authorities and Public Administrative Establishments

This is the recommendation No. 10-1 made in 2010 relating to the opening without delay of the inventory and the evaluation of assets of the State, Regional and Local Authorities and Public Administrative Establishments which must necessarily extend to the training and upgrading of the staff responsible for drawing up the accounts. In 2013, this led to the setting up, at the level of the Ministry of Finance, of "a working group responsible for the implementation of the accrual accounting."

Since then, work has progressed sufficiently within this group, although a full assessment of the State's heritage has not yet been achieved.

Section 3 Decree No. 2013/160 of 15 May 2013 on General Rules governing Public Accounting

In 2013, the Audit Bench recommended that legislative provisions authorise the implementation of the innovations introduced by Decree No. 2013/160 of 15 May 2013 on the General Rules governing Public Accounting, in particular the notion of damage which does not exist in Law No. 2003/005 of 21 April 2003, the power to certify the regularity and fairness of financial statements, the power to impose a fine on accountants on the basis of the severity of the fault and the terms of the prescription. **(Recommendation 13-04).**

Law No. 2018/011 to lay down the Code of Transparency and Good Governance in the Management of Public Finance in Cameroon and Law No. 012 of July 2018 on the Fiscal Regime of the State and Other Public Entities include all the innovations of Decree No. 2013/160 of 15 May 2013 relating to the General Rules governing Public Accounting. The Audit Bench is thus empowered and all that remains is to review the organic law of 2003 to include all these innovations.

This recommendation has been partially implemented in 2018.

CHAPTER 2. REMINDER OF RECOMMENDATIONS NOT IMPLEMENTED BEFORE THE END OF THE 2018 FINANCIAL YEAR

Section 1 Review of the law of 21 April 2003 to lay down the jurisdiction, organisation and functioning of the Audit Bench of the Supreme Court

In 2006, the Audit Bench made recommendations Nos. **06-1, 06-2, 06-3 and 06-4** concerning a review of sections 2, 8 and 39 of Law No. 2003/005 of 21 April 2003.

The urgency of reviewing this law was again perceived through the workshop organised by the Audit Bench in June 2013. This workshop paralleled the shortcomings of the current instrument with the provisions of a financial court in conformity with international standards and particularly CEMAC Guidelines. These provisions would thus ensure the appropriation of these Guidelines subject to certain instruments passed in more appropriate forms than are permitted by a statutory instrument (**Recommendation 11-06**).

Law No. 2018/011 and Law No. 012 of July 2018 which extend the powers of the Audit Bench further invite the government to harmonise the organic law of the Institution with these various instruments.

This recommendation is yet to be implemented

Section 2 Submission of accounts

Paragraph 1. Content of bundles of expenditure supporting documents

In 2007, the Audit Bench recommended to the Minister of Finance to initiate reflexion aimed at significantly reducing the number of documents constituting a bundle of supporting documents in order to make the control of the public accountant more effective while preserving the probative character of the said documents. (**Recommendation No. 07-11**).

This reflexion has not taken place.

Paragraph 2. Submission of the accounts of natural persons with official functions

Recommendation No. 08-2 has not yet been implemented. It was made during the 2008 financial year about the transmission to the Audit Bench on the due diligence of the Minister of Finance, the accounts of natural persons performing official duties or those of certified public accountants of corporate persons invested with a specific mission and receiving as a result thereof national or international grants as prescribed by section 8 (7) of

Law No. 2003/005 of 21 April 2003 laying down the jurisdiction, organisation and functioning of the Audit Bench of the Supreme Court, has not yet been implemented.

Section 3 Accuracy of budget Balances

In 2011, the Audit Bench recommended compliance with the principles and procedures of processing and recording of accounting and budgetary operations to improve the determination of budget balances and give fair results of budget execution.

(Recommendation 11-03).

This recommendation has not yet been implemented by public accountants.

Section 4 Application of Law No. 73/7 of 7 December 1973 relating to the Preferential Claim of the Treasury to safeguard public funds

The Audit Bench recommended in 2013 compliance with Law No. 73/07 of 07 December 1973 relating to the preferential claims of the Treasury to safeguard public funds to guarantee the claims of the Treasury and make effective the execution of court decisions against defendants in debit to the State or entities benefiting from the preferential claim of the Treasury

(**Recommendation 13-01).**

This recommendation has not yet been implemented.

Section 5. Settlement Bill

Paragraph 1. Budgetary expenditures relating to guarantee by the State

In 2013, the Audit Bench recommended that the execution of the budgetary expenditure relating to the State's guarantee to public establishments and semi-public enterprises in respect of the concessional loans should be properly informed in the settlement bill

(Recommendation 13-02).

This recommendation is still to be implemented.

Paragraph 2. Registration of data relating to drawings from direct foreign bilateral and multilateral loans

To ensure the completeness of the registration of operations to implement the State budget, the Audit Bench recommended in 2013 that transactions relating to drawings on direct external loans should be included in the trial balance of accounts in accordance with the provisions of section 68 of the Fiscal Regime of the State according to which no collection or disbursement operation of the State should escape the perimeter of the single account of the Treasury (**Recommendation 13-03**).

This recommendation has not yet been followed-up.

Section 6. The General Account of the State

In its article 128, Decree No 2013/160 to lay down the General Rules governing Public Accounting has progressively applied, until a period of six years, the full application of the rules and procedures resulting from the principle of recognition of rights and obligations, as well as the accrual accounting of general accounting. The implementation of cost accounting and the linkage to the mechanisms of programme budget for Public Administrative Establishments and Regional and Local Authorities. However, the deadline is not far. The government must take all necessary steps to prepare the various structures by that date.

(**Recommendation No. 14-1).**

This recommendation has not yet been implemented.

Section 7. Expenses incurred in advance of cash

In view of the accumulation of expenses in advance of cash, the Audit Bench recommends the establishment of auxiliary registers to monitor the regularisation of such expenditure in accounting stations.
(**Recommendation 14-2).**

This recommendation has not yet been followed-up.

Section 8. Asymmetric liability of those involved in budget execution

Paragraph 1. Transfer of the competences from the accountant to the authorising officer without a transfer of liability

Articles 29 (1) and (2) and 76 (3) and (5) of Decree No. 2013/160 relating to the General Rules governing Public Accounting specify that when the accountant obeys the authorising officer's request, he ceases being liable for the expenditure in question. However, this liability is not transferred to the authorising officer as was the case under Ordinance No. 62/04 of 7 February 1962 or as in articles 30 and 54 of the CEMAC Guidelines
(**Recommendation No. 14-3).**

This recommendation has not been implemented.

Paragraph 2. Relation between the Budget and Accounts Disciplinary Board and the Audit Bench;

Law No. 2003/005 of 21 April 2003 authorises the Budget and Accounts Disciplinary Board (BADB) and the Supreme State Audit Services (CONSUPE) to refer to the Audit Bench for irregularities committed by accountants noticed during controls. The Audit Bench does not have the right to appeal to the BADB for faulty management attributable to authorising officers identified during its controls, which is, however, granted to Regional Audit Courts.

Thus, joint or common faults punished at the level of the accountant remain irrelevant to the authorising officer or to the manager
(**Recommendation 14-4).**

Implementation of this resolution is still awaited.

Section 9. Missing service numbers on appointment instruments

Service numbers of public officials are increasingly missing from the instruments appointing them to positions of responsibility. Thus, most of the management accounts which reach the Audit Bench do not include the service numbers of the accountants, authorising officers or other officials involved in the controls carried out by the financial jurisdiction. The absence of service numbers in the appointment instruments makes it difficult to identify these actors and to notify and even execute rulings of the Audit Bench (**Recommendation No. 14- 5).**

This recommendation has not yet been implemented.

Section 10. Accounting deficits

The review of the management accounts submitted by public accountants reveals that the deficits of public accountants reported are not always accompanied by the minutes establishing these deficits and signed by those responsible for them and auditors. It also shows that some of them are not supported in accounting entries.

Moreover, those responsible for most of the deficits are not named.

On 31 December 2014, the total amount of deficits in the financial districts amounted to 12,121,866,583 CFAF
(**Recommendation No. 14-6).**

Implementation of this recommendation is still awaited.

Section 11: Annual production of updated lists of entities to be controlled containing names and contact information of the accountants and authorising officers concerned

Law n ° 2003/005 of 21 April 2003 to lay down the jurisdiction, organisation and functioning of the Audit Bench of the Supreme Court provides in its section 11 that *"the list of corporate bodies governed by private law in which the State and other corporate bodies governed by public law, hold either jointly or severally, more than half of the capital, a share of the capital, or the decision-making power, shall be notified to the Audit Bench by the minister in charge of finance. This list shall be indicative. The Audit Bench shall be immediately informed about any amendments thereof. "*

Public administrative establishments and Public and Semi-public Enterprises are created while others disappear. There is a need for the Audit Bench to control the structures under its jurisdiction.

In 2015, the Audit Bench recommended that the provisions of section 11 of the above-mentioned law be formally complied with.
(**Recommendation No. 15-1).**

Section 12. Notification of the rulings of the Audit Bench

In 2015, the Audit Bench recommended that administrative and council authorities should be sensitised on the role they should play in the procedure of notification of its rulings.

Several notifications from the Audit Bench do not reach their addressees because the procedure of notification of its rulings is unknown (**Recommendation No. 5-2).**

Section 13. Financial information of the State

Pursuant to section 19 (1) and (2) of Law No. 2007/006 of 26 December 2006 relating to the Fiscal Regime of the State *"(1) without prejudice to this law, only amending finance laws may, during the year amend the provisions of the finance law of the year. They shall ratify amendments made by decree to appropriations provided by the last finance law.*

(2) They shall be presented in the same form as the finance law. They must reflect the impact of the amendments made on the equilibrium of the current financial year and the balance of the finance law. "

In 2015, the amendments made by Ordinance No. 2015/004 of 23 December 2015 to certain appropriations opened by Law No. 2014/026 of 23 December 2014 on the Finance Law of the Republic of Cameroon for the financial year 2015 have not been ratified by a supplementary budget law.

The Audit Bench recommends amending finance laws be used in case of changes made by ordinance or decree to the appropriations opened by the last finance law. (**Recommendation No. 15-3)**

Section 14. Accountability

Faced with the problem related to lack of accountability of Regional and Local Authorities and Public Administrative Establishments, the Audit Bench strongly recommended that these institutions be asked to produce accounts annually.
(**Recommendation No. 16 – 01).**

Specifically on the accounts of the RLAs, the Audit Bench recommends its own participation in the quarterly workshops to update municipal accounting organised by the PNDP and the setting up of an Audit Bench/MINATD/MINFI/PNDP platform.
(Recommendation n ° 17-1 and 17-2).

Section 15. Budgetary allocations

The Audit Bench is experiencing a downward trend in the appropriations authorisations allocated to it, that is, 31.5% between 2014 and 2015. This decrease contrasts with the scope of the missions assigned to it.

The Audit Bench recommends that, to the extent of the State's capacity, the budget of the Supreme Court and consequently that of the Audit Bench should be increased to allow it to carry out its missions effectively (**Recommendation No. 16 – 02)**.

Section 16: Situation of Accounting Officers

In the performance of their duties, accounting officers face numerous difficulties linked to the organisation of their services, staffing and the financial support by the structures which employ them.

Thus, the Audit Bench recommends the establishment by the Ministry of Finance of a framework for reflecting on the status of accounting officers (**Recommendation No. 17-03).**

Section 17: Auditing the Mining Sector

Considering the role and importance of the mining sector in the development of the country and with regard to the new requirements of EITI in the forthcoming certification of revenue reporting forms of the extractive sector, the Audit Bench recommends the building of its own capacity in the auditing of the mining sector "(**Recommendation No. 17-04).**

Section 18: Performance of the Tax Administration

Considering the assessment of the tax administration using the TADAT tool, the Audit Bench recommends that measures be taken to render the tax administration more efficient by reducing the cost of tax management for natural persons, enterprises and administrations, by strengthening transparency and integrity within the tax administration and by improving collection and the management of tax arrears (**Recommendation No. 17-05).**

Section 19: Legal framework of the opening of public data

The Audit Bench recommends the establishment of a legal framework governing the opening of public data in Cameroon.
(**Recommendation No. 17-06).**

CHAPTER 3. NEW RECOMMENDATIONS

Recommendation 18-01: Formally giving the Audit Bench the status of Supreme Audit Institution

Laws No. 2018/011 and 2018/012 promulgated on 11 July 2018 broadened the powers of the Audit Bench, without conferring it the status of SAI according to the provisions of CEMAC Guidelines No. 01/11-UEAC-190-CM-22 of 19 December 2011, in its article 72.
In addition, the Audit Bench complies with the Lima Declaration on Guidelines on public finance auditing, on the one hand, and the Mexico Declaration on the independence of SAIs, on the other hand.

The Audit Bench recommends that the above-mentioned CEMAC Guideline be fully appropriated and that the status of Supreme Audit Institution should be formally conferred on it.

Recommendation 18-02: Establishment of an autonomous Financial Legal Department

Financial justice is a specialised area of justice which is separated from administrative justice and judicial justice. Therefore, for greater efficiency, the Audit Bench and its branches should have an independent financial Legal Department with financial Legal and Judicial Officers trained in judging public accounts, monitoring financial legal system and budget compliance and evaluating public policies.

The Audit Bench recommends that a specialised financial legal department separate from that of the Supreme Court be established.

Recommendation 18-03: Better monitoring of holdings pertaining to the portfolio of the State

The State holds several shares in public and semi-public enterprises and in public service concessions.

There are not enough information about their management or expected dividends.

The Audit Bench recommends a better monitoring of holdings pertaining to the State portfolio.

Recommendation 18-04: Allocation of a Head Office building to the Audit Bench

The human resources at the Audit Bench is constantly increasing. To date, the number of staff working at the Audit Bench is greater than that of the other two Bench of the Supreme Court combined, i.e. one hundred and eighty-six (186) persons. Thus, several Legal and Judicial Officers and other staff do not have offices and are reduced to working together in cramped and improvised spaces.

The Audit Bench recommends the provision of a head office building.

Recommendation 18-05: Implementation of a collaboration mechanism between the Audit Bench, Parliament and the Government

The new Fiscal Regime of the State and other Public Entities allows the Government and Parliament to ask the Audit Bench to carry out inquiries and analyses on any accounting and financial issue. This assistance to these bodies is not yet operational.

The Audit Bench recommends the implementation of a collaboration mechanism between it, Parliament and the Government.

CONCLUSION

The number of accounts controlled and judged by the Audit Bench during the financial year shows the intense activity carried out by this Institution in accordance with the provisions of Section 3 of Law No. 2003/005 of 21 April 2003, which requires the Institution to report annually on its work to authorities and the public. It emerges from the reading of this report that the Audit Bench covered its competence, as laid down by Law No. 2003/005 of 21 April 2003, Law No. 2006/016 of 29 December 2006 and Law No. 2007/006 of 26 December 2007.

It should be noted that the new powers conferred by Laws No 2018/011 and 2018/012 of 11 July 2018 could not be exercised during the 2018 financial year, as the Audit Bench had already adopted its audit programme before their enactment.

Moreover, some of these new powers require the meeting of a number of conditions relating to the organisation of the Audit Bench and the introduction of the establishment of the procedures necessary for their implementation.

On the other hand, the difficulties raised in previous reports remain. This is the case for the head office building, which is largely out of date, and for the continued decline in the budget despite the increase in its staff and skills.

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The following signed the minutes of this Annual Report

The President of the Audit Bench

YAP ABDOU

Members

FOFUNG Justine NABUM spouse of WACKA	MBENOUN Théodore
NGATCHA Isaïe	NDJOM NACK Elie Désiré
NJONKOU MANGWA Rose spouse of TCHOQUESSI	MANGA MOUKOURI Isaac
SUH Alfred FUSI	YEBGA MATIP
DJOKO André	NDONGO ETAME David
MIKONE Martin Bienvenu	ALIMA Jean Claude

OUMAROU ABDOU

The Registrar-in-Chief of the Audit Bench

NGUETCHUENG Bertrand