

REPUBLIC OF CAMEROON  
***PEACE – WORK - FATHERLAND***



Audit Bench of the Supreme Court

# Annual Report 2015

## MISSIONS OF THE AUDIT BENCH

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

**(1) Control and rule on public accounts as well as those of public and semi-public enterprises,**

Section 41 of Law No. 96/06 of 18 January 1996 to amend the Constitution of 2 June 1972;

**(2) Declare and check de facto accounting,**

Section 7 of Law No. 2003/005 of 21 April 2003 on the jurisdiction, organization and functioning of the Audit Bench of the Supreme Court;

**(3) Give its opinion on any matter referred to it in connection with the control and verification of accounts,**

Section 10 of Law No. 2003/005 of 21 April 2003 referred to above;

**(4) Give its opinion on Settlement Bills submitted to the National Assembly and a certification report on the attached General Account of the State,**

Section 39 (c) of Law No. 2006/016 of 29 December 2006 to lay down the organization and functioning of the Supreme Court; sections 125 (3) and 126 (3 & 4) of Decree No. 2013/160 of 15 May 2013 on the General Regulations of Public Accounting;

**(5) Draw up and publish annual reports on State accounts to be submitted to the Head of State,**

Section 39 (d) of Law No. 2006/016 of 29 December 2006 referred to above;

**(6) 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,**

Section 3 of Law No. 2003/005 of 21 April 2003 referred to above.

This report was prepared by the Programming and Public Report Committee under the coordination of Mr. KAMENI Pierre, Master of the Supreme Court. The Committee included among others Messrs NGAN Evaristus AZEH, THEUMOUBE Philippe, DJOKO André, MIKONE Martin Bienvenu, ALIMA Jean Claude, YEBGA MATIP, EZO'O BIZEME, Masters of the Supreme Court;

Mrs NJOWIR Mary YIBEALA spouse of JIFON, Registrar-in-Chief and Mr. OUWE MISSI Martial Milhaud, Division Registrar;

Mrs DJOMO Lyna Kristelle and EYENGA NLATE Evelyne Sandrine spouse of ENAM and Messrs Emmanuel, NTAMAG Achille and TSALA AWONO Nestor, Audit Assistants.

Mr. EBENE Daniel, Advocate General was Adviser to the Committee.

This report was proofread by a committee presided over by Mr. ATEBA OMBALA Marc, President of the Audit Bench and made up of Mr. MBENOUN Théodore, Mrs FOFUNG NABUM Justine spouse of WACKA, SIMO TCHUINTE Lucienne spouse of SIMO BOBDA, Division Presidents; Mr. KAMENI Pierre, Coordinator of the Programming and Public Report Committee, Messrs DITOPE LINDOUME, FOU DA AMOMBO, MIKONE Martin Bienvenu and EZO'O BIZEME, Masters of the Supreme Court; Mrs NJOWIR Mary YIBEALA spouse of JIFON, Registrar-in-Chief.

Messrs MBENGUE Georges, Senior Advocate General and EBENE Daniel, Advocate General, represented the Procureur General of the Supreme Court.

This report was adopted in chambers on 12 January 2015.

## RULING

In accordance with the provisions of 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, organization and functioning of the Audit Bench of the Supreme Court.

The following were present:

- Mr. ATEBA OMBALA Marc, President of the Audit Bench;
- Messrs MOUTCHIA AMBE George, MBENOUN Théodore,  
Mrs FOFUNG Justine NABUM spouse of WACKA, SIMO TCHUINTE Lucienne spouse of SIMO BOBDA, Division Presidents;
- Messrs MANGA MOUKOURI Isaac, HAKAPOKA Narcisse, KAMENI Pierre, DITOPÉ LINDOUME, FOU DA AMOMBO, NGAN Evaristus AZEH, THEUMOUBE Philippe, NDONGO ETAME David, DJOKO André, MIKONE Martin Bienvenu, NDJOM NACK Elie, ALIMA Jean Claude, YEBGA MATIP, EZO'O BIZEME, OUMAROU ABDOU, Masters of the Supreme Court.

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

- Mr. MBENGUE Georges, Senior Advocate General at the Supreme Court, Messrs TENGEN Pius WERENGOH and EBENE Daniel, Advocates General at the said court, representing the Procureur General of the Supreme Court;
- Mrs NJOWIR Mary YIBEALA spouse of JIFON, Registrar-in-Chief, took the minutes.

*Done at the Audit Bench of the Supreme Court on this 12<sup>th</sup> day of January 2017*

## FOREWORD

### *“Gutta Cavat Lapidem”<sup>1</sup>*

The history of Cameroon's public finance is intimately linked to that of our country and its institutions. It tells us that the first auditing bodies of accounts of public accountants did not last long. Be it the Committee to audit Public Accountants<sup>2</sup>, the Audit Bench of the Supreme Court of Cameroon at the advent of the Federal Republic of Cameroon, East Cameroon<sup>3</sup>, or the Federal Accounts Court<sup>4</sup>.

After a long interim ensured by the Supreme State Control or of that which took its place, an Audit Bench was once again instituted within the Supreme Court, through law No. 96/06 of 18 January 1996 to amend the Constitution of 2 June 1972, with the essential missions to:

- “Control and rule on public accounts, as well as those of public and semi-public enterprises;
- Give final rulings on final judgments passed by lower audit courts;
- Examine any other matters expressly devolving upon it by law<sup>5</sup>.”

As an organ of the judiciary instituted by this amended Constitution and "exercised by the Supreme Court, the Courts of Appeal and the Tribunals",<sup>6</sup> the Audit Bench would have as prerogatives, outside the judgment of the accounts of certified or de facto public accountants which it shares with its predecessors:

- Management control exercised over:
  - public and semi-public enterprises ;
  - corporate persons, irrespective of their legal status, benefiting from or receiving compulsory levies such as social security or vocational training; operating a public service or State monopoly; benefiting from direct or indirect financial support from the State or another legal person governed by public law;

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<sup>1</sup> “ A drop hollows the stone”

<sup>2</sup> Ordinance No. 60-60 of 7 May 1960 to lay down the rules and regulations governing public accountants

<sup>3</sup> Law No. 61-3 of 4 April 1961 and Decree No. 61-85 of 6 June 1961

<sup>4</sup> Ordinance No. 62-OF-04 of 7 February 1962 governing the method of presentation, conditions of execution of the budget of the Federal Republic of Cameroon, its revenue, expenditure and all related operations.

<sup>5</sup> Law No. 96/06 of 18 January 1996 referred to above

Section 38 (1) The Supreme Court shall be the highest court of the State in legal and administrative matters as well as in the appraisal of accounts.

Section 41 – The audit Bench shall be competent to control and rule on public accounts, as well as those of public and semi-public enterprises.

It shall give final rulings on final judgments passed by lower audit courts.

It shall examine any other matters expressly devolving upon it by law.

<sup>6</sup> Amended Constitution

Section 37 (2) Judicial power shall be exercised by the Supreme Court, Courts of Appeal and Tribunals. The Judicial Power shall be independent of the executive and legislative powers.

- accounts produced by individuals performing official duties or accounts produced by certified public accountants of corporate bodies assigned a special duty and receiving as a result thereof, national and international grants<sup>7</sup>;
- Advisory opinions<sup>8</sup>.

This scope of its prerogatives was later extended with the publication of Law No. 2006/016 of 29 December 2006 establishing the organization and functioning of the Supreme Court (section 39 (c) and (d) Law No 2007/006 of 26 December 2007 on the Fiscal Regime of the State and its enabling Decree No 2013/160 of 15 May 2013 on the General Rules governing public accounting<sup>9</sup> to include:

- the opinion on the settlement bill;
- the certification report on the general account of the State;
- the annual report on State accounts.

The exercise of these latter powers, which involves the production and examination of documents accompanying the submission of the settlement bill, in particular the annual performance reports of State institutions drafted by the authorizing officers, the state of accomplishment of Investment projects justifying the discrepancies between the forecasts and the realizations by institution and by region, the profit and loss account for the financial year concerned necessarily means that, in the era of the programme budget, to appraise the performance of public policies and institutions. Thus, in relation to this continuous normative activity of the Cameroonian legislature, the Audit Bench of the Supreme Court is not far from exercising all the powers devolved to the Audit Court that the member

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<sup>7</sup> Section 8 of Law No. 2003/005 of 21 April 2003 on the jurisdiction, organization and functioning of the Audit Bench of the Supreme Court.

<sup>8</sup> Law No. 2003/005 of 21 April 2003 referred above :

“Section 10: The Audit Bench shall give its opinion on any matter referred to it in connection with the control and verification of accounts.”

<sup>9</sup> Decree No. 2013/160 of 15 May 2013, Sections 125 and 123.

“ Section 125.- (1) At the end of each year, the Minister in charge of Finance shall present the general accounts of the state to the accounts judge.

(3) The accounts jurisdiction shall certify that the financial statements are regular, sincere and give the true image of the financial situation of the state.”

“Section 126.- (3) The general accounts 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 forwarded to him annually.”

(4) “based on the settlement bill and administrative accounts of principal authorizing officers, the accounts judge shall give an opinion and issue a certification report on the general accounts of the state.”

(5) “...the opinion and report shall be forwarded to Parliament.”

States of the Economic and Monetary Community of Central Africa (CEMAC) are obliged to establish at home<sup>10</sup>.

This gives it recognition far beyond the CEMAC community space. At the November 2015 General Assembly in Brussels (Belgium) of the Association of Supreme Audit Institutions having in common the use of French (AISCCUF), the Audit Bench changed from the status of contributing permanent observer to that of full member alongside the Supreme State Audit Services (CONSUPE). This change of status immediately resulted in the signing of a Memorandum of Understanding of Cooperation with the Audit Court of the French Republic on 5 November 2015. It is the result of its persevering action during its ten (10) years of operation which can be translated under the terms of a sentence borrowed from Lucretius, "*gutta cavat lapidem*, a drop hollows the stone<sup>11</sup>."

Consequently, the results of the activities of the Audit Bench of 2015, the subject of this annual report, the tenth of its kind, can only be commensurate with the consistent work of this important body of judicial review of public finance.

I am therefore pleased to recommend reading this important document to interested authorities and officials as well as to teachers, researchers, students and other public finance enthusiasts.

**MEKOBÉ SONE Daniel**  
*Lord Chief Justice of the Supreme Court*

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<sup>10</sup> Guideline No. 01/11-UEAC-190-CM-22 of 19 December 2011 relating to finance laws.

Article 72. The judicial control of the budgetary and accounting operations of public administrations is ensured by an Audit Court which must be established in each Member State. This Audit Court is a jurisdiction and its members have the status of judges. It is independent from the Government and Parliament and autonomous from any other jurisdiction. It alone decides on the publication of its opinions, decisions and reports. It is the Supreme Audit Institution of each State.

Article 73. As regards the State, the tasks of the Audit Court shall include the following:

1. To Assist Parliament in the control of the execution of the finances laws.
2. To certify the regularity, the sincerity and the fairness of the general account of the State.
3. To judge authorizing officers, financial controllers and public accountants under the conditions laid down in articles 74 to 78 of this Guideline.
4. To 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.  
It may also, at the request of the Government or Parliament, carry out inquiries and analysis on any budgetary, accounting and financial questions.

In carrying out its tasks, the Audit Court of each Member State may, if necessary, seek the assistance of the Audit Court of the Economic and Monetary Community of Central Africa States in accordance with the Community Treaties and Conventions. "

<sup>11</sup> *Stillicidi casus lapidem cavat* : A drop hollows the stone.

## INTRODUCTION

The Audit Bench of the Supreme Court is responsible for the control and judgment of public accounts. At the end of each year, it produces a report containing the general result of its work, together with proposals for reform on the keeping of accounts and the discipline of accountants.

The 2015 financial year annual report drawn up in accordance with the provisions of section 3 of Law No 2003/005 of 21 April 2003 fixing its jurisdiction, organization and functioning is the tenth of a series started in 2006 and consists of four parts.

The first part deals with the management activities of the Audit Bench relating to the human, material and financial resources of the institution as well as the capacity building of the staff.

The second part is devoted to carrying out its missions of judicial review and the exercise of extra-judicial powers.

The third part is devoted to the presentation of some important decisions taken by the Audit Bench, chosen among final judgments, final observation reports, opinions and certification reports.

The fourth part is reserved for recommendations.

**PART ONE**  
**MANAGEMENT ACTIVITIES OF THE AUDIT BENCH IN 2015**

## **CHAPTER 1. RESOURCES OF THE AUDIT BENCH IN 2015**

During the 2015 financial year the Audit Bench had human, financial, material resources and real estate for its functioning.

### **Section 1. Human resources**

The staff number of the Audit Bench dropped from one hundred and sixty four (164) as at 31 December 2014 to one hundred and fifty-six (156) by the same date in 2015. They include Legal and Judicial Officers, registry staff, Audit Assistants and support staff.

#### **Paragraph 1. Legal and Judicial Officers**

The Audit Bench has twenty-four (24) Legal and Judicial Officers including twenty-one of the Bench and three (3) at the Legal Department.

The Bench includes the President, four (4) Division Presidents and sixteen (16) Masters of the Supreme Court.

The Legal Department is made up of the Senior Advocate General and two (2) Advocates General who represent the Procureur General of the Supreme Court.

The number of Legal and Judicial Officers includes:

- one (01) first group super scale Legal and Judicial Officer ;
- six (06) second group super scale Legal and Judicial Officers;
- seventeen (17) fourth scale Legal and Judicial Officers.

#### **Paragraph 2. Registry staff**

The number of registry staff decreased from twenty-four (24) on 31 December 2014 to sixteen (16) on 31 December 2015, that is a drop of 33%. During the year, it recorded the departure of ten (10) registry staff with only two (2) being replaced.

The registry staff is composed of:

- one (01) Senior Court Registry Administrator (Category A2);
- three (03) Court Registry Administrators (Category A1);
- two (02) Senior Court Registrars (Category B2);

- four (04) Court Registrars (category B1);
- six (06) Assistant Court Registrars (category C).

### **Paragraph 3. Audit Assistants**

As at 31 December 2015, the Audit Bench had fifty-three (53) Senior Contract Staff posted to work as Audit Assistants as against fifty-four (54) by 31 December 2014.

### **Paragraph 4. Support staff**

#### **A. Technical staff**

In 2015, the number of the technical staff remained the same as in 2014. It is still twenty-four (24) in number.

They include:

- two (02) information technologists;
- nine (09) archivists;
- one (01) journalist.

#### **B. Administrative and security staff**

This staff category is composed of:

- Forty-two (42) State employees including nineteen (19) working as secretaries and twenty-three (23) as drivers;
- nine (09) security staff from the Gendarmerie, the Police and the Penitentiary Administration.

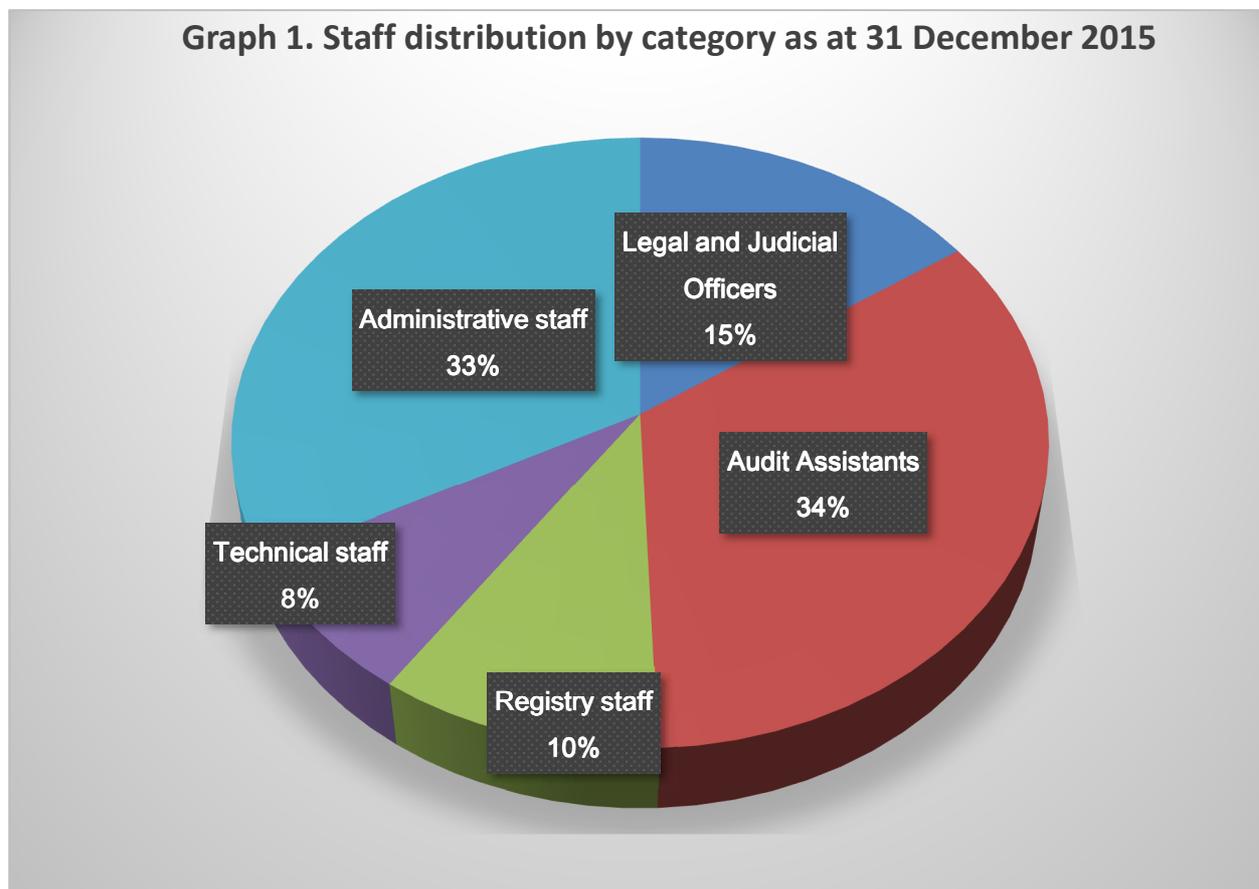
### **Paragraph 5. Evolution of the staff situation of the Audit Bench by 31 December 2015**

The human resources of the Audit Bench experienced the following evolution from 2013 to 31 December 2015 described in the following table.

**Table 1. Evolution of staff situation from 2013 to December 2015**

	2013		2014		2015	
	Staff No.	%	Staff No.	%	Staff No.	%
Legal and Judicial Officers (Sitting and Legal Department)	24	13.7	24	14.54	24	15.38
Audit Bench Assistants	65	37.2	54	32.72	53	33.97
Registry staff	23	13.2	24	14.64	16	10.25
Technical staff	12	6.8	12	7.27	12	7.69
Administrative and support staff	51	29.1	51	30.83	51	32.71
Total	175	100	165	100	156	100

The graph No. 1 below shows the distribution of staff of the Audit Bench by 31 December 2015..



## Section 2. Financial resources

Like previous financial years, the Audit Bench financed its activities in 2015 thanks to the annual budgetary allocations from the State and the one-off support of the Ministry of Finance. These internal resources were supplemented by funding from development partners, which were used in particular to organize staff capacity building workshops within the framework of the Support Programme to Public Finance Reform (PARFIP).

### Paragraph 1. Budgetary allocation of the Audit Bench in 2015

In the budget of the Supreme Court for the 2015 financial year, expenditure authorizations were allocated to the Audit Bench for an amount of 530,000,000 CFA francs, excluding staff costs, against 774,000,000 CFA francs in 2014, a decrease of 244 million CFA francs in nominal terms. These expenditure authorizations are divided into operating appropriations for 480,000,000 CFA francs compared to 514,000,000 CFA francs in 2014, a decrease of 34,000,000 CFA francs and investment appropriations of 50,000,000 FCFA compared to 260,000,000 CFA francs for the previous financial years.

As at 31 December 2015, the budget of the Audit Bench was executed to the tune of 427 747 215 CFA francs in absolute value, that is 89.11 % in relative value against 468 944,000 CFA francs in absolute value, that is, 91.23 % in relative value in the previous year.

The table below summarizes the comparative data for the implementation of the budget of the Bench from 2013 to 2015.

**Table 2. Budgetary expenditure of the Audit Bench from 2013 to 2015**

		2013	2014	2015
Running expenditure	Forecasts	555 800	514 000	480 000
	Accomplishment	518 810	468 944	427 747
	Accomplishment rate %	93.3	91,23	89.11
Investment expenditure	Forecasts	205 369	260 000	50 000
	Accomplishment	109 765	211 097	0
	Accomplishment rate %	53.4	81.19	0
Total expenditure	Forecasts	761 169	774 000	530 000
	Accomplishment	628 575	680 042	427 747
	Accomplishment rate %	82.5	87.86	80.7

Sources: MINFI / DGB; MINEPAT / DPIP

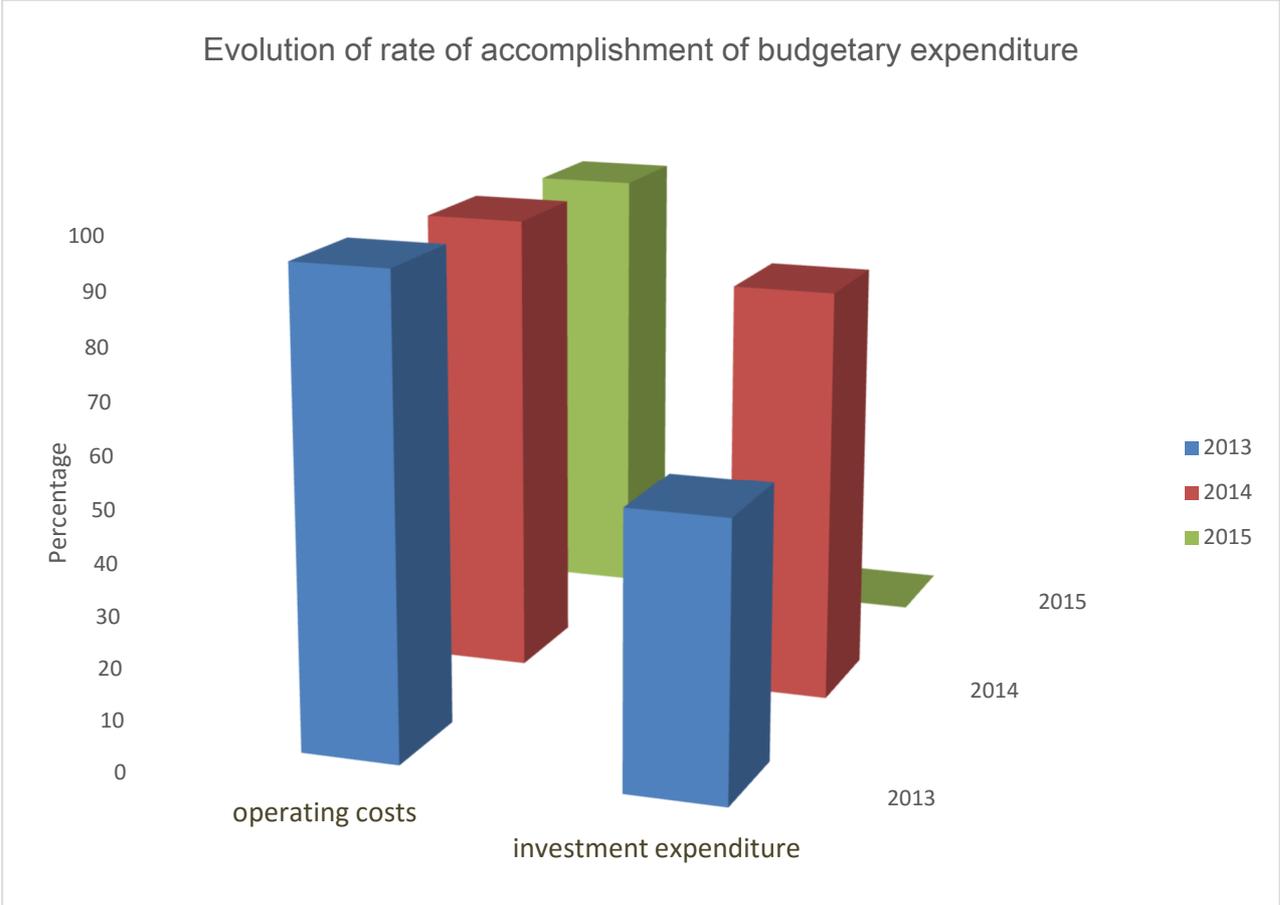
This table reveals that operating appropriations amounting to 480,000,000 CFA francs were allocated to the Audit Bench in 2015 against 514,000,000 CFA francs in 2014. These credits were consumed in the amount of 427,747,215 CFA francs, representing an accomplishment rate of 89.11 % at the end of 2015 compared to 468,944,000 CFA francs at the end of 2014 for an accomplishment rate of 91.23 %.

The reduction in the operating appropriations in 2015 is 34,000,000 CFA francs and their rate of accomplishment is down by more than two points compared with the previous financial year.

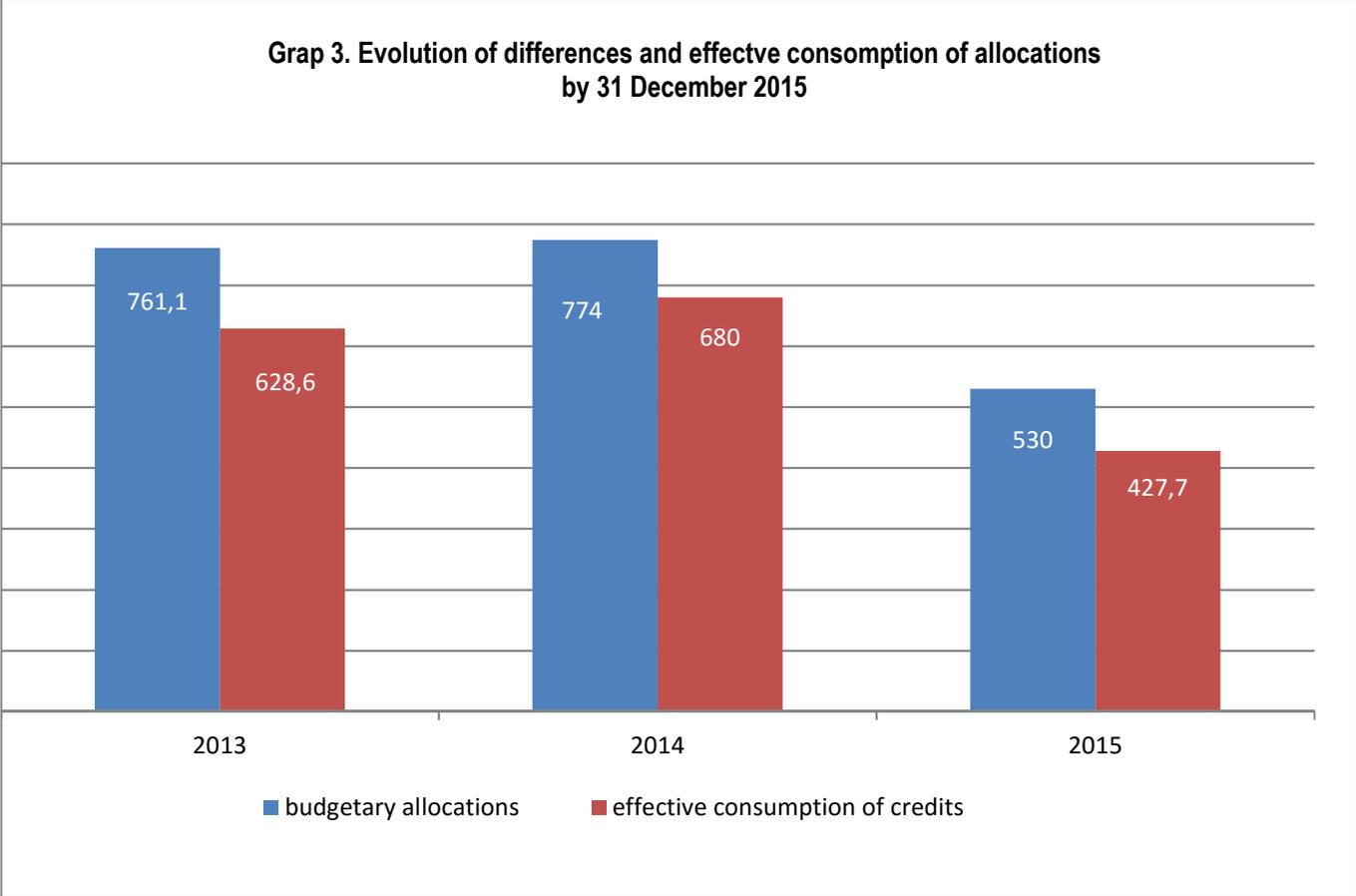
The operating budget of the financial court has retained its downward trend observed over the last six years, with a decrease of more than half (53.93 %), from 1 038 673 000 CFA francs in 2010 to 480,000,000 CFA francs in 2015.

The Audit Bench was able to carry out some of its essential activities only with the one-off support of the Ministry of Finance and the funding of international cooperation.

Graph No. 2 below confirms the trends described above of the budgetary appropriations of the Audit Bench.



Graph No.3 highlights the gaps between the budgetary allocations of the Audit Bench and the effective use of the allocations during the last four years.



The gap between the budgetary allocations and the actual consumption of credits reduces each year. From 290.2 million CFA francs in 2011 this amount decreased to 157.6 CFA million francs in 2012, to 132.6 million CFA francs in 2013 and 94 million CFA francs in 2014 and 52.252 million CFA francs as of 31 December 2015. The Audit Bench is gradually improving on the consumption of its budgetary allocations.

**Paragraph 2. External funding**

The activities listed below, with a total cost of 50,447,458 CFA francs out of a forecast of 64,790,800 CFA francs, that is, a consumption rate of 77.86 %, were realized in 2015 as part of the implementation of the Support Programme to Public Finance Reform (PARFIP), "Component 3, Citizen Monitoring and External Control", financed by the European Union.

They are:

- days of exchange between the Audit Bench, civil society organizations and the media;
- training seminar for Legal and Judicial Officers and Audit Assistants of the Audit Bench on de facto management.

### **Section 3. Material resources**

#### **A. Vehicles**

By 31 December 2015, the vehicle fleet of the Audit Bench was composed, as in the previous financial year, of twenty-five (25) service vehicles assigned to Legal and Judicial Officers, two pick-ups and one (01) van for the transport of accounts between Seat and the Archives Centre, four (04) mission vehicles and one (01) liaison car.

The state of decrepitude of the vehicle fleet of the financial jurisdiction raised in previous reports worsened in 2015.

With the exception of the one assigned to the President of the Audit Bench which was acquired in 2013, the service vehicles of Legal and Judicial Officers have since reached the age of decommissioning and their maintenance has become more and more expensive. Some are now out of use.

#### **B. Office equipment and furniture**

Here, as in the case of the vehicle fleet, there was no improvement in the stock of office equipment and furniture compared with the previous year.

The latter is outdated and inadequate in view of the increase in the number of staff.

### **Section 4. Buildings**

By 2015 the NKOZOA Archives Centre had reached a state of maximum saturation. It is urgent that the construction of the building to house this Archives Centre, whose architectural and technical studies were carried out in 2014, be scheduled.

Moreover, it is important that the Audit Bench runs its activities in an appropriate building, since the current premises housing its Seat have become very small in relation to the current staff strength.

## **CHAPTER 2. MANAGEMENT AND CAPACITY BUILDING ACTIVITIES**

In 2015, the Audit Bench continued to build the capacities of its staff through various trainings that took place internally and within the framework of international cooperation.

### **Section 1. Internal workshops**

During the year under review, the financial jurisdiction organized two training workshops for its staff, the training workshop for Legal and Judicial Officers and Audit Assistants on de facto management and the training workshop on the monitoring of the reliability of the balance of government accounts and the application of the standard on financial statements.

#### **Paragraph 1. Training workshop for Legal and Judicial Officers and Audit Assistants on fact management**

Organized from 25 to 28 May 2015, this workshop was facilitated by judges of the french financial courts and officials of the Audit Bench of the Supreme Court of Cameroon.

In his opening speech, the President of Cameroon's financial jurisdiction first recalled the instruments governing the control and judgment of the public accounts in Cameroon before stressing that the purpose of this workshop was to carry out a general review (detection, examination, declaration of de facto accounting, nature and drafting of decisions).

It was presented in three (03) modules:

- the operative events and the constituent elements of de facto management;
- the procedure of declaration of de facto management;
- practical exercises.

At the end of this workshop and as stated by the President of the Audit Bench "*the staff of the financial jurisdiction is now equipped to manage, in strict compliance with the regulations in force, cases of interference with the functions of the public accountant in the operations of revenue, expenditure, irregular extraction of the funds or securities of State funds or of any public body subject to the rules of public accounting*".

#### **Paragraph 2. Workshop on the monitoring of the reliability of the balance of State accounts and the modalities for the application of the standard on financial statements**

Organized by the Ministry of Finance assisted by the International Monetary Fund/Afritac Centre, this workshop took place from 27 July to 7 August 2015 in Yaounde. The Audit Bench was represented by two Masters of the Supreme Court.

The workshop covered the following topics:

- the accounting standard relating to financial statements;
- the main findings on the work on the reliability of the 2014 accounts;
- recommendations.

As regards the accounting standard relating to financial statements which are the balance sheet, the income statement, the cash flow statement and the accompanying statement, the presentation was made by the experts of the standard (OHADA and CEMAC) and follow-up workshops on trial balance of accounts, among others.

At the end of the proceedings, the participants recommended the continuation of the control actions of the Central Treasury Accountant Service, which guarantees the quality of the accounts; the strong involvement of Treasurers General Payers within their services and attached accountants; the validation of accounting standards; the updating of the State accounting standard and the continuation of training activities on the general accounting of the State and a strategy based on the major axes.

## **Section 2. International cooperation**

International cooperation in 2015 involved the participation of the Audit Bench in two (02) seminars abroad, at the General Assembly of the Association of Supreme Audit Institutions having in common the use of French (AISCCUF) in Brussels Belgium and by signing a protocol of cooperation with the Audit Court of the French Republic.

### **Paragraph 1. Participation in seminars abroad**

Members of the Audit Bench participated in two (02) capacity building seminars abroad, the first on "State accounting standards and accrual accounting" and the second on "budgetary control and the performance of public spending.

#### **1. Regional seminar on accounting standards of the State and accrual accounting**

Organized by the Regional Technical Assistance Centre for Central Africa (AFRITAC), this seminar took place from 20 to 24 April 2015 in Brazzaville, capital of the Republic of Congo.

Three themes were developed during the seminar:

- the new institutional and technical framework for State accounting;
- Participants shared their experiences on developments in the institutional and technical framework of State accounting; from cash accounting to accrual accounting, commitment accounting, general accounting and other accounting;
- public sector accounting standards that govern accounting standardization and certification of government accounts;
- preparation for the changeover to accrual accounting.

## **2. Regional seminar on budgetary control and performance of public spending**

Organized by AFRITAC, this seminar held from Monday 12 to Friday 16 October 2015 in Libreville, Gabon.

It brought together twenty (20) senior staff from various administrations from Burundi, Cameroon, Chad, Congo Brazzaville, Democratic Republic of Congo, Equatorial Guinea and Gabon.

In his opening address, Mr. Olivier BENON, Executive Coordinator of AFRITAC, recalled "the context of the reforms of financial governance marked by the review of the instruments governing public finances and consequently a redefinition of the function of control ". He continued, "This now goes beyond compliance and budgetary discipline, to extend to performance, with the objective of implementing public policies in the best conditions of effectiveness and efficiency ".

Senior staff from the Central African financial administrations shared their experiences on the following sub-themes:

- a priori control of regularity of expenditure;
- control of the accountant: the contributions of the information system to the regularity check;
- the Chad experience on administrative and accounting control;
- the Burundi experience on administrative and accounting control;
- the transfer of financial control to budgetary control;
- regularity and performance checks in Cameroon;
- the progress report of the reform of controls in Gabon;
- practical experience of a priori control of expenditure in Equatorial Guinea;
- the Audit Court and performance audit;
- external audit of performance by the Audit Court of: case of Congo Brazzaville;
- Mali's experience in monitoring the performance of the auditor general;
- performance audit: case of the Audit Bench of Cameroon;
- a priori control of public spending and performance audit by the Accounts Court of the Democratic Republic of Congo.

### **Paragraph 2. Participation at the General Assembly of the Association of Supreme Audit Institutions having in common the use of French (AISCCUF)**

From 5 to 6 November 2015 a delegation of the Audit Bench of the Supreme Court of Cameroon, led by its President and composed of a Master of the Supreme Court and a Registry Administrator, participated in the seventh General Assembly of the Association of Supreme Audit Institutions having in common the use of French (AISCCUF).

Apart from the welcoming and opening ceremony marked by three speeches delivered respectively by the Senior President of the Audit Court of Belgium, the President of the Supreme Court of Accounts and Administrative Disputes of Haiti and the Senior President of the Audit Court of France, five (05) other items were on the agenda of this General Assembly Meeting:

### **1- Administrative and statutory matters**

The 7<sup>th</sup> General Assembly of AISCCUF admitted the Audit Bench of the Supreme Court of Cameroon, previously an observer member, as a full member of this institution.

As the Supreme State Audit Services of the State of Cameroon was already a member, this admission of the Audit Bench effectively entails the existence of two representatives of the same State, an unprecedented situation for which the Bureau of AISCCUF intends to conduct a reflection from 2017.

### **2- Round tables on "Independence and transparency at the service of contemporary democracies"**

Two round tables on the following sub-themes enriched the work of the 7<sup>th</sup> General Assembly:

- the specificities of SAIs: the link between external control and internal control of public management;
- the follow-up of the work of the SAIs, in particular through their sanctioning powers.

### **3- AISCCUF seen by the partners**

#### **• International Organization of la Francophonie**

The OIF representative focused on its relationship with AISCCUF since its creation in 1994, including its support for the organization of the Association's annual training seminars. She noted that both institutions share common values that underpin their commitment to the consolidation of the rule of law and good governance. She concluded by wishing to "*see the AISCCUF contribute to the reflection on the fight against terrorism and ways to reinforce the answers to the challenges it raises*".

#### **• The hub**

A joint initiative of UNDP and France, the Hub is headquartered in Dakar, Senegal.

After a brief presentation of the Hub, its Coordinator, Madam Laurence Jacquet, outlined her organization's strategy for external oversight by Parliament, SAIs and Civil Society.

With particular reference to SAIs, the Coordinator presented the two main thrusts of the Hub's training strategy:

- capacity building in the analysis of new performance tools:
  - ✓ training in the analysis of annual performance reports,

- ✓ training in conducting performance audits;
- capacity building in the conduct of public policy evaluation (PPE):
  - ✓ collaboration with SAIs in the production of PPE guides,
  - ✓ training on PPE,
  - ✓ accompaniment in the first evaluations.

- **International Monetary Fund (IMF) and the World Bank (WB)**

Mr. Benoît TAICLET of the IMF's Department of Public Finance, on behalf of these two institutions, introduced his point by noting that SAIs play a decisive role in the management of public finance, thus laying the foundations for the development and stability of the macroeconomic framework. They sometimes have to overcome notable difficulties in terms of capacity, independence and institutional positioning.

Faced with these difficulties, the IMF and the WB provide them with a multifaceted assistance in particular:

- support for the implementation of reforms;
- and support to capacity building.

At the same time, these institutions rely on SAIs to carry out an external audit on the projects they finance.

Mr. Taiclet concluded by wishing to see the AISCCUF weigh in the strengthening of the cooperation of its members with the IMF and the WB.

### **3- Experiences in the implementation of the Framework for Measuring the Performance of Supreme Audit Institutions by certain Supreme Audit Institutions**

Another component of the work of the 7<sup>th</sup> General Assembly of AISCCUF was the Mid-Term Evaluation of the Implementation of the Performance Measurement Framework for SAIs (CMP/ISC) INTOSAI (IDI) in Jurisdictional SAIs.

The aim was to ensure that the framework was appropriate for the majority of French-speaking Jurisdictions based on the experience of the Audit Court of France and that of Burkina Faso.

- **French proposals for a measurement framework of “universal” performance**

The performance measurement framework of the IDI abbreviated CMP/ISC is an identity card of sorts of SAI under creation which will enable the drafting of a unique referential of evaluation of the performance of SAI.

This framework of Anglo-Saxon inspiration works on the diversity of jurisdictions and structures of CMP/ISC in a way as to render account of all the missions of SAI and generally to have a general view of the CPM/ISC to include all specific aspects of judicial SAI such as:

- activities of judgment of accounts;
- control of sub-national finances;
- role of the Legal Department;
- evaluation of public policies;
- explanation of terms used of the CMP which are based on the Anglo-Saxon SAI.

- **Burkina Faso experience**

The Audit Court of Burkina Faso conducted from June 2014 to June 2015 the evaluation of its performance measurement framework with the following objectives:

- to provide the Court with information on its strengths and weaknesses in relation to ISSAI standards for initiating legislative and regulatory reforms;
- to establish a baseline for measuring future progress and capacity building;
- to provide the Court with knowledge and tools for managing internal performance.

This evaluation by a team of external experts on the seven areas of the CMP/ISC focused on the jurisdictional and extra-jurisdictional activities of the court over the period 2012-2014.

At the end of this exercise, the Audit Court of Burkina Faso considered that it had certain elements to assess its strengths and weaknesses, its degree of independence, measured in terms of international standards and norms and that there were areas that the CMP/SAI had not been able to assess or whose assessment based on a scoring system, does not accurately reflect the reality. This is summarized in these terms by the Court itself:

*"The Audit Court of Burkina Faso, SAI of jurisdictional nature, has not made a profound diagnosis of its jurisdictional activities with the CMP/ISC tool.*

*Indeed, only 8.33 % of the indicators of the 7 domains have been devoted to the jurisdictional task of the Audit Court, whereas the jurisdictional court absorbs a significant part of its control missions".*

## **5- Programme of activities of AISCCUF for the 2016-2018 period**

The activities of AISCCUF for the 2016-2018 period are mainly oriented towards capacity building through professional seminars or training centres.

### **Paragraph 3. Signing of the Protocol of Cooperation Agreement with the Audit Court of the French Republic**

On 5 November 2015, on the sidelines of the General Assembly of the Association of Supreme Audit Institutions having in common the use of French (AISCCUF), the Audit Bench signed a Memorandum of Understanding with the Audit Court of the French Republic. The purpose is to establish a platform for cooperation/collaboration between the parties, with a view to strengthening their capacities in the audit of public finances, auditing accounts, reviewing management, financial auditing and in all other areas of their competence.

In accordance with Article 2 of the said Protocol, this Agreement concerns:

- exchanges of experience and good practice in accordance with joint priorities and action programmes;
- the improvement of the audit of the accounts by the financial jurisdiction of Cameroon;
- the updating of the technical knowledge on the control of public finances by the members of the Audit Bench;
- support from the financial courts of the French Republic through the transfer of its know-how, techniques and methods of control to the Audit Bench of the Supreme Court of Cameroon;
- the possible sub-contracting of certain interventions by the Audit Court of the French Republic.

**PART TWO**  
**EXECUTION OF THE MISSIONS OF THE AUDIT BENCH IN 2015**

## **CHAPTER 1. JUDICIAL CONTROLS**

### **Section 1. Control and judgment of accounts of public accountants in the various Divisions of the Audit Bench**

Judicial control by the Audit Bench annually concerns the management accounts of the main Treasury accountants placed at the head of the thirteen (13) financial districts of the State, Municipal Revenue Collectors working with Regional and Local Authorities (RLA) and Accountants attached to Public Administrative Establishments (PAE).

It also deals with the procedures referred to the holding of joint sessions.

Judicial review is essentially dependent on the production of accounts.

#### **Paragraph 1. Production of management accounts in 2015**

The production of the accounts of public accountants of the State, Municipal Revenue Collectors of Regional and Local Authorities (RLA) and Accounting Officers of the Public Administrative Establishments (PAE) is guided by:

- Section 26 (2) of Law No. 2003/005 of 21 April 2003 referred to above, “*Accounts produced by certified accountants, finalized and examined in accordance with the instruments in force, shall be submitted to 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 relating to the Financial Regime of Regional and Local Authorities indicates “*However, a complementary period running from 1 to 31 January of the following year shall be granted to Regional and Local Authorities for the settlement of current operations at the close of the financial year.*”
- Article 26 of Decree No. 2013/160 15 May 2013 relating to the General Rules governing Public Accounting on its part provides that “*State accounts and management accounts of principal accountants shall be produced at the Audit Bench latest three (3) months after the end of the complementary period following that to which they refer.*”

By taking into account a complementary period of two months, the Audit Bench set 31 May 2015 as the deadline for the deposit of State accounts, accounts of Public Administrative Establishments and Regional and Local Authorities of the 2014 financial year at the Registry of the financial jurisdiction.

The table below is informative with regard to both the production of accounts of the 2014 financial year expected in 2015 and the arrears of accounts of public accountants of the State, RLA and PAE that were not produced since the 2004 financial year.

**Table 3. Production of management accounts in 2015**

		2013			2014			2015		
		A	B	Cumulative	A	B	Cumulative	A	B	Cumulative
Public accountants of the State	Accounts produced	13	5	18	13	-	13	12	-	12
	Accounts expected	13	5	18	13	-	13	13	-	13
	Accounts not produced	-	-	-	-	-	-	1	-	1
	Rate of production (%)	100 %	100 %	100 %	100 %	-	100 %	92 %	-	92 %
Council Revenue Collectors	Accounts produced	31	-	31	88	-	88	88	110	198
	Accounts expected	374	2 653	3 027	374	2 996	3 370	374	3 282	3 656
	Accounts not produced	343	2 653	2 996	286	2 996	3 282	286	3 172	3 458
	Rate of production (%)	8 %	-	1 %	24 %	-	3 %	24 %	3 %	5 %
Accounting Officers of Public Establishments	Accounts produced	21	32	53	18	29	47	16	33	49
	Accounts expected	97	386	483	97	430	527	97	480	577
	Accounts not produced	76	354	430	79	401	480	81	447	528
	Rate of production (%)	22 %	8 %	11 %	19 %	7 %	9 %	16 %	7 %	8 %

NB : A : Current financial year B : Previous financial years

This table reveals that twelve (12) accounts of public accountants of the State expected for the 2014 financial year were produced by 31 December 2015, a production rate of 92.30 % as against 100 % in 2014 and 2013. As for the accounts of Municipal Revenue Collectors eighty-eight (88) accounts for the 2014 financial year out of the three hundred and seventy four (374) expected in 2015 were produced, that is, a production rate of 23.52 % the same as for the 2013 financial year.

In addition, out of the 3,262 accounts previous to 2014 expected from Municipal Revenue Collectors expected in 2015, 110 were produced. The accounts of Municipal Revenue Collectors not produced since 2004 stands at 3,458 by 31 December 2015 including 286 for the 2014 financial year and 3,172 for the arrears.

As concerns management accounts of Accounting Officers of Public Administrative Establishments, 16 accounts for the 2014 financial year out of 97 expected in 2015 were produced, that is a production rate of 16.49 %, against 18.55 % in 2014 and 21.64 % in 2013.

As in the preceding case, out of the 480 accounts for accounts previous to 2014, Accounting Officers of PAE, 33 were produced during the 2015 financial year thus taking to 528 the number of accounts of this category of accountants not produced by 31 December 2015, including 81 for the 2014 financial year and 447 for previous financial years.

## Paragraph 2. Judgment of management accounts in 2015

### A. Examination of accounts

The table below presents the situation of the examination of management accounts of accounting officers of public accountants of the State, Regional and Local Authorities and Administrative Public Establishments as at 31 December 2015:

**Table 4. Examination of management accounts from 2013 to 2015**

		2013	2014	2015	
Accounts of public accountants of the State	Examination reports	In view of fine	0	0	6
		In view of ruling	33	28	39
		In view of the declaration of de facto management	0	0	0
	<b>S1</b>		<b>33</b>	<b>28</b>	<b>45</b>
Accounts of Revenue Collectors of RLA	Examination reports	In view of fine	58	23	70
		In view of ruling	136	116	105
	<b>S2</b>		<b>194</b>	<b>139</b>	<b>175</b>
Accounts of Accounting Officers of PAE	Examination reports	In view of fine	0	0	3
		In view of ruling	39	63	53
	<b>S3</b>		<b>39</b>	<b>63</b>	<b>56</b>
<b>Total ( S1 + S2 + S3)</b>		<b>266</b>	<b>230</b>	<b>276</b>	

In 2015, the examination of accounts resulted in 276 examination reports including 45 for the control of public accountants of the State, 175 for that of the accounts of Municipal Revenue Collectors and 56 for accounts of Accounting Officers of Public Administrative Establishments.

Between 2013 and 2014, the examination reports dropped from 266 to 230, that is, a drop of 13.5 %. On the other hand, from 2013 to 2014, the number of examination reports increased from 230 to 276, that is an increase of 20 %.

## B. Rulings rendered in Divisions in charge of the control and judgment of accounts

During the 2015 financial year, 277 rulings were rendered by the Divisions in charge of the control and judgment of accounts including 216 interim rulings and 61 final rulings against respectively 165 and 21 in 2014.

The table below presents the situation of rulings rendered by the various sessions during the past three years:

**Table 5. Rulings rendered by Divisions in charge of the control and ruling on accounts from 2013 to 2015**

Item		2013	2014	2015	
Division in charge of control and ruling on accounts of State accountants	Interim rulings	Fine	0	0	0
		Injunction	25	15	30
		<b>SS1</b>	<b>25</b>	<b>15</b>	<b>30</b>
	Final rulings	Debit	1	0	1
		Fine	0	0	0
		Discharge	1	0	4
		<b>SS2</b>	<b>2</b>	<b>0</b>	<b>5</b>
Division in charge of control and ruling on accounts by accountants of Regional and Local Authorities	Interim rulings	Fine	5	11	15
		Injunction	84	123	104
		De facto management	0	0	6
		<b>SS3</b>	<b>89</b>	<b>134</b>	<b>125</b>
	Final rulings	Debit	4	0	8
		Fine	7	20	32
		Discharge	19	0	3
		De facto management	0	0	0
		<b>SS4</b>	<b>30</b>	<b>20</b>	<b>43</b>
Division in charge of control and ruling on accounts of accountants of public establishments	Interim rulings	Fine	1	0	0
		Injunction	22	16	49
		Withdrawal	0	0	2
		De facto management	0	0	10
		<b>SS5</b>	<b>23</b>	<b>16</b>	<b>61</b>
	Final rulings	Debit	5	1	7
		Fine	0	0	0
		Discharge	3	0	0
		De facto management	1	0	6
		<b>SS6</b>	<b>9</b>	<b>1</b>	<b>13</b>
<b>Total (SS1 + SS2 + SS3 + SS4 + SS5 + SS6)</b>		<b>178</b>	<b>186</b>	<b>277</b>	

In total, 277 rulings were rendered in the three (3) Divisions including 183 injunction rulings, 32 final rulings for payment of fines, 16 rulings for debit, 6 final rulings for de facto management, 7 final discharge rulings and 2 withdrawals in favour of the joint sessions.

### **Paragraph 3. Judgment of accounts in joint sessions**

In 2015, twenty-two (22) files were submitted to the financial jurisdiction, nine (09) of which were appeals for review of the judgments of the court and thirteen (13) from the State Supreme State Audit.

As of 31 December 2015, the joint sessions of the Divisions made thirteen (13) final rulings against three (03) in 2014 and ten (10) in 2013. These rulings concern five (5) judicial review petitions and eight (08) files from the Supreme State Audit.

Three of the five applications for review were declared inadmissible on various grounds and two were discontinued.

Extracts from some of these judgments are included in Part III of this report.

## **Section 2. Irregularities detected during the judgment of accounts of public accountants**

Irregularities were noted on the accounts in figures and on supporting documents.

### **Paragraph 1. Irregularities on accounts in figures**

They concern :

- infidelity in the sequencing of balances;
- discrepancies between the figures entered in the management and administrative accounts;
- discrepancies between the figures entered in the trial balance, the administrative account and statement of execution of revenue and expenditure;
- accumulation of uncleared deficits in the trial balance of accounts;
- absence of a statement of banking concordance and its annexes.

### **Paragraph 2. Irregularities detected during the examination of supporting documents**

They concern both the general and supporting documents.

#### **A/ On general documents**

They are related to the lack of:

- minutes of service delivery;
- minutes of reinstatement of the inactive assets in the State portfolio that become unusable after the end of the financial year;

- reservations made by incoming accountants, even six months after taking up their duties;
- budgets and administrative accounts;
- specimen signatures of various stakeholders in the spending circuit;
- statements of budget execution and statements of development of budgetary revenues and expenditures;
- verification reports of the cash as at 31 December of the account in judgment;

## **B/ On supporting documents**

They regularly concern:

### **1°) Budget head**

- violation of the principle of specialty of appropriation,
- wrong budget head;

### **2°) Missions**

- absence of mission order,
- absence of clearance or erroneous clearance,
- overrun of the mission days provided by instruments (100 days/year),
- overlapping missions,
- place of mission not indicated,
- absence of mission departure and return stamps,
- wrong calculation of the number of mission days,
- overrun of rate of mission allowance provided by the instruments in force,
- payment of mission allowance instead of touring allowance,
- mission order signed by a non-competent authority,
- mission order signed by the beneficiary themselves;

### **3°) Public procurement**

- absence of expenditure statements and supporting documents of funds disbursed by decision,
- absence of minutes of the holding of tenders board sessions,
- almost generalized payment of big sums in cash instead of through bank transfers,
- splitting of contracts,

- absence of receipts,
- absence of administrative purchase orders, copies of contracts or jobbing orders,
- absence of certification of service rendered,
- absence of payment in full discharge,
- absence of acceptance minutes and delivery,
- absence of duly registered purchase order, copies of registered contracts or jobbing orders,
- unstamped bill;

#### **4°) Payment of taxes and dues stopped at source**

- absence of receipt of payment of accounted taxes and dues;

#### **5°) Salaries, allowances and other benefits paid to staff**

- absence of pay-sheet or non-compliant pay-sheet,
- availability of funds,
- undue benefits,
- absence of recruitment decision of beneficiary,
- absence of proof attesting that the funds reached the legitimate beneficiary;

#### **6°) Subsidies**

- absence of the articles of association of the beneficiary structure,
- absence of resolution from deliberating organ,
- undue subsidies to churches and political parties;

#### **7°) Imprest funds and revenue offices**

- absence of decision creating an imprest fund,
- absence of a decision appointing manager of an imprest fund,
- creation of an imprest fund by a non-competent authority.

## CHAPTER 2. EXTRA-JUDICIAL MISSIONS

The extra-judicial missions of the Audit Bench include the control of accounts of public and semi-public enterprises (PSPE) and assistance and counsel to public authorities.

### Section 1. Administrative controls

Extra-judicial control by the Audit Bench is performed on the entities referred to in section 8 of Law No. 2003/005 of 21 April 2003 to lay down jurisdiction, organization and functioning of the Audit Bench. This refers especially to structures whose accounting is subject to the OHADA accounting law. As at 31 December 2015, the Audit Bench counted sixty-three (63).

#### Paragraph 1. Production of accounts

The accounts of PSPE are made up of financial statements which, according to article 8 of the Uniform Act on the organization and harmonization of accounting of enterprises, *include the balance sheet, the income statement, the financial table of revenue and expenditure as well as the attached statement.*

PSPE are bound to transmit their financial statements to the Audit Bench not later than 30 September of the year following that to which it refers.

The table below presents the situation of the production of PSPE accounts for the 2014 financial year expected in 2015 and equally that of accounts that are not produced.

**Table 6: Production of PSPE accounts from 2013 to 2015**

Item	2013			2014			2015		
	A	B	Cumul	A	B	Cumul	A	B	Cumul
<b>Accounts produced</b>	06	23	29	5	21	26	7	5	12
<b>Accounts expected</b>	63	394	457	63	428	491	63	465	528
<b>Accounts not produced</b>	<b>57</b>	<b>371</b>	<b>428</b>	<b>58</b>	<b>407</b>	<b>465</b>	<b>56</b>	<b>460</b>	<b>516</b>
<b>Rate of production</b>	10 %	06 %	06 %	8 %	5 %	5 %	11 %	1 %	3 %

A: Current financial year; B: Previous financial years.

Five hundred and twenty-eight (528) accounts of public and semi-public enterprises were expected to be filed at the Registry of the Bench in 2015, including 63 accounts for 2014 and 465 non-produced accounts for the financial years prior to 2014. During the 2015 financial year, 12 accounts were produced, 7 of which were for the 2015 financial year and 5 for financial years prior to 2014. As at 31

December 2015, a total of 516 PSPE accounts remained unproduced, that is, 56 accounts for the financial year 2014 and 460 of previous years.

## **Paragraph 2. Control of accounts of public and semi-public enterprises**

In 2015, 50 accounts of public and semi-public enterprises were included in the control programme. In this exercise, six (06) examination reports (ER) were done on the DOUALA STOCK EXCHANGE, HYDRO MEKIN, MAIZCAM, PECTEN, PERENCO and SAFACAM.

In addition, nine (09) Interim Observation Reports (IOR) and two (02) Final Observation Reports (FOR) were produced as summarized in the table below:

**Table 7. Observation Reports rendered in 2015**

<b>No.</b>	<b>Structure</b>	<b>Financial years</b>	<b>Registered capital</b>	<b>Observations</b>
1	Aéroports du Cameroun	2005	177 000 000	Interim
2	Cameroon Publi -Expansion	2004-2010	40 000 000	Interim
3	CAMPOST	2004-2005	1 000 000 000	Interim
4	Housing Loans Fund	2004-2005	10 000 000 000	Interim
5	SNEC	2004	6 500 000 000	Interim
6	Cameroon Industrial and Naval Shipyard	2005	15 000 000 000	Interim
7	HEVECAM	2004-2010	15 747 950 000	Interim
8	HYDRAC	2004-2005	1 306 580 000	Interim
9	PAMOL	2006-2010	1 874 000 000	Interim
10	CAMTAINER	2004-2009	636 100 000	Final
11	Société SOHLI (Sawa hôtel)	2004-2007	1 000 000 000	Final

The two final observation reports rendered in 2015 are included in chapter 2 of Part 3.

## **Section 2. Mission of assistance and counsel**

Pursuant to section 10 of Law No. 2003/005 of 21 April 2003 *"The Audit Bench shall give its opinion on any matter referred to it in connection with the control and verification of accounts."*

Pursuant to section 39 (c) of Law No. 2006/016 of 29 December 2006 to lay down the organization and functioning of the Supreme Court, it is also competent *"to give its opinion on settlement bills submitted to the National Assembly"* and article 125 (3) of Decree No. 2013/160 of 15 May 2013 relating to the General Rules governing Public Accounting.

These missions are in the form of assistance and counsel from the Audit Bench, in exchange activities, dialogue and consultation activities on the one hand and in opinions and reports on the other.

## **Paragraph 1. Exchange, dialogue and consultation activities**

In 2015, the Audit Bench continued with the Ministry of Finance on the work carried out within the framework of the Permanent Consultation Framework between the two institutions.

The financial jurisdiction also held forums for exchanges with both Houses of Parliament, met with media correspondents and representatives of civil society, prepared the annual reports for 2014, issued the opinion on the settlement bill of the same financial year, certified the general account of the State of the 2014 financial year and the reporting forms of revenue of the extractive sector of entities for the 2013 financial year.

### **A- Permanent Consultation Framework between the Audit Bench and the Ministry of Finance**

The Permanent Consultation Framework between the Ministry of Finance and the Audit Bench of the Supreme Court was created by Decision No. 0001/MINFI/CAB of 29 July 2008.

Its goals are to :

- accompany the Directorate General of the Treasury and Financial and Monetary Cooperation (DGTCFM) in the preparation of examination of the management accounts of principal accountants;
- monitor the questionnaires, the injunction orders and the final judgments of the Audit Bench;
- work for the review of financial and accounting regulations in the light of the instruments concerning the jurisdiction, organization and functioning of the Audit Bench of the Supreme Court and the fiscal regime of the State;
- give its opinion on the various instruments on the rendering of accounts.

During the 2015 financial year, the Permanent Consultation Framework held three (03) sessions on 26 March, 30 June and 15 December 2015 respectively on the following issues:

- the clearance of the outstanding collections to be made on tax revenue within the context of the preparation of the opening balance sheet of the State;
- the application of the principle of established rights and the changeover to accrual accounting;
- the implementation of accounting reforms within the Directorate General of the Treasury and Financial and Monetary Cooperation;
- the presentation of the settlement law in the context of the programme budget;
- the opinion on the 2013 settlement bill.

The discussions resulted in the following resolutions:

- the organization of a joint mission of the Directorate General of Taxes (DGI)/ Directorate General of the Treasury and Financial and Monetary Cooperation (DGTCFM) for the clearance of outstanding tax debts;
- the organization of commissions for the admission of unrecoverable assets;
- the establishment in accounting stations of a register of follow-up of disbursement decisions;
- the development, at the level of the DGTFM, of a nomenclature of expenditure and revenue supporting documents;
- the organization of a seminar to build the capacities of tax revenue collectors and accounting officers;
- accelerating accounting reform;
- reduction of the deadline for the transmission of the settlement bill and its annexes to the Audit Bench;
- reflection by the Ministry of Finance for the streamlining of the instruments organizing the special appropriation accounts to put an end to the irregularities noted for several years in the different opinions of the Audit Bench on the settlement bill.

Other issues such as accounting deficits, the production of public and semi-public sector accounts and the personal and financial liability of public accountants were also discussed.

## **B- Exchange forums with Parliament**

In 2015, the Audit Bench held three (03) forums with the Finance and Budget Committees of Parliament against four (04) in 2014; one (01) forum with the Senate and two (02) with the National Assembly.

### **1. Exchange forum between the Audit Bench and the Finance and Budget Committee of the Senate**

This forum was held on 06 July 2015 at the Senate seat at the Yaounde Conference Centre.

The meeting was also attended by representatives of the Deputy Prime Minister, Minister at the Presidency in charge of Relations with the Assemblies, the Minister Delegate at the Presidency in charge of the Supreme State Audit Services, the Minister of Finance, the Minister of Territorial Administration and Decentralization and Her Excellency, the Ambassador, Head of the European Union Delegation.

Two (02) presentations were made to the participants by the financial jurisdiction: the annual report of the Audit Bench for the 2013 financial year and a presentation on "The relationship between the Audit Bench of the Supreme Court, the Government and Parliament: The case of accounts of local authorities".

The first presentation allowed participants to note the increase in the staff of the jurisdiction through the recruitment of university graduates trained and assigned to the tasks of Audit Assistants and the positive evolution in the production of the accounts of Regional and Local Authorities.

Discussions focused on:

- the difference between the budgetary balance of the settlement bill of the 2013 financial year and that ruled by the Audit Bench;
- the failure to respect the term of office of the statutory bodies of public administrative establishments and of public and semi-public enterprises;
- the impact of the work of the Audit Bench leading to a campaign which allowed the recovery of the sum of 5,336,481,226 CFA francs on a projection of 10 billion CFA francs;
- the clearance by compensation of the outstanding collections of 188 283 831 574 CFA francs under the cross-debt agreements;
- the smallness of the premises housing the services of the Audit Bench aggravated by the increase in staff numbers;
- the inadequacy between the budgetary resources of the Audit Bench and the increasing increase in its missions, enshrined in Law No. 2006/016 of 29 December 2006 establishing the organization and functioning of the Supreme Court and Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State;
- the delayed transmission of the 2014 settlement bill to the Audit Bench;
- the failure to comply with certain accounting principles and rules when preparing the settlement bill;
- the failure of the public authorities to implement the recommendations concerning the keeping of accounts and the production of the accounts of public accountants of the State, as well as the legal provisions governing the organization and functioning of public and semi-public enterprises;
- the lack of timely communication of the opinion on the settlement bill and the certification report of the general account of the State to the Finance and Budget Committee of the Senate.

The second presentation focused on:

- the lack of collaboration between administrative and municipal authorities;
- the approximate follow-up of the execution of the decisions of the Audit Bench.

## **2. 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 (02) forums in 2015 on 7 July and 9 December respectively.

Stakeholders in the production, control and ruling of accounts such as MINFI, MINATD and CONSUPE and other oversight and governance bodies (CONAC and ANIF) were invited to participate in these meetings.

Participants exchanged views on the annual report of the Audit Bench for the 2013 financial year and a presentation on "*financial information of the State: reliability and associated risks*".

With regard to the 2013 annual report, the discussions focused on:

- the low rate of production of accounts;
- the liability of the public accountant limited to the assumption of established rights;
- the lack of sufficient information on the budgetary expenditure relating to the State's guarantee granted to public administrative establishments, public and semi-public enterprises;
- the differences in the methodology used to calculate the budgetary balance contained in the settlement bill in the opinion of the financial jurisdiction relating thereto;
- the discrepancy between the date of preparation of the accounts and their consideration by the Audit Bench;
- the continuing decline in the budgetary allocations to the Audit Bench since the 2011 financial year;
- the lack of information on the deposit and custodial accounts;
- the lack of information on the management of certain assigned revenue;
- the preparation on an experimental basis of the general account of the State and the pedagogic nature of the certification report of the Audit Bench.

On the second presentation, concerns were expressed about:

- the difficulty of taking into account community indicators in assessing the reliability and fairness of the State's financial information;

- the absence of parliamentary authorization on the budget appropriations allocated for the 2015-2017 Triennial Urban Plan;
- the failure to respect the principle of the sequence of the budgetary balance;
- the absence of specific ratios to integrate into the financial information the Cameroonian specificity of the informal economy.

**C- Information days with representatives of civil society organizations and media correspondents.**

In 2015, these days were organized in Yaounde, Douala and Ebolowa.

At each stage and to put the meeting in context, the President of the Bench invited the aforementioned social actors to make known the missions of the financial jurisdiction through sensitization.

Seven (07) topics were discussed with the participants:

- the new competences of the Audit Bench;
- the new role of Parliament;
- the recent reports of the Audit Bench;
- the regional accounts tribunals and decentralization;
- the Audit Bench of the Supreme Court and Regional and Local Authorities;
- the budgetary transparency at the local level, devolution and decentralization;
- the role of non-governmental organizations (NGOs).

From these topics, exchanges with the media and civil society focused on:

- the fate of the recommendations made by the Audit Bench in its reports;
- the control of the accounts of constitutional bodies;
- the establishment of Regional Audit Courts;
- the transformation of the Bench to an Audit Court;
- the capacity and means of Parliament to assume the controls which are devolved upon it by the new fiscal regime of the State;

- the Audit Bench and the control of mining concessions;
- the control of the execution of the emergency plan by the Audit Bench;
- the recurrent existence of budget surpluses while needs remain unsatisfied;
- the sanctioning the commitment of expenditure beyond the date of the commitments;
- the support of the European Union to the Audit Bench;
- the improvement of the managerial capacity of authorizing officers of Regional and Local authorities;
- the control of the fraction of the general decentralization fund allocated in support of the administrative authority;
- the specialization of civil society organizations and their effectiveness;
- the origin of the funds received by civil society organizations and the effectiveness of their actions with regard to the conditions imposed by the donors;
- the lowest bidder clause in the award of public contracts and its impact on the quality of the execution of contracts.

Civil society organizations made recommendations ranging from the need for their involvement in the monitoring of budget execution and the formulation of public policies to the urgent establishment of Regional Audit Courts.

## **Paragraph 2. Reports and opinions**

In 2015, the Audit Bench published its annual activity report for the 2014 financial year, the opinion on the settlement bill and the report on the certification of the general account of the State for the 2013 financial year and organized information days with representatives of civil society organizations and media correspondents from 19 to 21 October in Yaounde, from 26 to 28 October in Douala and from 23 to 25 November in Ebolowa.

### **1. 2014 Annual Report**

Pursuant to section 3 of Law No. 2003/005 of 21 April 2003 *“The Audit Bench 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. This report shall be published in the Official Gazette of the Republic of Cameroon.”*

In accordance with these provisions, the 2014 annual report has been transmitted to the President of the Republic, the President of the National Assembly and the President of the Senate. It was publicly presented on 18 July 2016.

The following attended the ceremony:

- Treasurers Paymasters General, Municipal Revenue Collectors and Accounting Officers;
- personalities from different backgrounds;
- development partners;
- citizens of various social categories;
- representatives of civil society organizations;
- media correspondents.

Three highlights marked this ceremony:

- speech by the President of the Audit Bench;
- presentation of the summary of the report;
- exchanges between the President of the financial jurisdiction and the press.

In his remarks, the President of the Bench welcomed the massive presence of the guests, testifying to their determination to work for the sound management of public finances.

He recalled the privileged recipients of the public report, including the President of the Republic, the Government, Parliament, local elected representatives, corporate or natural persons subject to the control of the Audit Bench, persons who receive direct or indirect financial assistance from the State or operating a public service or a monopoly of the State, legal persons with a specific mission or natural persons performing official duties and receiving in that capacity the fruits of generosity of the national or international grants, the legal or liberal professions and other experts likely to support the Audit Bench in carrying out its control missions.

He then gave the floor to the Coordinator of the Programming and Public Report Committee for the presentation of the highlights of the report.

The following exchanges between the President of the Bench and the press focused on:

- the insufficiency of human, material and financial resources of the Bench in relation to the volume of its missions,
- the low level of production of accounts,
- the fate reserved for the recommendations of the Audit Bench by the public authorities.

## **2. Opinion and certification report**

As part of its missions, on 17 November 2015, the Audit Bench issued Opinion No. 002/2015/CSC/CDC on the settlement bill for the financial year 2014 and on 18 November 2015, issued the certification report on the general account of the State for the same financial year.

The observations of the Audit Bench contained in the certification report as well as those noted in the opinion are presented in the last part of this report.

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

**PART THREE**  
**DECISIONS OF THE AUDIT BENCH IN 2015**

**CHAPTER 1. JUDGMENTS**

**Section 1. Debit rulings**

- 1- **Ruling No. 02/AD/CSC/CDC/SR of 30 April 2015 on the control of public funds in the South Region for the 2010 financial year.**

Whereas by Ruling No.03/ADP/CSC/CDC/SR of 18 April 2012 referred to above, the decision whose terms follow was rendered:

“1°/ Giving a final judgment,

pronounces the discharge of Messrs M R and N A ;

2°/ In the interim orders,

**Articler 1** : Reservations are issued on the management of Messrs S J, E P and Madam E P while waiting for the justification for the surplus noticed.

**Article 2** : The other revenue officers implicated are enjoined to submit proof of the repayment into the Public Treasury, if need be, from their personal funds, of the total sum of thirteen million six hundred and sixty-one thousand eight hundred and eighty-four (13,661,884) CFA francs or to provide any other justification in their defense, especially.

- B A for 631 770 F FCA;
- N F for 5 977 137 CFA francs;
- Madam M P for 125 843 CFA francs;
- M T for 6 405 219 CFA francs;
- A A Jacques for 501 915 CFA francs ;

**Article 3** : The above-mentioned administrators shall have a period of two months from the date of notification of this judgment to comply with the reservations and injunctions addressed to them, subject to penalties provided for by law;

**Article 4** : Mr. A A is declared a de facto accountant for an amount of nine hundred seventy-one thousand one hundred and eighty (971,180) CFA francs;

He is required to produce within the period of three months from the date of notification of this judgment the expenditure account together with the supporting documents or any justification in his defense; After the deadline expires, the Bench will rule on the merits;

**Article 5** : The proceedings of de facto management are disjoined from the proceedings against the aforementioned certified accountants.

### **On the proceedings against the certified accountants**

Whereas some of these accountants have produced responses to the injunctions of the abovementioned interim ruling, while others, although they have been duly notified, have not thought it necessary to provide the slightest answers

That, in so doing and taking into account the particular situation of each administrator, a case-by-case analysis shall be carried out;

### **1°/ Case of Mr. B A, Bursar at the Campo District Medical Centre .**

Whereas Interim Ruling No. 03/ADP/CSC/CDC/SR of 18 April 2013 issued an order for the repayment of six hundred and thirty-one thousand seven hundred and seventy (631,770) CFA francs against Mr. B.A on the grounds that a deficit of equal amount appeared in his records at the end of the 2010 financial year;

Whereas the abovementioned judgment had been regularly notified to him in May 2013;

That in response to the injunction addressed to him, Mr. B sent to the Audit Bench the unnumbered mail of 05/05/2013 received on the same date and registered under No. 200;

That the package which accompanied this letter included, inter alia:

- a correspondence of 05 May 2013;
- a statement of staff incentive payment in the amount of four hundred and eleven thousand one hundred and seventy-five (411,175) CFA francs;
- an invoice issued by ETS "La Référence" in the amount of one hundred thirty-one thousand nine hundred and sixty (131,960) CFA francs;
- an invoice with sign-out slip for payment in regularization by the chief medical officer in the amount of twenty-three thousand (23,000) CFA francs;
- an invoice issued by the TALA and FILS bookshop in the amount of seventy-six thousand five hundred (76,500) CFA francs;

Whereas the analysis of the documents produced at the Bench by Mr. B, in particular the four invoices quoted above, attest to the regularization of the deficit against him;

That he should be given a discharge for the management of his imprest fund closed on 31 December 2010;

### **2°/ Case of Mr. A A J, Bursar at GTC Campo**

Whereas Interim Ruling No. 03/ADP/CSC/CDC/SR of 18 April 2013 issued an order for the repayment of five hundred and one thousand nine hundred and fifteen (501,915) CFA francs against Mr. A.A on the grounds that a deficit of equal amount had appeared in his records at the end of the 2010 financial year;

Whereas the abovementioned judgment had been regularly notified to him in 10 May 2013;

That in response to the injunction addressed to him, Mr. A.A.J sent to the Audit Bench the unnumbered mail of 12/06/2013 received on the same date and registered under No. 479;

That the package which accompanied this letter included, inter alia:, 20 disbursement orders signed by the Principal of the GTC and all accompanied by the corresponding invoices;

Whereas an analysis of these documents reveals that this administrator had regularized the deficit against him;

He should be given a discharge;

### **3°/ Case of Mr. M T, Bursar of Government High School Mvomeka**

Whereas Interim Ruling No. 03/ADP/CSC/CDC/SR of 18 April 2013 issued an order for repayment of six million four hundred and five thousand two hundred and nineteen) 6,405,219 CFA francs against Mr. MT on the ground that a deficit of same amount had appeared in his records at the end of the 2010 financial year;

Whereas that judgment was regularly notified to him in May 2013;

That in response to the injunction addressed to him, Mr. T produced the unnumbered mail of 18/04/2013 at the hearing of the same date of the joint session of the Audit Bench;

That the package which accompanied this letter included, inter alia:

- the letter of 30/03/2011 sent by the respondent to the sub-prefect to explain the management of IT costs;
- the circular letter of 30/06/2010 from the Minister of Secondary Education, relating, inter alia, to the management of the IT costs paid by students in each school;

- the contract concluded between Government High School MEYOMESSALA and the IT provider retained by that institution;
- the account tracking sheet No. 822296-27 opened at the postal savings bank for the follow-up of all the computer operations of the GHS;
- the Invoice MS001255 dated 09/02/2011 in the amount of five million four hundred and five thousand (5,405,000) FCFA, admitted by the stores accountant and cleared by the Principal of the GHS;
- the Invoice No 002/DG/DF/MVOMEKA of 24/02/2011 of the accredited computer service provider in the amount of one million forty-five thousand two hundred and nineteen (1,045,219) CFA francs;

Whereas Mr. M T also produced other invoices from the same IT provider;

Whereas the analysis of the documents thus produced by Mr. MT, in particular the invoices of the IT service provider, the contract concluded between him and the GHS and the tracking sheet of account No 822296-27 opened at the postal savings bank, confirms the regularization of the deficit against him;

That he should be given a discharge for the management of his imprest fund as at 31 December 2010;

#### **4°/ Case of Mr. S J, Bursar at the Government High School Campo**

Whereas Interim Judgment No. 03/ADP/CSC/CDC/SR of 18 April 2013 pronounced on the management of Mr. SJ a reservation relating to a cash surplus in the amount of one million seventy-three thousand and ninety-six (1,073,096) CFA francs recorded during the year-end control by deferring the discharge of the latter as a result of this reservation;

Whereas the judgment had been regularly notified to him in May 2013;

That in response to this reservation Mr. S J sent to the Audit Bench the unnumbered mail of 20/09/2013 received on 26/05/2013 and registered under No 651;

That the accompanying package included, inter alia, the accounts of Mr. S J for the years 2008-2009 and 2009-2010 duly approved and certified by the members of the School Governing Board;

Whereas the analysis of these documents leads to the non-existence of a surplus of 1,073,096 CFA francs referred to above;

That the reservation made on his management closed on 31/12/2010 should be withdrawn;

#### **5°/ Case of Mr. N F J C, Revenue Collector of the Ebolowa City Council**

Whereas Interim Ruling No. 03/ADP/CSC/CDC/SR of 18 April 2013 issued an injunction to repay five million nine hundred and seventy-seven thousand one hundred and thirty-seven (5,977,137) CFA francs against Mr. NFJC on the ground that a deficit of equal amount had appeared in his records at the end of the 2010 financial year;

Whereas the judgment had been notified to him on 15/05/2013 at 2.30 p.m.

That more than ten (10) months after his notification, Mr. N F J C did not think it necessary to give any answer to the injunction addressed to him;

That he should be declared indebted to the Ebolowa City Council of the sum of five million nine hundred and seventy-seven thousand one hundred and thirty-seven (5,977,137) CFA francs;

#### **6°/ Case of Madam E née N P, Bursar of the Meyomessala District Hospital**

Whereas Interim Ruling No. 03/ADP/CSC/CDC/SR of 18 April 2013 pronounced on the management of Madam E a reservation relating to a cash surplus in the amount of three hundred and seventy-eight thousand Four hundred and twenty-eight (378,428) CFA francs recorded during the year-end control by deferring the discharge of the latter due to this reservation;

Whereas she had been regularly notified of the judgment in May 2013;

Whereas, in response to the reservation made, Madam E sent to the Audit Bench an unnumbered correspondence of 14/06/2013 received on 03/06/2013 and registered under number 242;

Whereas in her correspondence Madam E explains that the money found in her coffers was nothing but her own funds from a contribution and kept inadvertently in the public coffers;

Whereas under article 79 of Ordinance No. 62/0F/4 of 7 February 1962 on the financial system of the Federal Republic of Cameroon, "*every accountant of the treasury has only one coffer. Any accountant of the treasury who is unable to distinguish between funds and securities held by him in this capacity and those held in his personal capacity is presumed guilty of embezzlement. He shall be immediately suspended from his duties ...*"

Furthermore, whereas section 4 of Law No. 2003/005 of 21 April 2003 stipulates that "*the Audit Bench shall render judgments on the accounts which it is called upon to judge, quits, advance or in debit.*"

Whereas Madam E spouse of N P does not provide proof of her allegations that the sum found in the coffers which she was given renders the allegations improbable;

That it is appropriate to definitively declare her account in advance and to invite her to regularize this situation by a cash receipt in the amount of three hundred seventy eight thousand four hundred and twenty-eight (378,428) CFA francs;

**7°/ Case of Mr. E P, Head of Adm. And Fin. At the School of Nursing in EBOLOWA**

Whereas Interim Ruling No. 03/ADP/CSC/CDC/SR of 18 April 2013 pronounced on the management of Mr. EP a reservation for a cash surplus in the amount of two million three hundred and ninety thousand fifty CFA francs (2,390,050) recorded during the year-end control, by deferring the discharge of the latter as a result of this reservation;

Whereas that judgment had been notified to him on 15/05/2013;

That, more than 12 months after his notification, Mr. E did not consider it necessary to give a reply to the Audit Bench or to justify a regularization of the advance found and not contested;

That, in these circumstances, the aforementioned reservation must be confirmed definitively;

That it is expedient to declare Mr. E P's account in surplus and to invite him to regularize this situation by a cash receipt in the amount of two million three hundred and ninety thousand fifty (2,390,050) CFA francs;

**8°/ Case of Madam M M P, ex-bursar in GHS ADOUM.**

Whereas Interim Judgment No. 03/ADP/CSC/CDC/SR of 18 April 2013 issued an injunction for the repayment of one hundred and twenty-five thousand eight hundred and forty-three (125,843) CFA francs against Madam. MMP on the ground that a deficit of same amount had appeared in her records at the end of the 2010 financial year;

Whereas that judgment had been duly notified to her on 21 May 2013;

Whereas, in response to the injunction addressed to her, Madam M. M. forwarded to the Audit Bench the unnumbered mail of 09/07/2013 received on the same date and registered as No 334;

That this letter was accompanied by receipt No. H 17015972 relating to the payment of the sum of one hundred and twenty-five thousand eight hundred forty-three (125 843) CFA francs into the Public Treasury;

Whereas the analysis of this receipt shows that it has indeed regularized the deficit placed in against her;

That she should be given a discharge for the management of her imprest funds as at 31/12/2010;

**For these reasons**

Taking a final ruling

**HEREBY RULES AS FOLLOWS**

**Article 1.**- The reservation drawn up on the account of SJ as at 31 December 2010 shall be lifted;

**Article 2.**- A debit of five million nine hundred seventy-seven thousand one hundred and thirty-seven (5,977,137) F CFA is pronounced against N F J C for his management as of 31 December 2010.

**Article 3.**- A discharge is granted B A, A A J, Madam M M P, M T and S J ;

**Article 4.**- The accounts of Madam E née NP and E Pierre are declared in advance for the respective amounts of three hundred seventy-eight thousand four hundred and twenty-eight (378,428) F CFA and two million three hundred and ninety thousand and fifty (2,390,050) CFA francs.

**Article 5.**- The discharge of N F J C, Madam E née N P and Mr. Pierre shall be suspended until proof of the repayment into the Treasury of the sums specified above or of the regularization is produced.

**Article 6.**- The present ruling shall be notified to:

- the aforementioned respondents;
- the Minister of Territorial Administration and Decentralization;
- the Minister of Health;
- the Minister of Secondary Education and;
- the Minister of Finance.

Thus, judged and pronounced in a public hearing on the same day and year as above.

**2- Judgment No. 08/D/CSC/CDC/SR of 17 September 2015 relating to the activity report of the Anti-Corruption Unit of the Ministry of Secondary Education for 2006 financial year**

Whereas the exploitation of the activity report of 2006 of the Anti Corruption Unit of the Ministry of Secondary Education referred to above established that during the 2005-2006 school year, several parents of students and even students sent correspondence to the Principal of the ABONG-MBANG Technical College accusing Bursar AG of misappropriation of the 2006 examination fees paid;

That Mr. A G admitted the facts and signed four (4) acknowledgements of debt for a total of one million three hundred and eighty-three thousand (1,383,000) CFA francs;

That by Interim Judgment No.09/AP/CSC/CDC/SR of 30 August 2012, Mr. AG was ordered to provide evidence within two (02) months of the notification of that judgment payment from his personal funds into the Public Treasury, the sum of one million three hundred and eighty-three thousand (1,383,000) CFA francs or any other justifications in his defense;

Whereas the aforementioned accountant did not deign to comply with the aforesaid injunction;

Whereas it follows from the joint provisions of article 69 of Ordinance No. 62/OF/04 of 7 February 1962 governing the manner of presentation, the conditions for the execution of the budget of the Federal Republic of Cameroon, its expenditure and all related operations and 58 of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State and of instructions on the management of State accounts:

That any Treasury accountant is personally and financially liable for the safekeeping of the funds and securities for which he is responsible, the collection of enforceable securities, the regularity and justification of the financial transactions of the station, the accuracy of entries he keeps;

That the accountant whose liability arises from the finding of either a cash deficit or an irregularity in the financial transactions of the station must pay from his personal funds an amount equal to the amount of the deficit or the loss incurred by the public body concerned;

That Mr. AG having caused the loss of one million three hundred and eighty-three thousand (1,383,000) CFA francs to the Technical High School ABONG-MBANG, it is necessary, as required by the Public Prosecutor, to consider Mr. AG, indebted towards the Public Treasury of the sum of one million three hundred and eighty-three thousand (1,383,000) CFA francs;

**For these reasons**

**Taking a final ruling**

**HEREBY RULES AS FOLLOWS**

Article 1: Mr. A G, ex-Bursar at the Government Technical High School ABONG-MBANG, is indebted to the Treasury of the sum of one million three hundred and eighty-three thousand (1,383,000) CFA francs;

Article 2 : His discharge is accordingly stayed;

Article 3 : The present ruling shall be notified to:

- the aforementioned ;
- the Minister of Secondary Education and
- the Minister of Finance.

Done, judged and pronounced in a public hearing on the same day and year as above.

## **Section 2: Rulings on petitions for review**

### **1- Judgment No. 04/D/CSC/CDC/SR of 17 September 2015**

Whereas in his above-mentioned petition dated 28 December 2011, counsel for Mr. E N G Michel seized the President of the Audit Bench of the Supreme Court of in the following terms:

“Dear Sir,

Mr. E N G M, Accounting Officer at the Telecommunications Regulatory Board (TRB) with counsel A A, member of the Cameroon Bar Association P.O. Box 5750 Yaounde Tel. 99 50 88 09 in whose chambers he elected domicile;

Has the honour of presenting to you the following:

That on 22 June 2011, the Audit Bench of the Supreme Court of Cameroon issued Final Judgment No. 13/AD/S3/11;

That the above-mentioned judgment, in respect of him, ordered reimbursement injunctions:

- on the benefits granted to financial staff (Injunction No.8),
- on financial support (injunction 9);
- payment of double sitting allowances (injunction No. 10);
- the absence of jobbing orders and contracts
- on the non-repayment of the taxes levied (injunction No.12) and
- lastly on the telephone allowances paid twice (injunction 13);

That in accordance with section 73 et seq. of Law No. 2003/005 of 21 April 2003 he intends to challenge that judgment for the following reasons:

### **I/ ON INSTRUMENTS APPLIED**

Whereas, in the preambles to Judgment No. 13/AD/S3/11, the application of Ordinance No. 6/OP/4 of 7 February 1962 on the financial system of the Federal Republic of Cameroon is noted;

That this instrument has been repealed by Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State and is therefore no longer applicable;

It must therefore be noted that only the Law of 2007 is applicable in the present case;

### **II/ ON BENEFITS GRANTED FINANCE STAFF (Injunction No. 8)**

Whereas the Accounting Officers T J B and E N G M were placed in debit by the aforementioned judgment for a total amount of 6,700,000 CFA francs, 2,950,000 CFA francs of which is for the former and 3,750,000 CFA francs for the latter;

Whereas, however, the aforementioned benefits are provided for in the budget voted by the Board of Directors (See Exhibit 1);

Whereas the Director General of the Telecommunications Regulatory Board is responsible for the strict application of the directives of the Board of Directors;

Whereas the decisions of the Director General on these budget heads can only be applied by the Accounting Officer;

Whereas overabundantly that the execution of this expenditure has as legal basis section 41(1) of Law No 99/016 of 22 December 1999, which provides that the Board of Directors has the broadest powers to act on behalf of the corporation, define and provide its general policy guidelines and assess its management, within the limits fixed by its objectives, subject to the provisions of this Law.

That furthermore, paragraph 2 of the same section reaffirms the non exhaustive nature of the powers of the Board of Directors;

That it is therefore necessary to distinguish between the salary paid by the Ministry of Finance to these persons from the allowances granted to them by the Board of Directors;

### **III/ ON FINANCIAL SUPPORT TO VARIOUS EVENTS (injunction No. 9)**

Considering that the aforementioned judgment has concluded on this injunction referral to the Public Prosecutor's office for acts likely to receive a criminal qualification;

But whereas the circulars of the Ministry of Finance on the implementation of the budget are constant on the role of the accounting officer,

Whereas the latter has a double role as cashier and paymaster; he executes the expense after verification of:

- the status of authorizing officer;
- the existence and regularity of the accounting documents;
- the correspondence of the expenditure with the imputed budget head;
- the existence of sufficient provisions on the head concerned.

Whereas the Board of Directors of TRB is the supreme organ with the most extensive powers;

That it had regularly approved the budgets for the 2004 and 2005 financial years;

That these budgets provided for the 'miscellaneous interventions' head on which the Director-General, responsible for the implementation of the budget, is authorized to provide financial support;

Whereas, above all, the approval of the budget by the Board of Directors amounts to directives to the authorizing officer;

That therefore the fault is committed by the Accounting Officer if he refuses to carry out an expenditure ordered by the Director General, expenditure provided for in the budget and on a specific head;

#### **IV/ ON THE DOUBLE PAYMENT OF SITTING ALLOWANCE (injunction No. 10)**

Whereas the judgment in question puts in debit the Accounting Officers concerned for a total amount of 26,200,000 CFA francs, that is, 15,700,000 CFA francs to Mr. T and 10,500,000 CFA francs to Mr. E;

Whereas, however, it is not correct that sitting allowances fees were paid twice;

Whereas, in fact, several sessions of the Board of Directors were held and by order of the authorizing officer the Accounting Officer paid the corresponding sitting allowances (Exhibits 1, 2, 3, 4, 5);

#### **VI/ ON THE ABSENCE OF JOBBING ORDERS AND CONTRACTS AND THE NON PAYMENT OF STOPPAGES RETAINED (injunction No. 12)**

Whereas the abovementioned judgment puts Mr. E in debit for an amount of 11 719 011 CFA francs;

Whereas the payment of the taxes in question is made globally before the 15th of the current month for all payments of the preceding month;

Whereas so far these taxes had already been paid;

Whereas above all, in 2008 TRB received a tax audit from the Directorate General of Taxes, which resolved all the situations considered to be conflicting for the periods from 2005 to 2006;

It should be noted that all these situations had already been regularized; (Cf. Exhibit 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17);

#### **VII/ ON THE DOUBLE PAYMENT OF TELEPHONE ALLOWANCES (injunction No.13)**

Whereas these accounting officers are accused of having paid telephone allowances twice;

They were thus debited for a total amount of 26,200,000 CFA francs, that is, 10,500,000 CFA francs for Mr. E and 15,700,000 CFA francs for Mr. T;

But while it is true that until 2004 these allowances were paid in cash, this practice ended to make way for settlement through pay vouchers (Exhibits 18 and 19);

That in the light of the foregoing it appears that the settlement of these allowances in cash has never been concomitant with their payment by means of pay vouchers;

That these expenses should be considered justified;

### **IN CONSEQUENCE WHEREOF**

Mindful of sections 73 et seq. of Law No. 2003/005 of 21 April 2003;

The applicant is requesting that the President of the Audit Bench be asked;

To declare the present application admissible;

Admit the review on a final basis;

Quash Judgment No. 13/AD/S3/11 of 22 June 2011 by the Audit Bench of the Supreme Court of Cameroon;

Profound respects. "

That the petition for review of Judgment No. 13/AD/S3/11 of 23 June 2011 by Mr. T Jean Baptiste is worded as follows:

**"T J B**

***Treasury Inspector***

***Tel. 99 77 60 90/77 63 55 89***

*Ex-Accounting Officer*

*At the Telecommunications Regulatory Board (TRB)*

**To the President of the Audit Bench  
of the Supreme Court  
Yaounde**

***Ref. Judgment No. 13/AD/S3/11 of 23 June 2011.***

***Subject: Petition for review of injunctions***

***Nos. 8, 10 and 13 of the above Judgment.***

*Dear Sir,*

*In accordance with the provisions of section 73 of Law No. 2003/005 of 21 April 2003, I have the honour to address you with great respect to request the review of injunctions Nos 8, 10 and 13 of Judgment dated 22 June 2011, notified to me on 20 January 2012, as evidenced by the register of the Registrar-in-Chief of the Audit Bench, for the following reasons:*

- *I was not summoned to the hearing on 29 June 2011 in which the final judgment referred to above was delivered and consequently, the adversarial nature of the proceedings was not observed, which has contributed to violating my right to defense;*
- *the elements of response to the injunctions pronounced against me which are in my possession and which I put at your disposal in this petition are liable to disclaim my responsibility for the imputed irregularities.*

## **INJUNCTION No. 8 TO PAY BACK BENEFITS TO FINANCIAL STAFF**

### **A / PRESENTATION OF THE INJUNCTION**

*Whereas, by various payment orders, including No. 0108 of 23/02/04 for 100,000 CFA francs, 12567 of 21/06/05 for 250,000 CFA francs and 12580 of 21 November of 750,000 CFA francs, the Accounting Officer paid monthly allowances to the financial staff (Stores Accountant, Finance Controller and Accounting Officer) for a total amount of 6,700,000 francs divided into:*

- *2 950 000 CFA francs for Mr. T J B;*
- *3 750 000 FCFA for Messrs. MJ and F J M*

*Whereas all the circular letters of the Minister of Finance giving instructions concerning the execution and control of execution of the budget of the State and subsidized State bodies indicate that: "the financial officers (Finance Controllers, Stores Accountant and Accounting Officer) appointed to public institutions are the responsibility of the Ministry in charge of Finance and therefore cannot be considered in a position of secondment to them. As such, the resources for running their services and their remuneration are exclusively borne by the Ministry of Finance;*

*Whereas, notwithstanding the provisions contained in these circular letters, the Accounting Officer has regularly paid each month a fixed allowance to each of its officers, while the latter receive salaries and allowances directly from the Ministry of Finance;*

*Whereas the Accounting Officer should refuse these types of expenses and by refraining from doing so, he has committed his personal and financial liability;*

*It is ordered to Mr TJB for 2,950,000 CFA francs and ENGM for 3,750,000 CFA francs to bring within two months of notification of this judgment proof of payment to the Board of these sums of money or to provide any other justification for their defense.*

### **B/ RESPONSE BY ACCOUNTANT: CONFER ANNEX No. II**

*Acceptance by the Accounting Officer of the financial benefits provided by TRB is the consequence of the modest running budget made available to him by the Minister of Finance.*

*Indeed, like Treasurers Paymasters-General and Revenue Collectors, Accounting Officers, in their capacity as heads of the accounting station, are entitled to official lodgings and a service vehicle. None of that is granted by the Minister of Finance to cover the running costs during a whole financial year;*

*To compensate for this shortfall in appropriations, the Board of Directors granted me, at its 13th ordinary session on 1 September 2004, a compensatory allowance for housing, subject of payment orders Nos. 0108 and 12 567 of respective amounts of 100 000 CFA francs and 250 000 CFA francs. (See Resolution C.A of the 13th ordinary session of 1 September 2004 p.4).*

*While acknowledging the relevance of this injunction, which draws my attention to the consequences of the naivete which is at the origin of the fault committed, I seek on this point the leniency of the financial jurisdiction for the reason mentioned above.*

### **INJUNCTION No. 10 REIMBURSEMENT OF SITTING ALLOWANCE PAID TWICE**

#### **A/ PRESENTATION OF THE INJUNCTION**

*Whereas the sitting allowances were paid in the following manner:*

#### **14/12/2005**

*\* OP No. 5103 of 10 500 000 CFA francs with sign-off by the beneficiaries during the ordinary session.*

*\* OP No. 15322 of 10 500 000 CFA francs with sign-off by the same beneficiaries during the extra-ordinary session.*

#### **28/12/2005**

*\* OP No. 21868 of 10 500 000 CFA francs of 30/12/05 signed out by the beneficiaries during the ordinary session.*

*\* OP No. 21865 of 10 500 000 CFA francs of 30/12/05 with the statements not signed and signing by power of attorney and at the extra-ordinary session.*

#### **22 December 2004**

*\* OP No. 1059 of 21/12/04 of 5 200 000 CFA francs for the Board of Directors meeting of 30/12/2004 in extra-ordinary session supported by signed sign-outs by the various beneficiaries.*

*\* OP No. 1058 of 22/12/04 of 10 400 000 CFA francs in ordinary session of the Board of Directors meeting of 29/12/04 supported by sign-outs by beneficiaries.*

*Whereas it emerges from the exploitation of these payment documents that:*

*Statements for payments of ordinary and extra-ordinary sessions were signed on the same date and are identical (22/12/04, 14/12/2005, 28/12/2005).*

*No session is evidenced by duly established minutes accompanied by the attendance sheet.*

- In 2004, the sitting allowances for the extra-ordinary session were reduced to half of those paid in ordinary session (5,200,000) according to the payment order No. 1059 of 22/12/04, whereas in 2005 the amount of the sitting allowance paid in extra-ordinary sessions are the same as those paid in normal session (-10,500,000).*
- The resolutions reported on the sign-out statements have not been attached to the payment orders.*
- Responses to the questionnaire regarding these suspicious payments are still awaited for more than three months.*
- In one month (December 2005), TRB organized two regular sessions and two special sessions of the Board of Directors, namely on 15 December and 30 December 2005, that is, four Board meetings in a single month*
- The payment order No. 21,868 of 10,500,000 francs is a typical example of duplication since the sign-out statements do not include the date of the meeting of the Board of Directors.*

*Whereas by Payment Orders No. 1059 of 22/12/04 of 5,200,000 CFA francs, No. 15322 of 14/12/2004 of 10,500,000 CFA francs and No. 21865 without date of 10,500,000 CFA francs, the Accounting Officer paid sitting allowance which would duplicate those paid by payment orders no. 1058 of 22/12/04, 5103 of 14/12/04 and 21868 without date;*

*Whereas the total expenditure in duplicate amounts stands at 26,200,000 CFA francs and the explanations requested from the Accounting Officer on the questionnaire of 15 January 2008 are still awaited;*

*Whereas it would be difficult to admit that during the same months and almost at the same time there had been ordinary sessions and extra-ordinary sessions of the Board of Directors and all without any minutes of the proceedings;*

*Whereas the misappropriation of 26,200,000 CFA francs appears to be evident and the Accounting Officer should be requested to remit this large sum of money to the Board's funds pending the possible filing of criminal proceedings*

*It is ordered to Messrs. TJB for 15,700,000 CA francs and ENGM for 10,500,000 CFA francs to bring within two months of notification of this judgment evidence of the transfer of the sum of 26,200,000*

CFA francs to the funds of the Board or any other justification for their defense without prejudice to any criminal proceedings which would be appropriate in such circumstances.

**B/ RESPONSE BY ACCOUNTANT: CONFER ANNEX No. III**

*For this injunction there was an error of appreciation by the judge acting as rapporteur.*

*Indeed, my duties as Accounting Officer ended at TRB on 20 July 2005 with the handing over of service to my replacement.*

*Consequently, payment orders Nos. 5103, 15322, 21868 and 21865 issued on 14/12/2005, 30/12/2005 and 31/12/2005 in the amount of 10 500 000 CFA francs each were authorized and paid for at four sessions of the Board of Directors under the management of my replacement after my departure from the accounting station.*

*In this regard, I cannot be held responsible for the operations I did not carry out.*

*Moreover, during my management, I had to settle only two payment orders among the disputed payments. These are Payment Orders No 1058 and 1059 issued on 22/12/2004 of 10 400 000 CFA francs and 5 200 000 CFA francs respectively relating to the session allowances of the 6<sup>th</sup> Ordinary Session of 29/12/2004 and the 14<sup>th</sup> extraordinary session of 30/12/2004 of the Board of Directors.*

*These payment instruments issued on 22/12/2004 were referred to as "GOOD FOR PAYMMENT" on 27 December 2004 and entered in the cash book under the numbers 223 and 226.*

*In the light of all the above, there was no double payment of session expenses of the Board of Directors during my management.*

**INJUNCTION No. 13 REIMBURSEMENT OF DOUBLE PAYMENT OF TELEPHONE ALLOWANCES**

**A/ PRESENTATION OF THE INJUNCTION**

*Whereas by various payment orders, including No. 0201 of 01/01/04 of 6,410,000 CFA francs and No. 0230 of 23 November 2004 of 6,485,000 CFA francs, the Accounting Officer transferred each month to a separate statement in the account of the Director General and the Deputy Director General telephone allowances in the amount of 550,000 CFA francs, 300 000 for the Director and 250 000 for his deputy, who are already entitled to a telephone allowance of the same amount paid in their monthly salary;*

*Whereas these special allowances are transferred to their account in a statement serving as payment of the telephone allowance to all staff of the Board;*

*Whereas each month the Board bears the additional telephone costs of the Director General and the Deputy Director General amounting to 550 000 francs in addition to the telephone allowance paid in their salary and that in 24 months the Agency has Irregularly spent a sum of 13,200,000 francs;*

*Whereas the Accounting Officer should have refused these additional and inexplicable expenses and that in accepting them he committed his personal and financial liability;*

*It is ordered to Messrs TJB for 10,450,000 CFA francs and ENGM for 2,750,000 CFA francs to bring within two months of notification of this judgment evidence of the transfer to the Board of 13,200,000 CFA francs If necessary, their personal funds or to provide any other justification in their defense.*

**B/ RESPONSE BY ACCOUNTANT: CONFER ANNEXE No. I**

*The review of the salary slips of the Director-General and the Deputy General Manager for the periods from January to December 2004 and from January to December 2005 shows that:*

- *For 7 months, that is from January to August 2004, no pay slips for these two officials bear the telephone allowance (heading 3311: Telephone allowance) as specified in the injunction : "That the Accounting Officer has transferred each month on a separate statement to the account of the Deputy Director General telephone allowances ..."*
- *On my taking office at TRB, salaries and telephone allowances were presented for payment to the Accounting Office in two separate statements: one for salaries and the other for telephone allowance. In order to reduce bank charges and increased workload, I had suggested to the Management to incorporate this allowance into the salaries and to establish a single statement the end of each month.*

*This complaint was accepted by Management and it is from September 2004 that the telephone allowance (heading 3311) was incorporated into the salary and is now included in a single statement in the pay slips.*

*Since September 2004, there is a single balance payment statement that incorporates both salary and telephone allowance. (See heading 3311 with the respective amounts of 300,000 CFA francs and 250,000 CFA francs for the Director General and the Deputy General Manager).*

- *However, in November 2004, the Budget Service issued Payment Order No. 230 relating to the telephone allowance, while the IT department incorporated this allowance directly into wages. The telephone allowance was, therefore, paid twice.*
- *Following this observation, a collection order was issued in January 2005 against the beneficiaries of the double payment of the telephone allowance and the sums wrongly collected were recovered during the same month.*

*That is how the January 2005 pay slips do not include telephone allowance item 3311.*

*These are, Sir, the new elements which call for the review of the injunctions addressed to me.*

**T J B."**

### **Admissibility of petition**

Whereas it follows from the provisions of sections 73, 74 and 76 of Law No 2003/005 of 21 April 2003: that the petition for review to be admissible must be:

- a reasoned and addressed to the President of the Audit Bench and including;
- the statement setting out the facts and grounds of appeal;
- a copy of the judgment for which review is sought;
- the supporting documents including evidence of notification to the other parties involved;

And this within six (6) months of notification of the judgment to the accounting officer concerned;

That a petition for review deemed admissible is therefore admissible only if it is based on at least one of the four cases provided for in section 73 (1), namely mistake, omission, forgery or duplication discovered after the ruling is passed;

Whereas the petition for review dated 15 February 2012 from Mr. TJB, received at the Registry of the Audit Bench on 27 March 2012 under number 156, does not satisfy the conditions for admissibility of the petition for review referred to above;

Furthermore, it is not formally signed by its author, nor is it accompanied by a copy of the appealed judgment notified to him on 20 January 2012, or by the documents attesting to its notification to the other persons involved including ENGM, the Director General of the Telecommunications Regulatory Board (ART), the Minister of Posts and Telecommunications, the Minister of Finance;

Moreover, it is based not on one of the cases provided for by section 73 (1) of Law No. 2003/005 of 21 April 2003, namely mistake, omission, forgery or duplication discovered subsequently But rather on the infringement of the rights of the defense and of the principle of adversarial proceedings, which lies in the cases of appeal on points of law provided for in section 35 (1) (e) and (h) of Law No. 2006/016 of 29 December 2006 referred to in the petition, "the elements of response to the injunctions pronounced against me which are in my possession and which I make available to you in this application";

It appears that the application for review of T J B is inadmissible;

That it should be rejected;

Whereas, regard to the petition for review lodged on behalf of E N G M by counsel A A, lawyer member of the Cameroon Bar Association,

that no time limit shall be applicable to him for lack of proof of notification;

That it is accompanied by a dispatch of the judgment under appeal and of the conduct in the office of Sheriff Bailiff Mr. M I in Yaounde notifying the other parties involved;

That it should be declared admissible in its form;

Whereas, in substance in his application, the Counsel of ENGM submits that "Ordinance No. 62/OF /04 of 7 February 1962 on the financial system of the Federal Republic of Cameroon", referred to in Judgment No. 13/AD/S3/11 is no longer applicable since it was repealed by Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State; that he proceeded exclusively on the discussion of irregularities, basis of injunctions Nos. 8, 9, 10, 12 and 13;

That it nowhere refers to the case of opening of the review provided for by section 73 (1) of Law No. 2003/005 of 21 April 2003 referred to above;

Whereas, moreover, none of the cases provided for by law permitting the opening of proceedings for revision are raised in this case; that no document has been produced to establish one;  
That it is necessary to declare the application for revision of E N G M inadmissible and to reject it;

### **For these reasons**

### **Taking a final ruling,**

### **Rules as follows**

**Article 1.**- The petition for review of Judgment No. 13/AD/S3/11 of 22 June 2011, brought on 28 December 2011 by Mr. AA, Barrister at the Cameroon Bar on behalf of Mr. ENGM is admissible with regard to its form.

It is inadmissible with regard to its merits and hence rejected.

**Article 2.**- The petition for review of the abovementioned judgment of Mr. T J B of 15 February 2012 is as inadmissible in form as it is inadmissible on the merits.

It is therefore rejected.

**Article 3.**- This judgment shall be notified to:

- Messrs E N G M and  
T.J.B ;
- the Director General of the Telecommunications Regulatory Board;
- the Minister of Posts and Telecommunications and

- the Minister of Finance.

Thus judged and pronounced in a public hearing, the same day month and year as above.

## **2.- Judgment No. 01/AD/CSC/CDC/SR of 30 April 2015**

Whereas, by application dated 3 May 2013, registered at the Registry of the Audit Bench under No. 254 on 24 May 2013, Mr. M S A, former Director of Administrative Affairs at the University of Ngaoundere, submitted an application for review No. 04/AD-CF/S3/13 of 6 February 2013 rendered by the Audit Bench on the accounts of the University of Ngaoundere of the 2004 financial year in the following words:

*« Dear Sir,*

*I wish to request for a review of the judgment referred to above, which declares me to be a de facto accountant of the management of the ad-hoc imprest fund for the 2004 University Games in Yaounde II-SOA.*

*Sir, the charges against me are based on mere allegations made by the Accounting Officer of the University of Ngaoundere and are unfounded.*

*Indeed, the ad hoc imprest fund of the university games of 2004 bore my name as a finance manager, but I never signed out any amount from the Accounting Officer, let alone the sums taken into account by the judgment cited above. The expenditures were initially made in Ngaoundere by the Accounting Officer and concerned the payment of:*

- mission orders of sports managers and instructors;*
- the cost of transporting athletes by train;*
- Olympic bonuses for athletes and sports instructors;*
- bonuses for intensive training periods for athletes and sports instructors;*
- bonuses for cold meals for athletes;*
- medicines for the medical kit;*
- invoices for sports equipment;*
- fuel bills.*

*Secondly, the expenses carried out in Yaounde by the administrator (in my person), and concerned mainly:*

- purchase of refreshments (water) for athletes;*
- the payment of the various match penalties;*

- the payment of bonuses for games won;
- payment of bonuses for medals.

Sir, my role as administrator of the ad-hoc imprest fund was not to manage the funds allocated but to make a few payments (as mentioned above) and then to collect and consolidate the expenditure vouchers.

Please find enclosed some duplicate copies of the expenses validated in the said fund and found at the Specialized Finance Control of the University of Ngaoundere. The expenses are listed in the table below:

No	Nature of expenditure	Beneficiary	Amount
01	52 MISSION ORDERS	SPORTS OFFICIALS AND INSTRUCTORS	13 847 400
02	02 INVOICES FOR SPORTS EQUIPMENT	- ETS SMART SPORT - ETS OUMAROU NANA	3 004 285 587 565
03	FUEL	- ETS NGAKO JEAN MARIE - TOTAL	1 000 000 500 000
04	MEDICCAL ASSISTANCE TO ATHLETES	- Milles MADJEUKENG SAND. - DJIBETSOU NOUSSARGUE	75 000 25 000
05	BONUSES FOR INTENSIVE TRAINING	- ATHLETES - FAN'S CLUB	735 000 36 000
06	COLD MEALS	- ATHLETES - FAN'S CLUB	1 050 000 132 000
07	OLYMPIC BONUSES	- ATHLETES - FAN'S CLUB - ENCADREURS	5 250 000 440 000 960 000
08	BONUSES FOR MATCHES WON	- ATHLETES	906 500
09	MEDAL BONUSES	- ATHLETES (2 ETATS DE PAIEMENT) - ENCADREURS	720 000 75 000
10	REIMBURSMENT OF ROUND TRIP TRANSPORT FARES YDE-NDERE	- ATHLETES	915 000
<b>GRAND TOTAL</b>			<b>30 608 750</b>

In the light of all of the foregoing, I crave your indulgence for the review of Judgment No. 04/AD-CF/S3/13 rendered on 06 February 2013 by the Bench against me.

I am at your disposal,

Yours Sincerely.

**Attachment:**

- *Supporting expenditure documents*

**Copies:**

- *Minister of Finance*

- *Minister of Higher Education*

- *Rector of University of Ngaoundere*

- *Accounting Officer of the Unvisersity of Ngaoundere. »*

**Admissibility of petition**

Whereas Law No. 2003/005 of 21 April 2003 supra provides:

**“Section 41:** (1) *The Audit Bench shall first declare the de facto accounting by an interim order, which shall compel the de facto accountant to submit his accounting records. He shall have a period of three months to comply with the order, with effect from the date of notification thereof.*

*The Audit Bench shall indicate in its interim order that, where the accountant fails to respond within the time-limit prescribed, it shall proceed with a final ruling on the merits of the case*

(2) *An order of the Audit Bench shall confirm the de facto accounting declaration and the Bench shall rule on the account if the latter does not include any reservations.*

(3) *Where the de facto accountant disputes the interim order, the Audit Bench shall examine the reasons set forth and, where it definitively maintains the de facto accounting declaration, it shall reiterate the order to submit a report within a time-limit of three months.*

(4) *Where the Audit Bench fails to uphold the declaration of de facto accounting, it shall dismiss the matter”.*

**“Section 73:** (1) *Notwithstanding the final ruling on an account, the Audit Bench may, due to a mistake, an omission, forgery or duplication discovered after the ruling is passed, review such ruling of its own motion or at the request of either the accountant, the Minister in charge of finance or the legal representatives of the relevant public bodies or at the instance of the Procureur General of the Supreme Court.”*

Whereas it follows from the joint provisions of the above-mentioned sections that the final declaration of de facto accounting in its injunction provisions to render account within a period of three months

remains provisional and calls for the production of the account required or simply the reply of the de facto accountant within the time limit, whereas only the final judgments on the accounts rendered or following the injunctions to the respondents are subject to review..

However, the provisions of the judgment under appeal No. 04/AD/-CF/S3/13 of 6 February 2013 state:

**Article 1** Mr. M.S.A, Director of Administration and Finance at the University of Ngaoundere is declared final de facto accountant for an amount of thirty-one million (31,000,000) CFA francs;

**Article 2.-** Il The sequestration of the property of Mr. M.S.A, Director of Administration and Finance at the University of Ngaoundere is hereby ordered.

**Article 3.-** He shall have a period of three months from the date of notification of this judgment to report on his management.”

Whereas it ensues that this judgment is interim in its provisions on the account whose production is required and that he is therefore not liable to bring an action for review at this stage;

That it behooves to declare the application for review of Judgment No. 04/AD-CF/S3/13 of 6 February 2013 of Mr. M S A inadmissible;

**For these reasons**

Taking a final ruling,

HEREBY RULES AS FOLLOWS

**Article 1** : The application for review of Judgment No. 04/AD-CF/S3/13 of 06 February 2013 from Mr. M S A is inadmissible;

**Article 2** : This judgment shall be notified to:

- Mr. M S A ;
- the Rector of the University of Ngaoundere;
- the Minister of Higher Education and
- the Minister of Finance.

Thus done, judged and pronounced in a public hearing on the same date, month and year as above.

### Section 3 : Judgment of dismissals

#### 1- Judgment No. 06/D/CSC/CDC/SR of 17 September 2015 relating to the control of the public funds of the South Region for the 2010 financial year

Whereas at the conclusion of the investigation conducted by the Audit Bench following transmission No. 00532/R/PR/CONSUPE/CDBF of 23 August 2011 by the Minister Delegate at the Presidency of the Republic in charge of the Supreme State Audit services, of the files following the verification of the imprest funds of the South Region on 31 December 2010, took decision No. 03/ADP/CSC/CDC/SR of 18 April 2013 which declared AA a de facto accountant for an amount of nine hundred seventy-one thousand one hundred and eighty (971,180) CFA francs for interference in the operations of income and expenditure for the 2010 financial year, directed him to produce within three (03) months from the date of notification of the judgment the expenditure account or any justifications in his defense and ordered the separation of the de facto management proceedings from the proceedings against certified accountants;

Whereas by letter No. 03 of 03 July 2013, registered at the registry of the Audit Bench on the same day under No. 294, Mr. A A S filed his replies to the financial jurisdiction;

Whereas the package produced by Mr. A A S contains, inter alia, Order No 289/MINESEC of 28 December 2010 appointing officials in the decentralized services of the Ministry of Secondary Education;

It appears that it was on 28 December 2010 that Mr. AAS, High School Teacher was appointed Principal of GSS ONDONG-ADJAP in replacement of Mr. NOB who assumed duty as Principal of this secondary school throughout the year 2010;

That it follows that Mr. A A S cannot be held responsible for the revenue and expenditure operations during that period;

Whereas under section 41(4) of Law No. 2003/005 of April 21, 2003 referred to above, "*Where the Audit Bench fails to uphold the declaration of de facto accounting, it shall dismiss the matter*";

That being the case here, it is appropriate to dismiss the declaration of de facto management of against Mr. A A S.

For these reasons

Taking a final ruling

HEREBY RULES AS FOLLOWS

**Article 1.-** There is no need to declare de facto management against Mr. A A, Service No. 354 057-C, for the management of GSS ONDONG-ADJAP for the 2010 financial year;

**Article 2.**- This judgment shall be notified to:

- the abovementioned;
- the Minister for Secondary Education and
- the Minister of Finance.

Thus made, judged and pronounced in open hearing, the same day, month and year as above.

## CHAPTER 2. FINAL OBSERVATION REPORTS

### Section 1. Report No. 25/ROD/S4 of 26 November 2015 on the Société Hôtelière du Littoral (SOHLI S.A)

#### Preamble

The accounts of the Société Hôtelière du Littoral (SOHLI S.A.) for the years 2004, 2005, 2006 and 2007 were entered in the control programme of the Audit Bench for the 2011 to 2015, financial years.

The control was carried out on the general documents and the financial statements. An on-the-spot control made it possible to examine the supporting documents on the basis of a regularly constituted sample.

Exploitation of these elements made it possible to draw up a report of interim observations adopted in the deliberations of the Division on 03 September 2014 and sent to the Director-General of the period concerned.

The interim observation report was notified to the addressee on 11 September 2014 and the replies to the observations were received by the Audit Bench on 04 November 2014.

#### 1. Presentation

##### 1.1. Creation

The Société Hôtelière du Littoral, « SOHLI S.A.», was created on 23 June 1976.

##### 1.2. Corporate form

“SOHLI S.A.”, is a joint stock company governed by the OHADA Uniform Act.

##### 1.3. Head Office

Douala BP 2345

##### 1.4. Capital

Amount	1 000 000 000 FCFA		
Number of shares	100 000	Nominal value 10 000 CFA F	
Distribution :	- SNI	98 987 shares	That is 88.99 %
	- CNPS	11 004 shares	That is 11.00 %
	- CSPH	9 shares	That is 0.01 %

## 1.5. Corporate purpose

According to article 3 of the articles of association "The purpose of the company is:

- *Carrying out architectural and technical, financial feasibility and marketing studies with a view to building a world-class hotel in Douala;*
- *acquisition, creation, lease and operation of all establishments, sales and representation agencies with the same corporate purpose;*
- *purchase, sale and processing of all products used in the operation of hotels, the construction or the creation of new units where necessary;*
- *acquisition of a shareholding, the transfer of all patents, licenses, trademarks, operating procedures that may or may contribute to the above activities;*
- *and generally all movable and immovable, industrial and financial transactions relating directly or indirectly to the company's object ".*

## 1.4. Supervision

"SOHLI S.A." is placed under the technical supervision of the Ministry in charge of tourism and under the financial supervision of the Ministry of Finance.

## 1.5. Management

From 2004 to 2007, SOHLI S.A. was managed by Mr. TCHOBANG Nicholas.

The main activity is Hospitality: sales of manufactured products and sale of services.

## 1.6. Key figures

The indicators below, excluding staff, are presented in millions of CFA francs:

	2004	04-05	2005	05-06	2006	06-07	2007
<b>Turnover</b>		-4.90 %		-10 %	1 399	51 %	2 114
<b>Payroll</b>	461	19 %	549	-26 %	409	-2 %	403
<b>Bottom line</b>	-336	-20 %	-405	41 %	-333	88 %	37
<b>Equity</b>	1 980	-2 %	1 946	18 %	2 297	-28 %	1 650
<b>Staff number</b>	<b>195</b>		<b>183</b>		<b>123</b>		<b>121</b>

## 1.7. Controls

### *Statutory Auditors*

Article 24 of the articles of association of SOHLI S.A. obliges the Ordinary General Assembly to appoint for a term of six years a statutory auditor and an alternate, both of whom are approved by CEMAC and members of ONECCA.

Mr MOOH Emmanuel, Certified Public Accountant, CEMAC Accreditation No. EC 02 and ONECCA membership number ECP 075 was appointed auditor for the 2004 and 2005 financial years.

Mr. WANSSY Pierre, Certified Public Accountant, CEMAC Accreditation No. EC 31 and ONECCA membership number. ECP 055 was appointed auditor for the 2006 and 2007 financial years.

### *Shareholder control*

Article 27 of the articles of association provides that any shareholder may, two (2) times per financial year, question the managers of the company on any facts likely to compromise the continuity of operations. In addition, one or more shareholders representing at least one fifth of the capital may request the appointment of one or more experts to report on one or more management operations.

### *Control by the Audit Bench*

In 2011, 2012 and 2013, the Audit Bench entered control of SOHLI S.A. in its programming for the years 2004, 2005, 2006 and 2007.

## 2. Review of the legal framework

The various instruments governing the operation of SOHLI S.A. provide for a Board of Directors and the Directorate General as the administrative bodies of the company.

Dysfunctions relating to shortcomings in the composition of the Board of Directors, the periodicity of General Meetings, record keeping of minutes of deliberations and archives were noted.

### 2.1. Composition of Board of Directors

Chairman	Mr. AHIDJO MOHAMADOU	
Members	Mr. FOTSO Séraphin	Permanent representative of SNI
	Mr. ZIBI ONDOUA Séraphin	Permanent representative of CNPS
	Mr. ONDOBO MONO Jérôme	Permanent representative of CSPH
	Mrs. BOMBA ATANGANA Elise	Permanent representative of MINTOUL

	Mr. HAND BAHIOU Magloire	Permanent representative of SNI
Secretary	Mrs. ANDZE Aline	Deputy Manager for Investment at SNI

## 2.2. Absence of a staff representative in the Board of Directors

Pursuant to Article 36 (1) of Law No. 99/016 of 22 December 1999 "*The Board of Directors shall be composed of at least three (3) members and no more than twelve (12) members. It must include an elected staff representative*".

However, the list of members of the Board of Directors drawn up by the State did not mention the presence of a staff representative.

However, the list of members of the Board of Directors drawn up by the State did not mention the presence of a staff representative.

Consequently, the Audit Bench suggested to the General Assembly that it makes the necessary arrangements for the appointment of a representative of the administrative staff.

In response, SOHLI Management believed that this concern would fall within the scope of the Board of Directors of SOHLI or the General Meeting. Suggestions had been made to the Board of Directors in its time by the Directorate General, but in view of the disaster situation, the Board did not consider it appropriate to examine this point, with priority being given to the deceased, casualties and reconstruction of infrastructure.

For the Audit Bench, the disaster situation cannot exempt the Board of Directors from its regulatory obligations, which are also referred to in section 36(1) of Law No. 99/016 of 22 December 1999.

As a result of the accident and death, the presence of a staff representative may prove useful in the defense of victims' interests, but more generally for all staff. Thus, the Audit Bench maintains its observation.

## 2.3. Term of office of a Board member

The absence of reference to the regulatory instruments appointing the members of the Board of Directors does not make it possible to assess the duration of their term of office, which should not exceed six (6) years. In addition, Article 16 of the Articles of Association fixes the term of a board member at five (5) years, which is renewable and hence indefinite.

Pursuant to section 36 of Law No 99/016 of 22 December 1999,

1) "*The Board of Directors shall consist of at least three (3) members and no more than twelve (12) members. It must include an elected staff representative.*"

2) The members of the Board of Directors are appointed by the General Meeting of Shareholders for a three (3) year term, renewable once.

In addition, Article 420 of the OHADA Uniform Act provides that "The term of office of a Board of Directors is fixed freely by the articles of association without exceeding six (6) years".

The Audit Bench calls for the harmonization of the term of office of a board member fixed for five (5) years, renewable by the articles of association, with the provisions of Law 99/016 of 22 December 1999 and those of Article 420 of the "Uniform Act OHADA which fix the duration of the term of office to three (3) years renewable once.

In response, the Directorate General of SOHLI indicated that the renewal of the term of office would fall within the competence of the General Assembly, in accordance with the provisions of Articles 420 and 704 of the OHADA Uniform Act.

For the financial jurisdiction, the non-renewal of a term of office of a board member is interpreted as a vacancy in the Board of Directors. In this regard, article 17 of the Articles of Association provides that "In the event of a vacancy in one or more board member seats, by death or resignation or by any other cause, the Board of Directors may co-opt new board members between two meetings, on the proposal of the other Board members representing the same group of shareholders, so that the distribution of the seats of board members between the shareholders is in conformity".

The Director General and the Chairman of the Board of Directors cannot remain passive in the face of such a situation because one of them acts as secretary and the other presides over the session. The Audit Bench thus maintains its observation.

#### **2.4. Secretariat of the Board of Directors**

Pursuant to section 46 (1) of Law No. 99/016 of 22 December 1999, "*The general management of the corporation shall perform the secretarial duties of the Board of Directors*". On the other hand, it appears that Madam ANDZE Aline, Deputy Director in charge of investment in SNI provides secretarial duties.

The Audit Bench has invited the Board of Directors to comply with the aforementioned provisions of the law and to entrust the secretariat to the Directorate General.

For the Directorate General, the National Investment Corporation (SNI) is a majority shareholder of SOHLI (SAWA Hotel). It has always taken from the companies of its portfolio an instrument designating the Secretary of the Board of Directors and of the General Assembly in order to better follow the work and deliberations of these bodies (Exhibit No. 3). The Directorate General therefore undertakes to bring this concern to the attention of the SNI so that the Directorate General of the SAWA Hotel will assume the function of Secretariat of the Board of Directors and of the General Assembly.

The Audit Bench takes note of the good measures of the Directorate General.

### 3. Management review

#### 3.1. Change of equity

The shareholders' equity of SOHLI S.A. decreased by 17 % from 1,980 million CFA francs to 1,650 million CFA francs between 2004 and 2007.

However, despite this decline, equity remains well above half the share capital.

Financial years	2004	2005	2006	2007
<i>Equity</i>	1 980	1 946	2 297	1 650
<i>Equity / Capital stock</i>	1.98	1.94	2.3	1.6
<i>Observations</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>

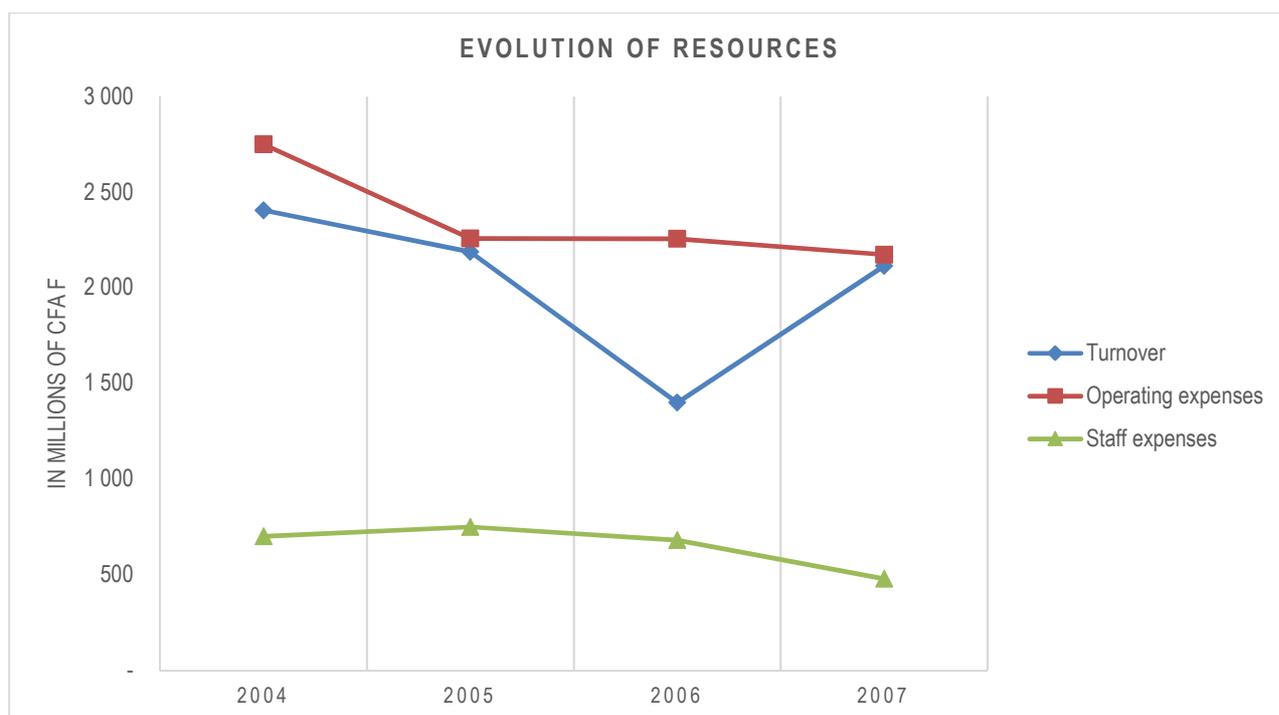
Thus SOHLI S.A. has sufficient capital to reassure its market, banks, its staff as to its capacity to invest, meet its commercial, social and fiscal deadlines. It also offers strong guarantees to a prospective lender, when borrowing is needed to finance the development of the business.

#### 3.2. Resources of SOHLI S.A.

The resources of SOHLI S.A. are made of:

- Revenue from sale of finished products;
- Revenue generated by services sold.

	2004	2005	2006	2007
<b>Turnover</b>	2 405	2 187	1 399	2 114
<b>Sale of manufactured goods</b>	833	793	450	633
<b>Services sold</b>	1 572	1 394	949	1 479



Thus SOHLI S.A. has sufficient capital to reassure its market, banks, its staff as to its capacity to invest, meet its commercial, social and fiscal deadlines. It also offers strong guarantees to a prospective lender, when borrowing is needed to finance the development of the business.

Over the four financial years, "services sold" averaged 67 % of turnover. After falling between 2004 and 2006 from 1 572 to 949 million CFA francs, a decrease of 40 %, services sold increased between 2006 and 2007, from 949 to 1,479 million CFA francs, an increase of 55 %. This component shows an average decrease of 15 % for the period.

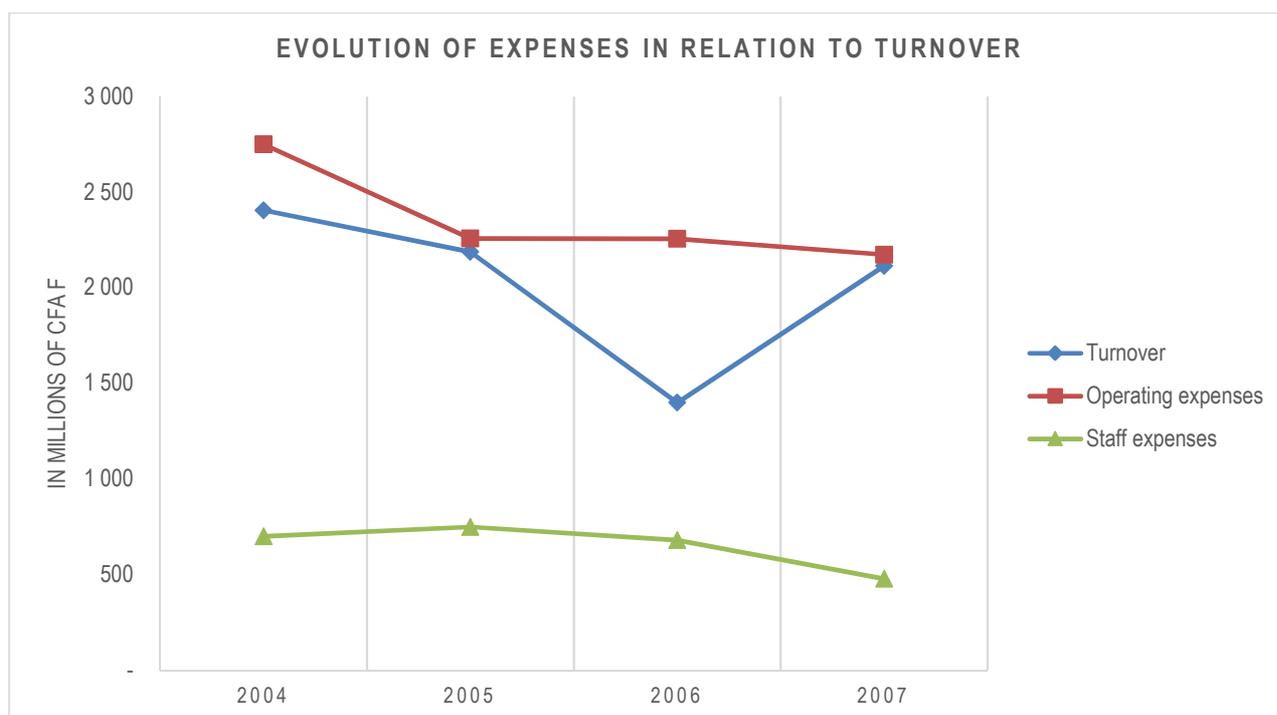
It thus appears that "services sold" constitute the main activity of SOHLI S.A.

### 3.3. Expenses of SOHLI S.A.

#### 3.3.1. Situation of expenses

Evolution of expenses can be presented as follows:

	2 004	2 005	2 006	2 007
<b>Turnover</b>	2 405	2 187	1 399	2 114
<b>Operating expenses</b>	2 750	2 258	2 256	2 173
<b>Staff expenses</b>	700	749	680	478



Operating expenses represent on average 90 % of all expenses. From 2004 to 2007, total expenses decreased from 2,189 to 1,886 million CFA francs, a decrease of 14 %, reflecting a decrease in activity of SOHLI SA In general, operating expenses are abnormally higher than the turnover.

### 3.3.2. Staff expenses

Staff expenses absorb almost entirely all the wealth generated by the company, especially from 2004 to 2006.

	2004	2005	2006	2007	Average
<b>Staff expenses (in millions of CFA F)</b>	700	749	680	478	652
<b>Payroll (in millions of CFA F)</b>	461	549	409	403	456
<b>Staff expenses / Added value</b>	67 %	65 %	87 %	54 %	66 %
<b>Staff expenses / Operating expenses</b>	25 %	29 %	30 %	21 %	26 %
<b>Operating expenses / Turnover</b>	29 %	34 %	48 %	22 %	31 %

As a result of the fall in the number of employees (195 to 121) and the total payroll (461-403 million CFA francs), total expenses decreased by 15 % from 2,589 to 2,208 million CFA francs between 2004 and 2007.

Nevertheless, staff expenses absorb an average of 66 % of value added, that is, a little less than 70 %, the limit value, and represent more than 30 % of turnover, whereas the threshold is 25 %. This situation seems to be due to the decline in activity and more precisely to the fall in the occupancy rate of the rooms.

## Financial balance

The financial situation of SOHLI S.A. is presented as follows:

	2004	2005	2006	2007
<b>Working capital</b>	542 179 885	787 123 451	1 243 868 144	692 335 478
<b>Need in working capital</b>	342 702 204	579 511 714	611 230 581	- 541 501 899
<b>Cash position</b>	199 477 681	217 611 737	632 637 563	1 233 837 177

- A negative working capital ( $WC > 0$ ) ;
- Need in negative working capital ( $NWC > 0$ ) ;
- Need in working capital higher than working capital t ( $NWC < WC$ ) and
- A positive net cash position ( $NC > 0$ ).

Despite a positive working capital requirement, the company is in good financial condition. It confirms its financial ease by the cash position which improves over time to reach 1,233 million CFA francs in 2007.

The situation of a positive working capital requirement is due to a cash shift because SOHLI S.A. pays its suppliers on average under 40 days and customers pay on average under 185 days as shown in the table below:

	2004	2005	2006	2007	Average	Threshold
<b>Collection timeline</b>	193 d	178 d	246 d	125 d	185 d	[30d, 90 d]
<b>Supplier timeline</b>	43 d	40 d	43 d	41 d	41 d	[30 d, 60 d]

Regarding long collection periods, the company had to put in place a more robust recovery policy in order to reduce the recovery period to the standard that the claims of the State (including PRC, Civil Cabinet) and CAMAIR should also have been treated in a special way.

For the Directorate General of SOHLI, the client portfolio is composed of nearly 50 % of claims on the State, including the PRC, Civil Cabinet and Public Administrations. Adequate strategies were therefore put in place from 2006 to 2010 to reduce the level of government-related debts to acceptable standards, although difficulties in paying public debts whose deadlines are long and penalizing for the operating balance.

Thus, the protocols signed with the Civil Cabinet and the Commissariat, enabled the recovery of large sums which have been used for the rehabilitation and equipping of the disaster areas; which made it possible for SAWA Hotel to become busy again, as the levels of comfort and safety after the disaster had been recovered.

As a result, the fourth star lost in the aftermath of the SAWA Hotel incident was re-awarded by decision of the Minister of Tourism No.01088MINTOUR/SG/DET/SDAC/SC of 29 June 2009.

Although the protocols signed with the Civil Cabinet and the Commissariat have made it possible to recover large sums of money, the fact remains that the recovery period remains rather long. Efforts should therefore be maintained to reduce the recovery period to a reasonable range, that is, between 30 and 90 days.

Consequently, the Audit Bench maintains its observation.

### 3.4. Profitability

	2004	2005	2006	2007	Average
<b>EBE / Turnover</b>	14	18	6	19	12
<b>Net profit / Shareholders Equity</b>	1	-2	- 14	2	-3
<b>Net profit / Total balance sheet</b>	0,05	- 0,01	-8	1	- 0,05
<b>Sel-financing</b>	650 097 656	452 502 269	103 151 348	482 598 117	252 225 458

The profitability of SOHLI S.A. remains very low, although overall it improved in 2007. Thus, for each 100 francs of equity invested, owners lost an average of 3 FCFA between 2004 and 2007.

The low profitability is also caused by the aging of the structures and the accident that led to the collapse of the kitchen. In order to improve the company's profitability, measures should be taken to continue the renovation of the hotel with a view to regaining lost market share.

In addition, a more aggressive strategy in the face of a highly competitive market should be put in place in order to increase room occupancy and hence turnover.

The Directorate General considers that, although weak, profitability has nevertheless improved from 2007 to 2010 thanks to the actions of the hotel management and the constant support of the SNI, owner of SAWA Hotel.

The Audit Bench notes the improvement in the profitability achieved in relation to the efforts made. It also encourages the Directorate General to maintain efforts to renovate and rehabilitate the hotel infrastructure of the SAWA Hotel after the 2005 disaster. The big challenge remains the actual improvement of the SAWA Hotel towards modernity to the effect of allowing it to regain the market share lost in this highly competitive sector.

### 3.5. Cost accounting

Cost accounting is used to understand, predict and explain in order to best manage the company. While it is not an obligation, its performance is nevertheless highly recommended especially in a very competitive context, because it allows for controlling the costs. SOHLI S.A. has not yet established it within it. This is a handicap for her in this sector where competition is hard.

The Directorate General asserts that the hotel maintains not only general accounting but also cost accounting. It is thanks to the latter that the monthly withdrawal of the operating account and the cash position of the Hotel are systematically transmitted to the SNI and third parties every month.

The Audit Bench takes note of it.

## 4. Consolidated results

	2004	2005	2006	2007
Turnover	2 405 474 107	2 187 315 755	1 399 654 136	2 114 006 666
Purchase of raw materials	342 900 593	408 803 854	152 831 358	227 374 292
Variation of stock of raw materials	-2 892 562	-37 736 098	-3 618 102	-22 833 741
GROSS MARGIN S. RAW MAT.	493 464 361	422 182 393	300 845 393	431 219 053
Miscellaneous income and profits	48 685 925	278 317 386	-	22 268 473
Other purchase	472 502 919	284 119 305	303 797 185	364 295 152
Transport	18 199 490	10 706 675	4 110 781	2 769 100
Staff costs	700 133 125	749 934 206	680 594 350	478 050 503
ADED VALUE	1 039 872 506	1 144 247 515	777 588 263	875 066 091
External services	483 769 180	384 234 280	400 771 933	453 689 194
Dues and taxes	18 906 689	114 319 713	20 845 134	33 818 571
Othr expenses	88 975 465	156 937 897	233 518 175	185 988 695

GROSS OPERATING EXPENSE	339 739 381	394 313 309	96 993 913	397 015 588
Transfer of expenses	354 466 388	85 412 099	19 108 209	23 205 423
Reversals			18 889 294	75 055 653
Depreciation and amortization 636 512 150	486 958 641			
NET OPERATING INCOME	57 693 619	-7 715 168	-320 066 815	60 786 412
Financial products	2 320 252	5 065 162	6 150 109	12704 646
Financial expenses	7 291 761	4 291 761	2 058 514	1 424 091
BOTTOMLINE	-4 929 527	773 401	4 091 595	11 280 555
HAO products				
HAO expenses (including taxes)				
NET RESULT	23 585 503	-34 456 375	-333 017 289	37 161 835

## 6. Examination of contracts

According to article 5 (1) t) of the Public Contracts Code, “a *jobbing order* is a public contract whose amount is at least five (5) million and less than thirty (30) million CFA francs”.

An examination of contracts reveals a number of irregularities listed as follows:

Journal	Nature	Supplier	Date	Amount	Observations
205	Settlement	ERETCAME	10/2007	6 558 750	Lack of jobbing order
205	Settlement	BERNABE	01/2007	18 917 188	Lack of jobbing order
260	Settlement	BERNABE	02/2007	18 917 188	Lack of jobbing order
110	Repairs of painting	BERNABE	01/2007	31 726 939	Lack of contract
110	Repairs of painting	Arts et Métiers	12/2006	12 456 800	Lack of jobbing order
110	Shoring	Asquini Encorad	04/2006	24 265 127	Lack of jobbing order
<b>Total</b>				<b>112 841 992</b>	

It was noted on a non-exhaustive sample that the regulations were not respected in this respect. The company should comply with the Public Contracts Code.

The Directorate General recognizes that work carried out between 2006 and 2007 should have been covered by jobbing orders in accordance with the Public Contracts Code, not with purchase orders. It apologized for this breach of procedure with the promise to do better in the future.

The Audit Bench takes note of it.

**Section 2. Report No. 14/ROD/S4 of 25 June 2015 on the National Transport and Transit Company (CAMTAINER)**

**Reminder of the procedure**

The accounts of CAMTAINER for the financial years 2004 to 2009 were entered in the control programme of the Audit Bench of the Supreme Court for the 2013 financial year.

The control was carried out on the documents submitted during an on-site control. From the examination of the documents produced and the interviews carried out within the company, an interim observation report was drawn up on 10 July 2014 and sent to the management committee of the company.

The management committee sent a reply registered at the Registry of the Audit Bench on 23 October 2014.

**2. Presentation**

**2.1. Social form and name**

The company is called the National Transport and Transit Company abbreviated "CAMTAINER".

"CAMTAINER S.A." is a public limited company managed by a Board of Directors and governed by the provisions of the OHADA Uniform Act.

**2.2. Creation**

Created in 1984 in partnership between Cameroon and a group of Danish partners, CAMTAINER started operations in May 1985.

**2.3. Head Office**

The Head Office is in Douala at the Maritime Affairs Centre in Bonanjo, P.O. Box 2345.

**2.4. Share capital**

Amount	636 100 000 CFA F	
Number of shares	63 610	Nominal value 10 000 CFA F

Distribution	- State	33 530 shares	52.71 %
	- CAMSHIP	11 480 shares	18.05 %
	- SOCAMAC	11 480 shares	18.05 %
	- CNCC	7 120 shares	11.19 %

## 2.5. Corporate purpose

According to article 2 of the Articles of Association, "the company's object is, directly or indirectly in Cameroon and abroad:

- a) all land transport operations, in particular the transport of containers;
- b) all transit operations including customs brokering and air transport agent activities;
- c) the operation of a repair and maintenance workshop for rolling stock;
- d) the creation or acquisition of shares in the capital of related or similar companies".

## 2.4. Supervision

CAMTAINER S.A. is placed under the technical supervision of the Ministry of Transport and the financial supervision of the Ministry of Finance.

The main activity of the company is the transportation of containers.

## 2.6. Key figures

The indicators below, excluding the staff, are presented in millions of CFA francs:

	2004	2005	2006	2007	2008	2009
Turnover	481	476	387	448	487	443
Payroll	159	135	129	173	168	160
Bottomline	+46	-9	-16	-70	-22	-167
Equity	-111	-120	-137	-207	-230	-398
Staff	25	25	25	25	20	24

## 2.7. Controls

### *Auditor*

Article 24 of the Articles of Association of CAMTAINER S.A. requires the Ordinary General Assembly to appoint an auditor and an alternate for six (06) financial years both accredited to CEMAC and members of ONECCA.

The control reveals the non-existence of an auditor. As a result, the financial statements have not been certified. The following analyses were made subject to this reservation.

The Audit Bench notes that the absence of an auditor and an alternate is dependent on the non-existence of the General Assembly.

## 3. Review of the legal framework

The various texts governing the operation of CAMTAINER S.A. provide for a Board of Directors and a Directorate General as the administrative bodies of the company.

Article 13 (1) of the Articles of Association provides that "*The company shall be administered by a Board of Directors of not less than three and not more than twelve members*".

However, neither the composition nor the functioning of the Board of Directors is documented in any document presented to the Audit Bench.

The Board of Directors, which is an important body for the normal functioning of the structure, should be set up fairly quickly.

## 4. REVIEW OF MANAGEMENT

### 4.1. Change in shareholders' equity

Since 2004 CAMTAINER S.A.'s equity is still negative. This company is experiencing serious financial difficulties. If nothing is done, it is destined to fold up.

Thus, because it is negative, equity is necessarily less than half of the share capital, a threshold below which dissolution is prescribed.

In millions Of CFA F	2004	2005	2006	2007	2008	2009
Equity	-111	-120	-137	-207	-230	-398
Shareholders' Equity / Share capital	- 0,17	-0,18	-0,21	-0,32	-0,36	-0,62
Observations	Warning	Warning	Warning	Warning	Warning	Warning

Negative equity is not likely to reassure the market, banks, its staff as to its ability to invest, in short the creditors are no longer sure of being paid.

Article 664 of the OHADA Uniform Act provides: *“Where, owing to losses recorded in the summary financial statements, the shareholders' equity of the company falls below half of the company's authorized capital, the board of directors or the managing director, as the case may be, shall be bound, within four months following the approval of the accounts that showed the losses, to convene the extraordinary general meeting to take a decision as to whether or not the company should be wound up prematurely.”*

Furthermore, under article 665, *“Where the winding up of the company is not ordered, the company shall be bound, no later than at the close of the second fiscal year following the one during which the losses were recorded, to reduce its capital by an amount at least equal to the amount of the losses that have not been charged to the reserves where, within such time limit, the shareholders' equity has not been reconstituted up to a value at least equal to half of the registered capital ”.*

The Audit Bench considers that it is urgent that the Board of Directors put in place appropriate measures for financial restructuring in order to make the shareholders equity positive, at least over half of the share capital. Hence the requirement to consult the shareholders and to reconstitute the equity or to reduce the capital of the amount of losses is not cleared.

**4.2. Resources of CAMTAINER S.A.**

The resources of CAMTAINER S.A. are made up of works and services sold.

<i>Millions of CFA F</i>	2004	2005	2006	2007	2008	2009
Works and services sold	443	433	387	448	487	443
Turnover	443	433	387	448	487	443

Between 2004 and 2009, the resources of CAMTAINER S.A. were stagnant.

**4.3. Expenses of CAMTAINER S.A.**

***Situation of expenses***

Change of the expenses is presented as follows:

<i>In millions of CFA F</i>	2004	2005	2006	2007	2008	2009
Operating expenses	565	546	610	590	581	606

Financial expenses	01	02	06	29	30	0
Income tax	10	10	17	34	05	04
Total expenses	576	558	633	653	616	610

Operating expenses represent an average 90 % of all expenses. From 2004 to 2007, all expenses decreased from 2,189 to 1,886 million CFA F, a decrease of 14 %, reflecting a decline in the activities of CAMTAINER S.A.

### **Staff expenses**

	2004	2005	2006	2007	2008	2009	Average
Staff expenses (in millions of CFA F)	175	150	144	188	185	214	176
Payroll (in millions of CFA F)	159	135	129	173	168	160	154
Staff expenses/Added value (%)	66	65	79	106	79	274	87
Staff expenses/Turnover (%)	39	34	32	41	37	48	37

Staff costs absorbed more than the income generated by the company, particularly in 2007 and 2009, as shown in the table above.

Staff costs absorb an average of 87 % of the added value, that is, more than 70 %, the value limit and represent 37 % of turnover, whereas the threshold is 25 %. This situation stems from the decrease in activity and the increase in staff costs.

Measures should be taken to reorganize and revitalize the activity and in the face of a highly competitive market, a more aggressive strategy should be adopted.

### **4.4. Financial situation**

The financial situation of CAMTAINER S.A. stands as follows:

	2004	2005	2006	2007	2008	2009
Working capital	-207 282 259	-228 222 702	-299 325 938	-277 854 718	-301 604048	-419 619 441

It is characterized by a negative working capital ( $WC < 0$ ). The company is not in a position to provide prompt payment for suppliers or short-term bank debts.

As regards the collection of debts, the recovery period is well above the norm, beyond 60 days.

<i>In days</i>	2004	2005	2006	2007	2008	2009	Threshold
Collection timeline	343	350	643	621	566	626	[30, 60]

There is therefore a need for a more robust recovery policy.

#### **4.5. Profitability**

Profitability expresses the ability of capital to generate income.

	2004	2005	2006	2007	2008	2009
EBE/CA	14	18	6	19	0,1	-0,3
Net profit/Share holders' equity	1	-2	- 14	2	0,1	-0,4
Net profit /Balance sheet	0,05	- 0,01	-8	1	-0,02	-0,1

The profitability of CAMTAINER S.A. remains very low although overall, it improved somewhat in 2007 and 2008. Thus, for each 100 francs of equity invested, shareholders lost an average of 3 CFA francs between 2004 and 2009.

#### **4.6. Human resources**

The control mission noted an unhealthy social climate. Indeed, the staff is constantly in conflict with what is in lieu of a Directorate General. A number of abuses are being condemned, including unfair dismissals without compensation.

In conclusion:

1. The situation of CAMTAINER is disastrous in that none of the governing bodies provided by the Articles of Association really works: the General Assembly meets occasionally, the Board of Directors does not exist;
2. As regards management staff, all managers have resigned and no manager is regularly appointed;
3. The fleet now comprises only two vehicles for operation, which may justify, inter alia, the low profitability;
4. The company also has a disastrous financial situation: constantly negative working capital and equity.

### **CHAPTER 3. OPINONS AND CERTIFICATION REPORTS**

#### **Section 1. Opinion No. 002/2015/CSC/CDC of 17 November 2015 on the settlement bill for the 2014 financial year**

The Audit Bench of the Supreme Court sitting on the seventeenth day of November two thousand and fifteen in the ordinary hearing hall in its Head Office Building situated at the Winston Churchill avenue Yaounde, Cameroon in Chambers Issued the following opinion on the settlement bill of the 2014 financial year:

- Mindful of the Constitution;
- Mindful of Law No. 2003/005 of 21 April 2003 to lay down the jurisdiction, organization and functioning of the Audit Bench of the Supreme Court;
- Mindful of Law No. 2006/16 of 29 December 2006 to lay down the organization and functioning of the Supreme Court;
- Mindful of Law No. 2007/006 of 26 December 2007 to lay down the Fiscal Regime of the State;
- Mindful of Order No. 2015/12/CDC/CSC 088 of 23 September 2015 by the President of the Audit Bench to set up a Committee to prepare the opinion on the settlement bill as well as the report on the certification of the General Accounts of the State and to appoint members of the said committee;
- Mindful of Letter No. 00000113/MINFI/SG/DGTCFM/DCP/SDRBEC of 13 October 2015 from the Minister of Finance to transmit to the Audit Bench for its opinion, the settlement bill for the 2014 financial year, received at the Audit Bench on 13 October 2015 and registered under number 584;
- Considering Letter No. CF/44/CAB/PCDC/CSC of 23 October 2015 by the President of the Audit Bench of the Supreme Court transmitting to the Minister of Finance a copy of the preliminary observations prepared by the Committee in charge of the preparation of the opinion on the settlement bill as well as the opinion on the certification report of the General Account of the State, for his possible observations to be returned to the Audit Bench;
- Considering the responses of the Minister of Finance transmitted by mail No. 15/430/MINFI/SG/DGTCFM/DCP of 29 October 2015, received at the Bench on 30 October 2015 and registered under number 924;
- Considering the final observation report on the settlement bill for the 2014 financial year, prepared by the Committee referred to above, transmitted from the Coordinator by letter No. 23/CDC/CSC/S1 to the President of the Audit Bench on 23 October 2015 ;

Mindful of Order No. 2015/22/CAB/PCDC/CSC 088 of 17 November 2015 by the President of the Audit Bench to convene members of the Audit Bench to sit in Chambers on 17 November 2015 at 10.00 hours to examine the request for opinion on the settlement bill for the 2014 financial year;

Consideration of the file for request for opinion on the settlement bill for the 2014 financial year thus constituted calls for the following observations regarding the form and the substance.

## I – ON THE FORM

### 1.1 Transmission of the settlement bill to the Audit Bench

Two Instruments fix the legal framework for the transmission of the settlement bill to the Audit Bench for opinion: section 39 (c) of Law No. 2006/016 of 29 December 2006 states that “*the Audit bench shall be competent to ...give its opinion on settlement bills submitted to Parliament*”. Section 21 of Law No. 2007/006 of 26 December 2006 on the Fiscal Regime of the State indicates “*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*”.

It is evident that no legal provision specifies the deadline for transmission of these documents to the Audit Bench. But upon analysis and following the jurisprudence of the financial jurisdiction, the opinion of the Audit bench accompanies the settlement bill presented to Parliament no later than 30 September. It ensues that the transmission of the settlement bill to the Audit Bench must take place before this date in order to give it sufficient time to fulfil its legal mission.

In this case, the “advanced copy” of the settlement bill for the 2014 financial year reached the Audit Bench on 29 September 2015, that is on the eve of the statutory deadline for its tabling before Parliament and its “official version” was only received at the Audit Bench on 13 October 2015.

Table 1 below illustrates the variation in the dates of transmission of the settlement bill since 2009:

**Table 1. Variation between the dates of transmission and the statutory date of 30 September**

Financial year	Date of transmission to the AB	Observations
2009	17 September 2010	13 days before
2010	24 October 2011	24 days after
2011	26 September 2012	4 days before
2012	11 October 2013	11 days after
2013	30 September 2014	Statutory date for tabling settlement bill before Parliament

2014	13 October 2015	13 days after (advanced copy received in September 2015)
------	-----------------	--

It appears that despite the repeated commitments during exchanges on settlement bills for the 2009, 2010, 2011, 2012 and 2013 financial years, the Minister of Finance did not transmit the settlement bill for the 2014 financial year within the deadline to enable the financial jurisdiction have sufficient time to perform its duties and issue its opinion before the deadline of 30 September.

To the Minister of Finance this state of affairs is due to the difficulties faced in the return of information which is still essentially manual and the necessary comparison to be carried out to ensure its reliability.

If these explanations are understandable, they should not in any way justify the persistent delays in their transmission of the settlement bill. The Audit Bench thus wishes with insistence to receive it not later than 30 August.

## **1.2. Form and content of the settlement bill**

The form and content of the settlement bill are defined by Law No. 2006/006 of 26 December 2007 relating to the Fiscal Regime of the State which provides that:

### *Section 20*

- (1) *The Settlement Law shall be the law that recognizes 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 realization 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.*
- (3) *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 authorizations and payment arrears accompanied by explanatory appendices on the use of appropriations and disparities between forecasts and actual;

3°) annual performance reports of State services prepared by principal authorizing 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, by government service and by region;

6°) the profit and loss statement of the financial year based on the resources and expenditure mentioned in section 12 above.

The settlement bill for the 2014 financial year (27 pages) transmitted by letter No. 113/MINFI/SG/DGTCFM/DCP/SDRBEC of 13 October 2015 by the Minister of Finance is accompanied by:

1°) appendices relating to:

- differences between the revenue forecasts and collections by type of revenue;
- total situation of bills collectible of previous financial years and the 2014 financial year, collections and bills collectible of 2014;
- evolutions between the allocations, credit authorizations, payments and bills payable;
- the situation of issuance of treasury bonds;
- the situation of Special Appropriation Accounts (13 in number ;
- the General Account of the State at 31 December 2014;
- the balance of treasury accounts at 31 December 2014;
- the execution of the Public Investment Budget by projects, by head and by region.

This document was registered at the Audit Bench on 14 October 2015.

2°) Law No. 2013/017 of 16 December 2013: the Finance Law of the Republic of Cameroon for the 2014 financial year, document registered on 14 October 2015;

3°) Information from the Autonomous Sinking Fund (CAA) on the external and domestic debt stock at the close of 2014, disbursements made as well as financing obtained during the 2014 financial year, information transmitted by the Minister of Finance on 14 October 2015.

Annual performance reports were submitted later.

## **II. IN THE SUBSTANCE, THE EXECUTION OF THE BUDGET**

### **2.1. Macroeconomic context of the execution of the budget**

#### **2.1.1. International environment**

The downturn of world economic activity witnessed in 2013 did not dissipate in 2014. It was characterized especially by stagnation in the OECD countries and a slowdown in emerging economies. Thus, in 2014 world economic growth stood around 2.8 % against 2.1 % in 2013.

In this world economic context of moderate, weak and heterogeneous growth, the economic performances of CFA franc zone countries were rather favourable compared to other Sub-Saharan countries.

The Economic Community of West African Countries (ECOWAS) recorded a growth of 6.5 % in net increase compared to the preceding year. In the Central African Economic and Monetary Community (CEMAC) 2014 was marked by a substantial growth recovery of 4.7 %.

#### **2.1.2. Economic situation of Cameroon**

##### **2.1.2.1. Growth**

The Cameroon economy was resilient in the face of the fall in the price of a barrel of oil (from \$ 108.65 to \$98.85) and the increase in security and humanitarian expenditure inherent in the crisis at the borders with Nigeria and the Central African Republic.

On the other hand, economic growth remained sustained reaching 5.7 % in 2014 against 5.6 % in 2013. It is however, below the 6.1 % that was set as target in the Growth and Employment Strategy Paper (GESP) (2010-2020)<sup>12</sup>.

The budget framework in Cameroon for the 2014 financial year was made on the basis of the simulations retained in Table 2 below.

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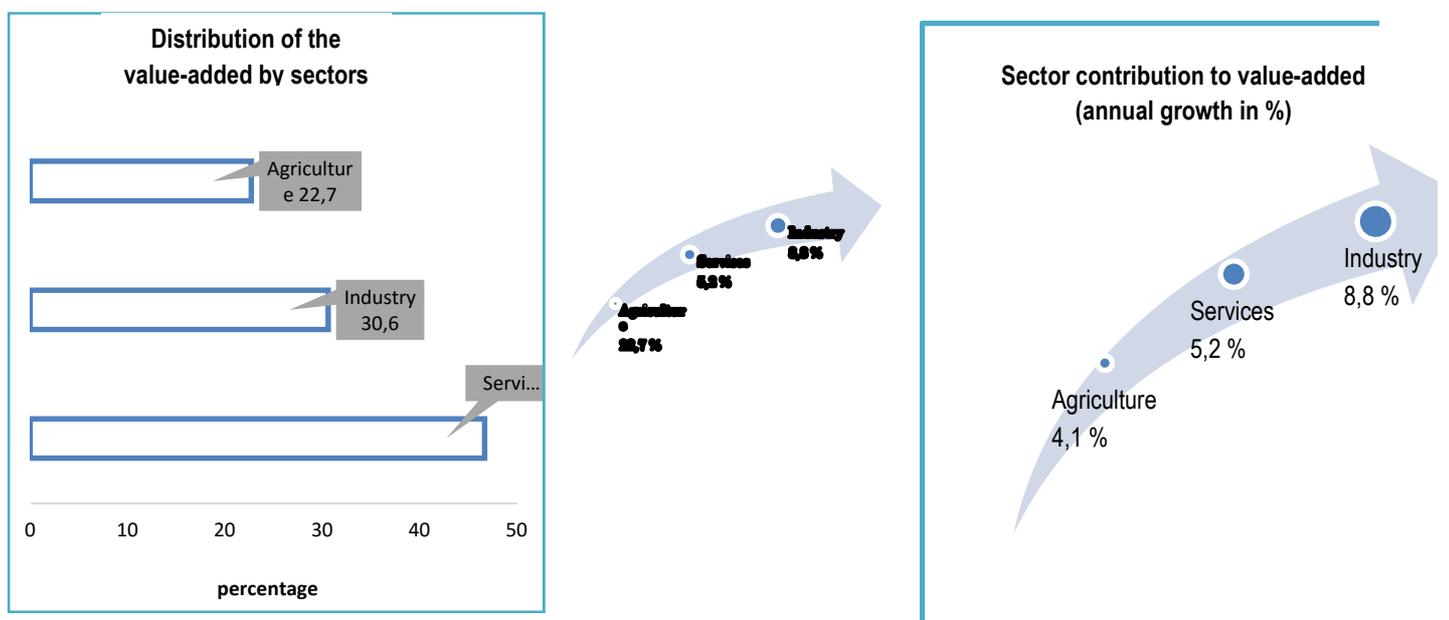
<sup>12</sup> A report on quarterly national accounts published by the National Institute of Statistics reveals that the national economy recorded a GDP growth of 5.7% against 5.6% in 2013

**Table 2. Simulations and real data**

	2012			2013			2014		
	Simulations	Real data	Diff.	Simulation	Real data	Diff.	Simulations	Real data	Difference
Growth rate In real GDP (%)	5.5	4.6	-0.9	6.1	5.6	-0.5	4.8	5.7	+0.9
Rate of inflation (%)	3	2.9	-0.1	2.1	2.1	0	2.8	1.9	-0.9
Price of barrel (USD)	100	111.65	+11.65	96.6	108.63	+12.03	na	98.85	/
Exchange rate In CFA F	464.7	510.89	+46.19	530.1	493.67	-36.42	na	494.04	/

- ◇ Source of forecasts: the economic, financial, social and cultural programme of the Government for the 2013 and 2014 financial years ;
- ◇ Sources for real data: MINFI/DAE, World Economic Outlook March 2011 IMF, World Bank Global commodity-Price prospects, March 2014 ; NIS ;
- ◇ GDP: Gross Domestic Product; Crude ;
- ◇ USD: US Dollar.

Generally, the performance of the Cameroon economy is due to the consolidation of the volume of activities in the various sectors: secondary (+8.8 %), tertiary (+5.2 %) and primary (+4.1 %).



The economic situation was further boosted in 2014 by the secondary sector, especially by building and public works activities as well as by those of extractive industries without forgetting the increased supply of energy. In all, the tertiary sector remains the principal growth vehicle.

### 2.1.2.2. Inflation

Projected at 3 % during the period under review, inflation remained relatively low. The rate of consumer price dropped from an annual average of 2.1 % in 2013 to 1.9 % in 2014. A slight drop of 0.02 point was noted compared to 2013. The greatest pressures were noticed notably in the increase in transportation prices (7.7 %), food items (3.6 %) and housing (2.8 %).

### 2.1.2.3. Situation of public finance<sup>13</sup>

Budget revenue witnessed a drop of 5 % between 2013 and 2014. Despite an increase in crude oil production, budget revenue from oil dropped by 11.9 % as a result of the fall in the price of a barrel of oil in the second half of 2014. This drop in oil revenue was largely compensated by the strong increase in non oil revenue of 133.7 %.

Expenditure reached a rate of 8 % between 2013 and 2014. Capital expenditure stood at 1,007.5 billion CFA francs in relation to the implementation of investment in infrastructure.

In 2014, deficit in base commitments (including donations) on the rise, stood at 448.8 billion CFA francs, that is, 2.9 % of the GDP. By taking into account arrears owed businesses, the budget deficit stands at 463.4 %, that is, 2.9 % of GDP. This deficit was essentially financed by external borrowing to the tune of 413.3 billion CFA francs.

In this context, and within the prospect of launching new borrowing from the international market, the weight of non-concessional debt increased in the liabilities of the State.

**Table 3. Financial operations of the State of Cameroon (in billions of CFA F (XAF) current)**

Financial operations of the State of Cameroon (in billions of CFA F(XAF) current)				
	2011	2012	2013	2014 a)
<b>Total revenue</b>	<b>2 294,9</b>	<b>2 489,5</b>	<b>2 655,4</b>	<b>2 795,8</b>
<b>Budget revenue</b>	<b>2 228,6</b>	<b>2 434,6</b>	<b>2 609,1</b>	<b>2 772,8</b>
Oil revenue	62,6	700,8	679,3	598,5
Non oil revenue	607	733,8	929,8	2173,9
External grants	66,3	55	46,3	23,4
<b>Total expenditure and net loans</b>	<b>2380,6</b>	<b>2549,2</b>	<b>3010,8</b>	<b>3244,6</b>

<sup>13</sup> The data is from the 2014 Annual Report of the franc zone published by *Banque de France*

<b>Current expenditure</b>	<b>1762,5</b>	<b>1808,2</b>	<b>1958,3</b>	<b>2191,2</b>
Capital expenditure	584	679,4	992,8	1007,5
Budget expenditure	483,8	490,4	500	520,5
Restructuring expenditure	34,1	61,5	59,7	45,9
<b>Primary balance (excluding grants)(b)</b>	<b>-21,2</b>	<b>112,5</b>	<b>138</b>	<b>71,12</b>
<b>Balance (commitment base) (including grants (c))</b>	<b>-85,7</b>	<b>-59,6</b>	<b>-355,4</b>	<b>-448,8</b>
<b>Arrears</b>	<b>-96,2</b>	<b>-60</b>	<b>-26,1</b>	<b>-14,6</b>
<b>Balance cash base (d)</b>	<b>-181,9</b>	<b>-119,6</b>	<b>-381,5</b>	<b>-463,4</b>
<b>Financing</b>	<b>181,9</b>	<b>119,6</b>	<b>381,5</b>	<b>463,4</b>
<b>Internal financing</b>	<b>153,3</b>	<b>5,5</b>	<b>-45</b>	<b>50,1</b>
<b>External financing</b>	<b>28,6</b>	<b>114,1</b>	<b>426,5</b>	<b>413,3</b>

a) Provisional figures

b) Primary balance = current revenue – current expenditure (excluding interests on public debt) – capital expenditure excluding those financed by external resources) – restructuring expenditure – net borrowings

c) Balance (commitment (base) = total revenue (including grants) – total expenditure

d) Balance cash (base) = Balance (commitment base) + arrears

Sources : BEAC, IMF, economic and financial structures

## 2.2. Execution the 2014 budget

### 2.2.1. Budget balance

#### 2.2.1.1. Fairness of budget forecasts

In accordance with section 3 (1) of Law No. 2007/006 of 26 December 2007 relating to the Fiscal Regime of the State “the finance law shall present accurately all State revenue and expenditure”.

The fairness of budgetary forecasts of the finance law is assessed by taking account of information available at the time of preparation of the initial draft budget and forecasts which may result therefrom.

With regard to forecasts, the macroeconomic indicators on which the 2014 finance law was prepared should be borne in mind. (See table 2).

From the analysis of the economic simulations on which the 2014 finance law was drafted and their real evolution during the same year, it appears that the fairness of the budgetary forecasts is not put to question.

### 2.2.1.2. Budget balance of the 2014 financial year and its evolution since the 2007 financial year

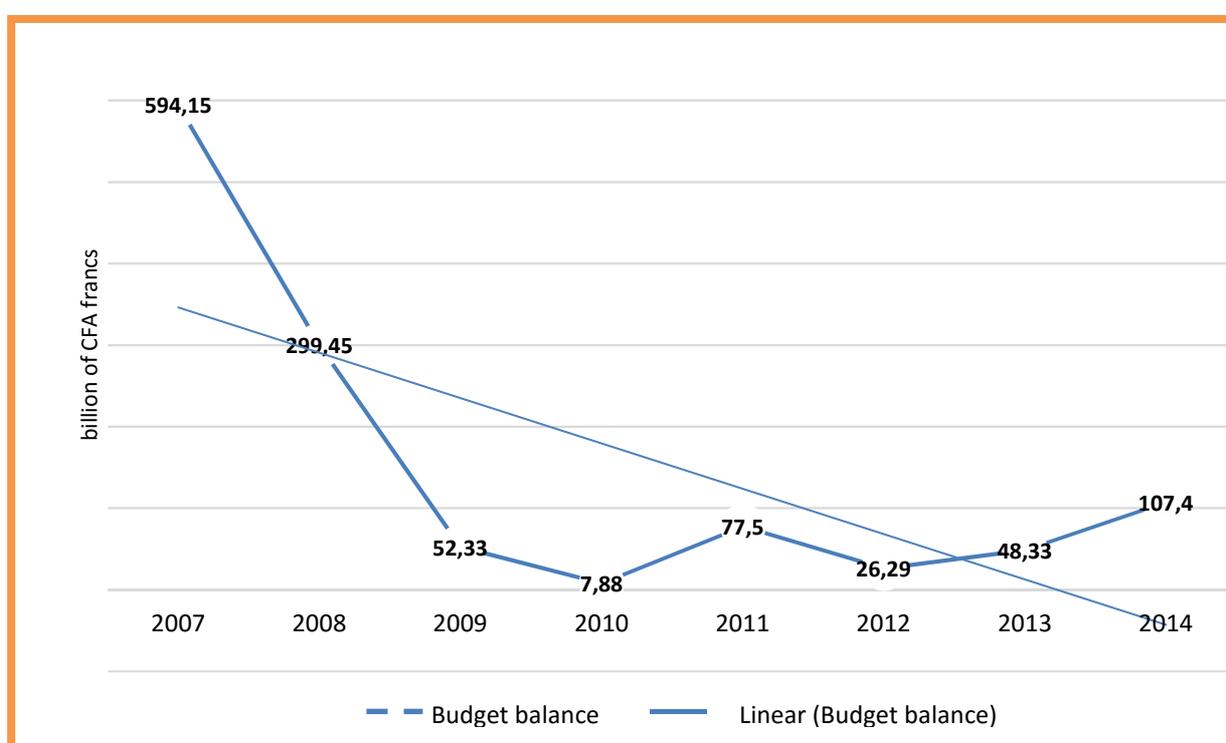
The budget balance transcribed in the settlement bill represents a balance between the revenue realized (revenue collected) and authorized expenditure. Table 4 and the graph below represent its evolution between 2007 and 2014.

**Table 4. Evolution of budget balance from 2007 to 2014 financial years**

Revenue	Initial revenue	Readjusted revenue	Realizations
2007 Settlement bill	2 251 000 000 000	2 251 000 000 000	2 225 449 831 111
2008 Settlement bill	2 276 000 000 000	2 482 000 000 000	2 353 990 394 932
2009 Settlement bill	2 301 400 000 000	2 301 400 000 000	2 093 925 888 514
2010 Settlement bill	2 570 000 000 000	2 520 600 000 000	2 340 351 834 587
2011 Settlement bill	2 571 000 000 000	2 571 000 000 000	2 531 754 050 964
2012 Settlement bill	2 800 000 000 000	2 800 000 000 000	2 751 116 362 685
2013 settlement bill	3 236 000 000 000	3 236 000 000 000	3 022 907 925 888
2014 settlement bill	3 312 000 000 000	3 312 000 000 000	3 384 712 900 000
Expenditure	Initial expenditure	Final expenditure	Payments
2007 settlement bill	2 251 000 000 000	2 141 011 081 300	1 631 298 865 001
2008 settlement bill	2 276 000 000 000	2 482 000 000 000	2 054 539 861 733
2009 settlement bill	2 301 400 000 000	2 301 400 000 000	2 041 591 207 044
2010 settlement bill	2 570 000 000 000	2 520 600 000 000	2 332 470 662 771
2011 settlement bill	2 571 000 000 000	2 462 302 226 299	2 454 250 747 633
2012 settlement bill	2 800 000 000 000	2 740 683 030 780	2 724 823 831 702
2013 settlement bill	3 236 000 000 000	3 236 000 000 000	2 974 552 242 606
2014 settlement bill	3 312 000 000 000	3 312 000 000 000	3 277 297 600 000
	Balance	Balance	Budget balance
2007 settlement bill	0	109 988 918 700	594 150 966 110

2008 settlement bill	0	0	299 450 533 199
2009 settlement bill	0	0	52 334 681 470
2010 settlement bill	0	0	7 881 171 816
2011 settlement bill	0	108 697 773 701	77 503 303 331
2012 settlement bill	0	278 380 804 481	26 292 530 983
2013 settlement bill	0	0	48 335 683 282
2014 settlement bill			107 403 383 502

Evolution of budget balance between 2007 and 2014 is presented in the graph below:



After a constant drop during the 2007 to 2010 financial years, the budget balance witnessed an upward trend. The Ministry of Finance closed the budget balance of the 2014 financial year at the sum of 107 403 383 502 CFA francs against 48 335 683 282 CFA francs in 2013.

### 2.2.1.2. Total execution rate of revenue and expenditure for the 2014 financial year

At the close of the 2014 financial year, the total rate of realization of revenue in relation to forecasts stood at 102.20 % and in expenditure that of authorizations in relation to final allocations at 98.95 %.

The evolution of the rate of realization of revenue from 2007 to 2014 (in %) can be presented as follows :

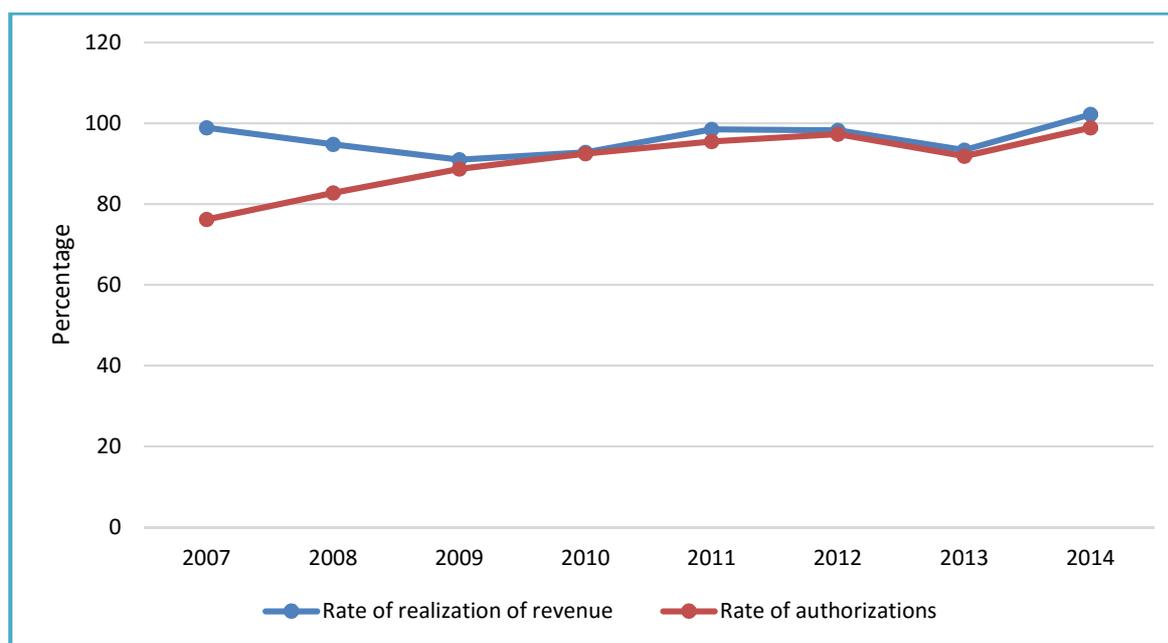
Year	2007	2008	2009	2010	2011	2012	2013	2014
Rate of realization	98.9	94.8	91	92.8	98.5	98.3	93.41	102.20

For the first time in eight (8) years, the budgetary revenue realization surpassed the forecasts.

The evolution of the rate of authorizations in relation to the final expenditure allocations from 2007 to 2014 (in %) can be presented as follows :

Year	2007	2008	2009	2010	2011	2012	2013	2014
Rate of authorizations	76.2	82.8	88.7	92.5	95.5	97.3	91.92	98.95

In expenditure, the rate of authorizations (in %) in relation to final allocations, in regular rise since 2007, had a net drop in 2013 and rose in 2014 to about 99 %.



The result is an increase in realizations in 2014 both with regard to revenue and expenditure which expresses a better execution of the finance law compared to the previous financial years.

## 2.2.2. Fairness of the settlement bill

### 2.2.2.1. Determining bills collectible and bills payable

The principle of fairness also applies to the settlement bill but not at the same scope. It concerns the exactness of accounts. Public accountants responsible for keeping and preparing accounts of the

State must ensure the respect of the principles and rules of public accounting and ensure especially the fairness of accounting entries and respect of procedures.

Section 22 (1) of the law of 26 December 2007 relating to the Fiscal Regime of the State provides that “the settlement bill shall be accompanied by the development of budgetary transactions presented by type, identifying forecasts, collections and outstanding collections, payments and outstanding payments.” This provision is applicable since 1 January 2008.

Moreover, in application of section 63 (1) of this law, the general accounting of the State is founded on the principle of acknowledgement of rights and obligations. This instrument is applicable since the 2012 financial year (section 78 of the law) notwithstanding the provisions of article 128 of Decree No. 2013/160 of 15 May 2013 relating to the General Rules governing public accounting, a lower standard, which provides for a differed gradual application up till a timeline of six years.

The settlement bill for the 2014 financial year treats bills collectible and bills payable in its annexes I and II.

Annex I of the settlement bill for the 2014 financial year titled “*Differences between revenue forecasts and collections by type of revenue*” gives two tables. The first indicates the situation of collection of all revenue of the financial year and determines the differences in relation to the budgetary forecasts. It reveals the following facts:

- the rate of collection of internally-generated revenue stands at 107.86 % explained essentially by fiscal revenue (111.17 %) ;
- recourse to loans proved to be less necessary than forecast, that is, 77.06 %.

### **1°) Bills collectible**

The second table presents by region issues, collections and bills collectible of previous financial years and of the 2014 financial year and revenue from tax, customs, lands revenue, revenue clearance vouchers and other debts.

This table introduced by the Ministry of Finance last year during the presentation of the settlement bill for the 2013 financial year had the merit at the time of improving on the quality of documents presented in that it increasingly informed the situation of revenue to be recovered. But it had the shortcoming of not presenting the first three: tax, customs and lands revenue and to cover only part of the financial districts.

The current settlement bill brings in more improvements in the sense that the situation of revenue clearance vouchers as well as those of other tax and duties debts was added. Moreover, all the financial districts were covered.

The bill also highlights the distribution of the said bills collectible from the 2000 financial year. Thus, the settlement bill for the 2014 financial year presents bills collectible of an amount of 1 005 769 400 000 CFA francs against 995 604 900 000 CFA francs in 2013.

## 2°) Bills payable

Annex II of the settlement bill for the 2014 financial year indicates bills payable at 434 508 900 000 CFA francs against 456 948 811 519 CFA francs in 2013, that is, a drop of 5.11 %.

### 2.2.2.2. Carrying forward of closing balance of the 2013 financial year to the 2014 opening balance

Article 17 of CEMAC Directive No. 03/11-UEAC-195-CM-22 of 19 December 2011 relating to the Accounting Standard of the State provides that *“The general accounting of the State shall respect the principle of intangibility of an opening balance sheet: the detailed opening balance sheet of a financial year must correspond exactly to the detailed closing balance sheet of the preceding financial year.”*

The closing balances of accounts of the 2013 financial year hereunder were not correctly carried over to the opening balance of the 2014 financial year.

**Table 5. Account balances of the 2013 financial year not correctly carried over in 2014**

Account	Item	2013 closing balance		2014 opening balance		Difference
		Debit	Credit	Debit	Credit	
3861	Settling of revenue transfer account		117 719 679 285		29 555 018 461	-88 164 660 824
3862	Settling of account of transfer of funds	621 588 982 254		617 063 982 254		-4 525 000 000
3863	Settling of account of transfer cheque card index		30 693 460 434		2 318 022 773	-28 375 437 661
3864	Settling of card index transfer account	885 501 911 931			3 281 749 104 884	Soldes anormaux
400002	Expenditure on personnel salaries	10 603 912 417			18 228 446 752	Soldes anormaux
400003	Expenditure on personnel pension		24 064 372 246		36 256 463 572	+12 192 091 326
400004	Expenditure on personnel salaries		7 637 895 722		7 710 771 558	+72 875 836
400005	Expenditure on personnel pension		12 683 190 184		12 796 090 257	+112 900 073
400006	Commitment order investment		364 566 860 067		364 733 027 095	+166 167 028

400009	Special commitment orders transfer		93 797 276 555		104 153 387 205	+10 356 110 650
414011	2011 AMR debts		43 889 294 206	128 154 502 868		+84 265 208 662
41513	2013 Customs revenue	36 727 803 222		36 726 914 422		-888 800
420	Financial services of APE		501 592 752 836		501 845 972 299	-253 219 463
421	Financial services of councils		13 901 372 862		13 902 226 146	+853 284
450031	DGT 45% support to recovery		2 247 967 205		1 996 795 543	-251 171 662
450033	DGTequipment fund		155 660 930		406 832 682	+251 171 752
4501	Deposits by MINESEC		4 325 653 724		1 864 102 545	-2 461 551 179
4501000	Deposits central services of MINESEC		255 428 946		2 720 180 125	+2 464 751 179
4502	MINEDUB deposits		656 392 129		653 192 129	-3 200 000
4503	MSP deposits		3 897 427 968		3 892 651 868	-4 776 100
4504	Other deposits		55 265 870 807		55 234 477 169	-31 393 638
4601	Salary debts	119 895 000		116 895 000		-3 000 000
4602	Salary debt	6 376 000		6 265 000		-111 000
470062	CNCC deptsots		813 730		0	-813 730
470083	Prog. For the security of Livestock revenue North		293 336 215		0	-293 336 215
47005	Prog. For security of livestock revenue North		18 375 631		15 343 296	-3 032 335
470101	CNPS		14 373 509	270 272 157		+255 898 648
4702	Stoppages on commitment order		4 146 382 431		5 523 392 002	+1 377 009 571
470308	Fund for the control of gaming houses		1 062 497		1 022 497	-40 000
470	Sundry deposits and custodial accounts		310 948 680 236		293 601 980 468	-17 346 699 768
4711	Accounting deficits and debits	14 294 035 291		14 822 339 964		+528 304 673
480001	Justice fees to be shared		411 796		0	-411 796
480003	Fiscal fines and penalties		1 878 207 734		2 750 138 362	+871 930 628
480013	Base and collection fees		777 488		762 160	-15 328

480014	Automobile windscreen licences to be distributed		102 971 220		94 261 870	-8 709 350
480017	C A C to be distributed (taxes)		5 067 221 440		5 035 284 932	-31 936 508
480018	Support to recovery (C A C taxes)		459 720 151		439 141 508	-20 578 643
480023	Local development tax FEICOM	0		16 313 701		+16 313 701
48002311	Local development tax FEICOM 2011		11 071 079		10 186 060	-885 019
48002312	Local development tax FEICOM 2012		69 938 734		57 305 422	-12 633 312
48002313	Local development tax FEICOM 2013		2 103 796		1 107 150	-996 646
480024	Contribution of business licence FEICOM	23 650 891		22 612 282		-1 038 609
480026	CAC from direct transfers to be distributed		14 805 268		27 685 819	+12 880 551
4802	Revenue to be adjusted		680 676 800		3 613 865 083	+2 933 188 283
480313	Rejects of 2013 revenue	226 000				-226 000
481	Expenditure to be adjusted	348 249 796 040		349 205 336 315		+955 540 275
50021	security/Treasury bond on year below		128 052 066 885		112 052 006 885	-16 000 060 000
5111	Treasury bond above one year	0		1 088 140 553		+1 088 140 153
51110	Bank cheque transmitted to the Treasury Paymaster general by R	0			5 378 431	+5 378 431
5112	Short-term securities above one year to a specialized body	0		2 949 855 679		+2 949 855 679
5113	Subscribed BC above one year/banks	0		617 761		+617 761
5114	Other short-term	0		22 045 655		+22 045 655

	securities above one year					
5115001	Rejection of cheque card index	0		3 187 389 489		+3 187 389 489
5117	Bank cheque transmitted to the Treasury Accountant		0		8 681 044	+8 681 044
5118	Bank cheque transmitted to Treasurer Paymaster General by R		0		1 366 045 501	+1 366 045 501
5119	Bank cheque transmitted to Treasurer Paymaster General		0		3 079 560	+3 079 560
5121	Current account of the Treasury in BEAC	500 000 000		6 538 017 124		+6 038 017 124
5604002/51242	Sequestration debt account		4 001 824 689		187 175 108 379	+183 173 283 690
5604003/51243	Special account Road Fund BEAC	101 767 601 646			72 689 788 660	+29 077 812 996
560500/5125	CCP account	1 620 076 891		1 612 335 387		-7 741 504
51262	Initiative of multilateral debt relief	0		860 000 000		+860 000 000
51268	Treasury special deposits bond issues	0		80 000 000 000		+80 000 000 000
5151	Other current accounts accounting stations	0		15 924 269 458		+15 924 269 458
5223	Approved short-term advances above	0		500 000 000		+500 000 000
570000/ 531	Cash in keeping of Treasury accountants	20 716 548 299		18 846 498 343		-1 870 049 956
5501	Received bank cheques	1 090 827 102		0		-1 090 827 102
5503	Rejected bank cheques	2 949 855 679		0		-2949 855 679
5511	Received postal cheques	617 761		0		-617 761
5512	Postal cheques for payment	22 045 655		0		-22 045 655
560000	Current account of the Treasury in	17 919 533 717	0			-17 919 533 717

	BEAC					
5606002	IADM	860 000 000				-860 000 000
5606008/512691	Special deposits of bond issues	80 000 000 000		0		-80 000 000 000

To the Ministry of Finance, these are caused by computer problems linked to the monitoring and reporting of balances of the said accounts. He has taken the commitment to remedy the situation.

### **2.2.2.3. Operations imputed on provisional accounts during the 2014 financial year and not adjusted before the close of the said financial year**

The General Instruction on State accounting of April 2009 authorizes public accountants to collect certain categories of revenue and pay certain categories of expenditure without prior issue and authorizations.

These are automatic deductions operated by banking establishments (financial costs, loss of exchange) or the payment of certain expenditure provided for by the regulations (bonuses on sales of stamps and windscreen licences, legal costs, etc..).

These operations must be given a budget head in a budget account before the close of the financial year in accordance with the provisions of the General Instruction on State accounting referred to above.

Meanwhile, it is observed that certain operations imputed on provisional revenue and expenditure accounts during the financial year were not adjusted before the end of the financial year, hence the discordance between the budget balance declared by the Ministry of Finance in the settlement bill and the budget balance revised by the Audit Bench.

Equally, Treasury Instruction No. 003/006I/MINFI/DT/DER of 31 December 2003 prescribes that: *«provisional imputation accounts 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 the provisional allocation accounts,, third party accounts, correspondents, councils, rejection ... 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 (LJOD). "*

The recognized revenue and expenditure to be adjusted during the 2004 financial year not cleared before the end of the financial year are respectively 3,902,212,900 CFA francs and 31,392,304,083 CFA francs as shown in the table below.

**Table 6. Situation of operations imputed on provisional accounts during the 2014 financial year**

Allocation account	Item	Revenue	Expenditure
4802014	Revenue to be adjusted	3 901 372 969	
480314	Revenue rejected	839 931	
4810014	Expenditure to be regularized		2 150 333 911
4810214	Expenditure to be regularized : purchase of foreign exchange		52 506 328
4811144	Rejected revenue		13 528 503
481201	Financial cost		291 641 280
48121314	Bonuses on sale of stamps		73 515 173
48121414	Loss of exchange		1 859 421 694
48121514	Reimbursement of telephone allowances diplomats		14 017 865
48121814	Expenditure to be budgeted : Road Fund		299 189 969
48122314	Expenditure to be budgeted : fiscal assets		8 733 320
48122514	Expenditure to be budgeted annual allowance		2 551 801
48131014	Non urgent court costs		13 720 028 024
481311114	Emoluments of bailiffs 2014		10 079 160
48131114	2014 Urgent legal costs		12 098 269 536
4813114	2014 court costs to be distributed		37 291 925
4813214	Bonuses on sales of stamps		751 116 434
	<b>Total</b>	<b>3 902 212 900</b>	<b>31 392 304 083</b>

Exploitation of the trial balance of the 2014 financial year shows that the phenomenon of operations imputed on provisional accounts and not adjusted before the close of the financial year is cumulative and has been going on since the 2004 financial year.

If revenue were adjusted up till 2011, expenditure to be adjusted have accumulated from year to year since 2004 without any prospect of adjustment as indicated in the table below in which the revenue and expenditure to be adjusted stand at **6 322 872 728 CFA francs** and **400 722 635 748 CFA francs** by 31 December 2014.

**Table 7. Situation of operations imputed in provisional accounts since the 2004 financial year**

Financial year	Nature of operation	Amount	
		Revenue	Expenditure
2004	Expenditure to be adjusted		5 515 919
2005	Expenditure to be adjusted		5 456 253 964
2006	Expenditure to be adjusted		25 530 182 708
	Court costs to be budgeted		3 273 288
	<b>Sub-total 2006</b>		<b>25 533 455 996</b>
2007	Expenditure to be adjusted		44 620 190 703
	Court costs to be budgeted		13 415 988
	Bonuses on sales of stamps		1 600
	<b>Sub-total 2007</b>		<b>44 633 608 291</b>
2008	Expenditure to be adjusted		13 321 155 915
	Court costs to be budgeted		1 310 957 549
	Bonuses on sales of stamps		149 564 289
	Expenditure to be budgeted : fiscal assets		6 046 253 278
	<b>Sub-total 2008</b>		<b>20 827 931 031</b>
2009	Expenditure to be adjusted		13 070 357 416
	Court costs to be budgeted		18 128 003 970
	Bonuses on sales of stamps		843 917 826
	Loss of exchange		226 639
	Reimbursement, telephone allowance diplomats		1 650 000
	Expenditure to be budgeted : fiscal assets		773 355 935
	<b>Sub-total 2009</b>		<b>32 044 155 851</b>
2010	Expenditure to be adjusted		32 353 473 776
	Court costs to be budgeted		8 321 147 980
	Bonuses on sales of stamps		1 002 762 340
	Loss of exchange		168 697
	Reimbursement, telephone allowance diplomats		1 650 000
	Expenditure to be budgeted : fiscal assets		216 749 407
	<b>Sub-total 2010</b>		<b>41 895 952 200</b>
2011	Expenditure to be adjusted		1 960 830 753
	Court costs to be budgeted		34 656 543 901
	Bonuses on sales of stamps		1 317 227 604
	Loss of exchange		897 305 190
	Reimbursement, telephone allowance diplomats		36 305 000
	Expenditure to be budgeted : Escrow accounts		63 408 216
	Expenditure to be budgeted : fiscal assets		301 204 764
	Expenditure to be budgeted: annual allowance		818 671
	<b>Sub-total 2011</b>		<b>39 233 644 099</b>
2012	Expenditure to be adjusted	2 035 229 475	
	Expenditure to be adjusted		1 750 766 302
	Rejected expenditure		1 268 079
	Court costs to be budgeted		52 471 547 913
	Bonuses on sales of stamps		1 235 963 135
	Loss of exchange		1 568 805 604
	Reimbursement, telephone allowance diplomats		5 010 000

	Expenditure to be budgeted : Road Fund		784 856 299
	Expenditure to be budgeted : fiscal assets		439 197 877
	Expenditure to be budgeted: annual allowance		2 219 319
	<b>Sub-total 2012</b>		<b>58 259 634 528</b>
2013	Expenditure to be adjusted	385 430 353	
	Expenditure to be adjusted		29 906 048 786
	Rejected expenditure		280 661
	Registry emoluments		4 549 097 182
	Court costs to be budgeted		33 289 492 391
	Emoluments of Baillif		1 415 463 145
	Bonuses on sales of stamps		1 333 828 033
	Loss of exchange		4 007 185 507
	Reimbursement, telephone allowance diplomats		10 282 035
	Expenditure to be budgeted : Road Fund		26 900 000 000
	Expenditure to be budgeted : fiscal assets		9 979 521
	Expenditure to be budgeted: annual allowance		964 450
	<b>Sub-total 2013</b>		<b>101 422 621 711</b>
	2014	Expenditure to be adjusted	3 901 372 969
rejected revenue		839 931	
Expenditure to be adjusted			2 202 840 239
Rejected expenditure			13 528 503
Finance costs			291 641 280
Court costs to be budgeted			25 865 668 645
Emoluments of bailiffs			10 079 160
Bonuses on sales of stamps			824 631 607
Loss of exchange			1 859 421 694
Reimbursement, telephone allowance diplomats			14 017 865
Expenditure to be budgeted : Road Fund			299 189 969
Expenditure to be budgeted : fiscal assets			8 733 320
Expenditure to be budgeted: annual allowance			2 551 801
<b>Sub-total 2014</b>		<b>3 902 212 900</b>	<b>31 392 304 083</b>
<b>Total amount</b>		<b>6 322 872 728</b>	<b>400 722 635 748</b>

Source: Consolidated trial balance of accounts of the 2014 financial year;

It should be noted that operations imputed on provisional accounts and not adjusted before the close of the financial year distorts the fairness of the settlement bill presented to Parliament, artificially reduce revenue and expenditure of the closed financial year, unduly transferring the said expenditure to the following financial years and give an erroneous budget balance.

Budget coverage for adjustment of these operations imputed on provisional accounts must be furnished by the Directorate General of the Budget at the request of the Central Accountant of the Treasury (ACCT).

While admitting the relevance of this analysis, the Ministry of Finance is committed to increase its efforts for better budgetary discipline.

#### 2.2.2.4. Analysis of budget balance

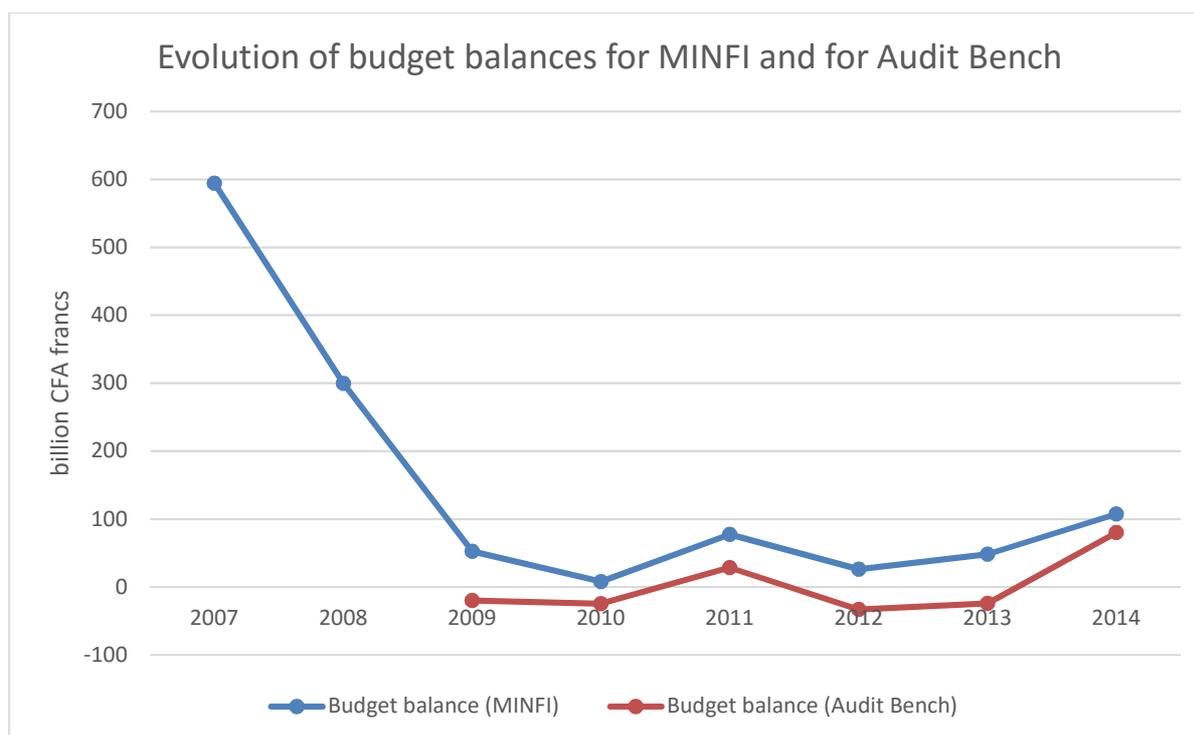
For the 2014 financial year, the budget balance closed by the settlement bill transmitted to the Audit Bench has a surplus of 107 403 383 502 CFA francs. It is obtained by the difference between receipts (3 384 712 924 408 FCFA) and authorizations (3 277 297 620 024FCFA francs).

By considering only the revenue and expenditure to be adjusted in the 2014 financial year which respectively stand at 3 902 212 900 and 31 392 304 083 CFA francs as shown in table 8 below, that is receipts and authorizations of the respective amounts of 3 388 615 137 307 CFA francs and 3 308 689 924 107 CFA francs, the budget balance of **107 403 383 502 CFA francs** is reduced, according to the Audit Bench to **79 925 213 201 CFA francs**.

The table below gives the evolution of the revised budget balances since the 2007 financial year:

**Table 8. Evolution of budget balances since the 2007 financial year**

Financial years	Budget balance according to MINFI	Budget balance according to 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 842916
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



If the cumulated revenue and expenditure to be adjusted since the 2004 financial year which should have been adjusted before the close of each financial year and which respectively stand at 6 322 872 728 CFA francs and 400 722 635 748 CFA francs, that is respective collections of 3 391 035 797 136 CFA francs and 3 678 020 255 772 CFA francs, the budget balance which is in surplus by 107 403 383 502 CFA francs would become a deficit of 286 984 458 636 CFA francs.

#### **2.2.2.5. use of accounts 45 “*deposits by administrative structures*”**

The use of account 45 “deposit by administrative structures” helps in reducing the temptation of keeping public funds out of the treasury circuit. The Treasury thus plays the traditional role of government bank. However, the generalization of deposit accounts does not tie with certain cardinal principles of public finance namely:

- the principle of service rendered, the budgetary allocations being transformed into deposits managed like imprest funds with expenditure before a service is rendered putting to question their regularity;
- the principle of the annual character of the budget means that the budget must be voted for a period of one year or rather than a financial year. The transformation of budgetary allocations into deposits simulates their consumption while their use beyond a financial year violates this rule and dissimulates under execution.

Accounts 45 thus had a credit balance of 85 695 641 423 CFA francs on 31 December 2014. Certain administrative structures partially surpassed allocations through these deposit accounts.

The Ministry of Finance acknowledges the validity of this observation and explains that these accounts have enabled the public Treasury to better manage the problem of arrears of the domestic debt. Efforts will be made, however, to reduce the amount and also ensure the effective use of budgets in organizations and projects.

## 2.3. Collection of revenue

### 2.3.1. Distribution of revenue in the settlement bill

Section 1 of the 2014 settlement bill transmitted to the Audit Bench provides that: “*the final amount of State budget revenue for the 2014 financial year is closed at the sum of 3 384 712 924 408 CFA francs ...*” This revenue shows a realization rate of 102.20 % and distributed according to the table below:

**Table 9. Distribution of revenue in the settlement bill**

In millions CFA F

Item	Projections	Realizations	Rate of realization (%)
1. Self-generated revenue	2 703 000,0	2 915 436,1	107.86
- Fiscal revenue	1 878 970,0	2 087 737,8	111.17
- Other revenue	824 970,0	827 698,3	100.33
2. Loans and grants	609 000,0	469 276,8	77.06
Grand total of revenue (I + II)	3 312 000,0	3 384 712,9	102.20

Source : 2014 settlement bill

Self-generated revenues experienced an achievement rate of 107.86 % including 111.17 % for fiscal revenue and 100.33 % for other revenue.

As for loans and grants, they recorded an achievement rate of 77.06 % due to issues of Treasury bonds above to 2 years, performed at 53 %.

### 2.3.2. Evolution of revenue from 2012 to 2014

State revenue in 2014 recorded an overall increase in absolute value of 361.805 million CFA francs compared to the 2013 financial year, against 636 596 600 000 CFA francs in 2012.

**Table 10. Evolution of State revenue from 2012 to 2014**

Item	2012	2013	2014
1. Self-generated revenue	2 447 910,3	2 665 816,3	2 915 436,1
- Fiscal revenue	1 668 598,7	1 850 428,1	2 087 737,8

- Other revenue	779 311,5	815 388,1	827 698, 3
2. Loans and grants	303 206,0	357 091,6	469 276,8
Grand total of revenue (Total I + II)	2 751 116,3	3 022 907,9	3 384 712,9
Completion rate (%)	98,25	93,41	102, 20
Growth rate (%)		-4.88	+9.42

Source: Settlement bills of the 2012, 2013 and 2014 financial years

In general, the revenue collection rate in absolute terms is clearly increasing since 2012 while in relative terms it experienced a decline in 2013. Indeed, it changed from 98.25 % in 2012, 93. 41 % in 2013 and 102.20 %, that is, respectively a decrease of 4.88 % in 2014 and an increase of 9.42 %.

### 2.3.3. Evolution by type of revenue from 2012 to 2014

#### 1) Collection of fiscal revenue

Collection of fiscal revenue can be presented as follows:

Head	Item	Collections <i>in millions of CFA franc</i>			Collection rate (%)		
		2012	2013	2014	2012	2013	2014
721	Income tax on natural persons	166 581	195 994	215 928,2	106.85	112.32	122.27
723	Tax on profits of non-oil companies	261 207	258 670	297990,6	117.93	96.16	109.56
724	Income tax on persons domiciled out of Cameroon	43 572	61 708	97 511,0	89.84	125. 94	187.52
728	Tax on transfers, registrations and transactions	25 147	41 516	38 256,0	70.84	118. 62	100.67
730	Value added tax and turnover tax	624 143	726 947	786 705,3	95.14	96.80	103.41
731	Taxes on specific goods and excise duty	198 030	220 642	240 269,2	104.23	98.72	105.61
732	Taxes on specific services	1 730	1 912	2 466,4	26.63	36.08	49.33
733	Taxes on the right to exercise a professional activity	6 750	9 986	9 680 ,0	105.48	144.73	122.53
734	Taxes on permission to use goods or perform activities	73	61 338	79,0	246.55	204.46	263.39
735	Other taxes on goods and services	17 341	8 880	8 118,3	165.15	86.21	108.24

736	Duties and import taxes	85 834	276 594	339 068,7	117.39	97.84	118.61
737	Duties and export taxes and other taxes on foreign trade.	7 481	13 053	15 089,5	57.55	88.26	129.86
738	Registration and stamp duties	30 704	34 460	36 575,6	79.34	11..87	110.17
Total		1 668 598	1 850 428	2 087 737,8	102.62	99.91	111.17
rate of variation %			10.9	12.82		-2.65	11.28

The fiscal revenue collected at the end of 2014 stands at 2 087 737.8 million CFA F. They rose by 237 309.8 million CFA F, that is an increase rate of 12.82 % compared to the 2013 financial year.

The increase is explained by realizations higher than the estimates observed in all the columns beside that concerning "tax on specific services".

## 2°) Collection of other revenue

The collection of non-fiscal revenue can be presented as follows:

*In millions of CFA F*

Head	item	Collections			Collection rate (%)		
		2012	2013	2014	2012	2013	2014
710	Administrative fees and charges	15 756	14 820	18 496,9	128,59	120,96	137,47
714	Accessory sales of goods	75	290	106,4	92,57	387,86	134,65
716	Sales of services	13 518	29 284	8 978,7	99,65	215,87	53,87
719	Rent for buildings and land revenue	3 206	3 692	6 728,8	114,53	100,31	169,02
741	Oil sector revenue	700 710	712 683	703 572,8	123,58	99,68	95,99
745	Accrued financial income	9 788	9 246	46 407,9	70,45	47,62	252,55
761	Contributions to pension funds for civil servants and similar workers	34 413	42 089	40 918,1	95,59	110,76	107,68
771	Fines and financial penalties	1 844	3 279	2 488,7	238,88	323,15	175,88

Total	779 311	815 388	827 698,3	115,46	100,67	100,33
Variation (%)		4,6	1,5		-12,8	-0,34

Other revenue increased in absolute value at 12 310 300 000 CFA francs from 815 388 million CFA francs in 2013 to 827 698 300 000 CFA francs in 2014, an increase of 1.5 %.

In this section, collections of oil revenue moved from 712,683 million CFA francs in 2013 to 703 572 800 000 FCFA in 2014, a decrease of 3.69 %.

### 3°) Under-estimation of some revenue

Since the finance law of 2012, certain revenues have shown significantly higher collections compared to their forecasts. These collections sometimes exceeded double or even triple the amounts provided as illustrated in the table below:

*In millions CFA F*

		2012		2013			2014		
		Collections	%	Forecasts	Collections	%	Forecasts	Collections	%
721	Income tax on natural persons	166 581	106,85	174 500	195 994	112,32	176 600,0	215 928,8	122,27
733	Tax / right to exercise professional activity	6 750	105,48	6 900	9 986	144,73	7 900	9 680	122,53
734	Tax authorization to use the goods	73	246,55	30	61	204,46	30	79	263,39
710	Administrative fees and charges	15 756	128,59	12 253	14 820	120,96	13 453	18 496,9	137,49
719	Rents from buildings	3 206	114,53	3 681	3 692	100,31	3 981,1	6 728	169,02
714	Accessory sales of goods	73	92,57	79	290	367,86	79	106,4	134,65
771	Fines and financial penalties	1 844	238,88	1 015	3 279	323,15	1 415,0	2 488,7	175,88

The Audit Bench apprehends this recurrent situation as an underestimation of the potential of certain categories of self-generated revenues of the State.

For example, the rate of collection of fines and financial penalties (account 771) stands at 175.88 % at the end of 2014 financial year; which shows that forecasts of the finance law of 2014 did not take into account the good performance of this item during the 2012 and 2013 financial years.

This is also the case with account 710 which produced 15 756 000 000 CFA francs, 14 820 million CFA francs and 18 496,900,000 FCFA respectively in 2012, 2013 and 2014 consistently remained budgeted at 13,453 million CFA francs for the three financial years.

#### 4°) Loans and grants

The achievement of loans and grants can be presented according to the table below:

Head	Item	Achievement in millions CFA F			Rate of achievement (%)		
		2012	2013	2014	2012	2013	2014
150	Drawings on direct foreign multilateral loans	94 801	132 198	101 719,0	83,01	76,37	100
151	Drawings on direct foreign bilateral loans	152 355	84 907	172 281,0	221,47	100	100
161	Issuance of Treasury bonds above two years	0	80 000	150 000	0	32	53,57
769	Exceptional grants from international cooperation	56 049	59 985	45276,8	84,92	90, 89	82,32
Total		303 206	357 091	469 276,8	60,76	62,21	77,06

As a result, loans and donations recorded in the 2014 financial year amounted to 469 276 800 000 CFA francs. They rose by 112 185 80 million CFA francs in absolute value and 14.85 % in relative terms compared to the 2013 financial year. Compared to 609 000 million CFA francs forecast of the finance law, their rate of realization is 77.06 %.

The lower achievements compared to forecasts are particularly observed in the "Issuance of Treasury bonds of above two years (53.57 %)" and "exceptional Grants from international cooperation (82.32 %)."

On the other hand, "drawings on direct external multilateral loans" and "drawings on direct external bilateral loans" achieve a performance of 100 %.

#### 2.3.4. Differences between forecasts and collections by type of revenue

The situation of collections between revenues compared to forecasts is presented in the table below:

Item	Forecast	Collections	Difference
1. Self-generated revenue	2 703 000	2 915 436,1	212 436,1
- Fiscal revenue	1 878 030	2 087 737,8	209 707,8
- Other revenue	824 970	827 698,3	1 723,3
2. Loans and grants	609 000	469 276,8	-139 723,2
Grand total of revenue (I + II)	3 312 000	3 384 712,9	72 719,9

The settlement bill is accompanied, among others by Annex I entitled "*Differences between forecasts and revenue by type of revenue.*" This annex is presented in the said bill as being in compliance with section 22 (1) of the Fiscal Regime of the State which provides that "*the settlement bill shall be accompanied by development of budget transactions presented by type, identifying forecasts, collections and outstanding collections, payments and outstanding payments.*"

In addition to this presentation, the table below highlights the bills collectible by type of securities issued including: Collection Notices (AMR), the Customs Clearance Vouchers (BLD), land title income, Revenue Clearance Vouchers (BLR) and other tax debts:

Nature of operations	Previous Bills collectible (1)	2014 Assurance (2)	Total (1) + (2)	2014 Collections	Bills collectible at the end of December 2014
Collection Notices (taxes)	797 820,5	258892,3	1 056 712,8	520 311,6	806 401,2
Customs Clearance Vouchers (Customs)	193 662,6	62 168,2	255 830,8	60 586,1	195 244,7
Land titles (revenue from State lands)	2,7	1540,7	1543,4	1540,7	2,7
Revenue Clearance Vouchers	0,4	0,0	0,4	0,0	0,4
Other tax debts	4 118,7	187 239,8	191 358,5	187 238,1	4 120,4
Grand total	995 604,9	509 841,0	1 505 445,9	499 676,5	1 005 769,4

This table shows the situation of bills collectible at the end of 2014 of a total amount of 1 005 769.4 CFA francs including 509 841 CFA francs for issuances of the 2014 financial year.

### 2.3.5. Revenue reconciliation table (balance- settlement law for 2014 financial year)

There are discrepancies between the amounts of the settlement bill and those of the trial balance of accounts. They are presented in the table below:

Head	Item	Settlement law	Balance	Difference
150	Drawings from direct multilateral loans	101 719,0	0	101 719,0
151	Drawings from direct bilateral loans	172 281,0	9 929,0	162352
769	Exceptional grants from international cooperation	45 276,8	68 382,4	-23 105,6

The Ministry of Finance considers this problem relevant and reassures that measures will be taken to mitigate these effects. Possible solutions will be explored particularly implementation of CEMAC Directive after their transposition.

## 2.4. Execution of expenditure

### 2.4.1. Evolution of State expenditure from 2012 to 2014

The evolution of budgetary expenditure between 2012 and 2014 is recapitulated in the table below:

**Table 11. Evolution of expenditure from 2012 to 2014**

In billions of CFA francs

Expenditure	2012	2013	2014
Forecasts	2 800	3 236	3 312
Execution	2 724, 8	2 974, 5	3 277,2
Rate of execution (%)	97.32	91,92	98.95

Source: Settlement bills for the 2012, 2013 and 2014 financial years

The final expenditure of the budget for the 2014 financial year amounted to 3 277 297 620 024 CFA francs for forecasts of 3.312 billion 000 FCFA, representing an implementation rate of 98.95 % after a decline observed during the 2013 financial year.

### 2.4.2. Presentation of expenditure in the 2014 settlement bill

The 2014 financial year is the second year of the programme budget. State expenditure as presented in the settlement bill for the 2014 financial year is summarized in the table below:

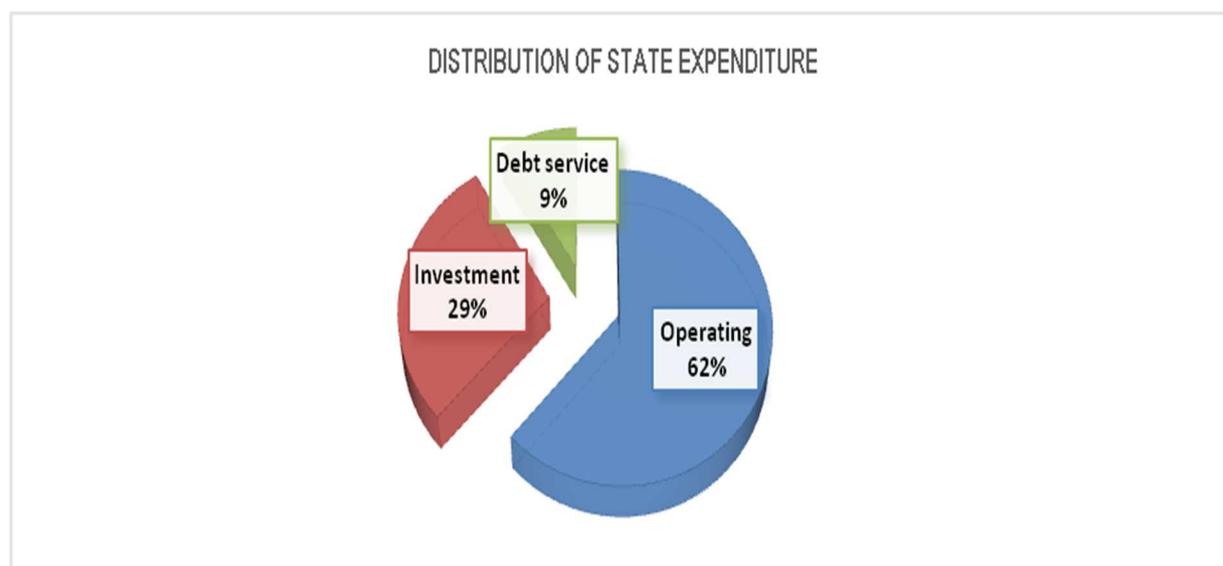
**Table 12. Development of expenditure operations of the 2014 financial year**

(In millions of CFA F)

Item	Final allocations	Authorizations PA	Payments	Bills payable
<b>Public Investment Budget</b>	<b>997 242,10</b>	<b>918 140,60</b>	<b>621 195,20</b>	<b>296 945,40</b>
Investment	783 715,10	706 800,40	534 975,10	171 825,30
Shares	45 000,00	44 330,90	25 274,40	19 056,50
Rehabilitation and restructuring	25 000,00	25 000,00	22 450,00	2 550,00
Intervention in investment	143 527,00	142 009,30	38 495,70	103 513,60
<b>Running budget</b>	<b>2 011 957,90</b>	<b>2 067 569,80</b>	<b>1 930 006,30</b>	<b>137 563,50</b>
Consumption of goods and services	885 218,90	866 785,60	764 434,20	102 351,40
Salaries	775 010,00	835 983,20	824 353,20	11 630,00
Pensions	155 000,00	166 523,20	151 752,30	14 770,90
Recurrent expenditure	196 729,00	198 277,80	189 466,60	8 811,20
<b>Debt service</b>	<b>302 800,00</b>	<b>291 587,20</b>	<b>291 587,20</b>	<b>0,00</b>
Foreign public debt	104 400,00	101 588,40	101 588,40	0,00
Domestic public debt	198 400,00	189 998,80	189 998,80	0,00
<b>Grand total</b>	<b>3 312 000,00</b>	<b>3 277 297,60</b>	<b>2 842 788,70</b>	<b>434 508,90</b>

Source: Settlement bill for 2014 financial year

State expenditure consisting of three large masses to wit: operating expenses, capital expenditure and debt service, are shown in the following graph:



Compared to the 2013 financial year, the share of the investment budget in total State expenditure increased slightly from 28 % in 2013 to 29 % in 2014. However, it fell from 10 % to 9 % for debt service while it remained at 62 % for the operating budget for the same period as shown in the table below:

Item	Distribution of total State expenditure	
	%	
	2013 financial year	2014 financial year
Operating	62	62
Public Investment Budget	28	29
Debt service	10	9
Total	100	100

### 2.4.3. Recurrent operating expenditure

Analysis of recurrent operating expenses led to observations on the use of appropriations, State interventions and contingent liabilities in the public sector.

In its section 2, the settlement bill of the 2014 financial year closed the expenditure budget for the year at the final amount of 3 277 297 600 000 CFA francs, divided by head and economic sector.

The table below shows the structures that have an execution rate of 100 %:

Structure	Budget head	Amount
National Assembly	3	18 071 000 000
ELECAM	51	11 136 000 000
National Human Rights Commission	52	1 220 000 000
Senate	53	15 200 000 000
Total		45 627 000 000

The Ministry of Finance continues to consider that the expenditure is fully executed when the funds are released to the said structures, even if it does not match the actual achievement of the expenditure concerned.

However, the information currently provided on the implementation of the budget of those bodies, do not provide information on the reality of the use of appropriations.

## 2.4.4. Execution of expenditure by head and economic sector

The reconciliation of the final allocations of the finance law of the 2014 financial year (section 6) with those of the same settlement bill (section 2) shows, for Head 1 Presidency of the Republic, the difference below:

*(In millions of CFA F)*

<b>Final allocation</b>	<b>Operating budget</b>	<b>Investment budget</b>	<b>Total</b>
Finance law	41 741	10 500	52 241
Settlement bill	43 357,20	10 637	53 994,90
<b>Difference</b>	<b>1 616,20</b>	<b>137</b>	<b>1 753,90</b>

For the said head, the final allocations entered in the settlement bill witnessed excess spending of 1 753 900 000 CFA francs compared to those authorized by the finance law without altering budget balance approved by the law.

Under these circumstances and pursuant to section 54 (1) of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State, decrees for advance of appropriations should have been signed to indicate cancelled appropriations or to establish new revenue.

Taking note of this observation, the Ministry of Finance mentions emergency and sovereignty issues, which is not satisfactory considering the solutions offered by the provisions of section 54 of the Fiscal Regime of the State.

Furthermore, section 2 of the settlement bill for the 2014 financial year distributes State expenditure by head and economic sector. This distribution reveals overspending on some budget heads as shown in the table below:

*In millions of CFA F*

<b>Head</b>	<b>Item</b>	<b>Final allocation</b>	<b>Execution</b>	<b>Rate of execution %</b>
15	Basic Education	174 580,00	186 264,50	106.69
19	Scientific Research and Innovation	12 260,00	12 386,10	101.03
25	Secondary Education	232 628,00	246 055,90	105.77
26	Youth and Civic Education	9 046,00	9 329,90	103.14
32	Power and Water	108 796,00	109 999,40	101.11
40	Public Health	165 870,00	203 908,50	122.93
50	Public Service and Administrative Reform	12 605,00	12 941,80	102.67
55	Pensions	155 000,0	166 523,2	107.43

60	Subsidies and contributions	348 200,0	348 943,4	100.21
65	Recurrent expenditure	196 729,1	198 277,8	100.79

Source: Settlement bill of 2014 financial year

However, section 16 (2) of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State specifies that "*expenditure shall be committed and authorized only within the limits of payment appropriations made.*"

Furthermore, section 17 (1 and 2) states that for evaluative appropriations, expenditure may be charged in excess of the amount allocated. These evaluative credits are defined by the same provision and concern "*State expenditure and debt repayments, civil damages, enforcement of securities granted by the State, natural disasters and calamities.*" The heads where overspending was observed have no connection with the cases mentioned by name in section 17.

These amendments of appropriations should have been accompanied by instruments of transfers of appropriations from head to head by the Prime Minister or, in an emergency, decrees for advance of appropriations issued by the President of the Republic in accordance with sections 53 and 54 of the law mentioned above.

The Ministry of Finance holds that these instruments were signed but cannot be transmitted due to their volume.

The Audit Bench reiterates the need that they be submitted to her and in the absence of the instruments themselves, a summary table of all the decisions that authorized transfers of appropriations, so that compliance with parliamentary authorization is verified.

#### **2.4.5. Examination of commitment authorizations (CA) and payment appropriations (PA)**

Section 4 of the settlement bill of the 2014 financial year indicated by programme, the amounts of commitment authorizations and payment appropriations made during the financial year.

Their examination reveals overruns in the consumption of payment appropriations for some programmes on one hand and on the other hand low execution rate.

##### **2.4.5.1. Overruns of payment appropriations of certain programmes**

Programmes	Final allocation CA	Final allocations PA	Authorizations PA	Rate of PA %
Budget head: 11 SUPREME STATE AUDIT	5 122,0	4 957,0	4 785,7	96.54
Programme : 136 INTENSIFICATION, DIVERSIFICATION OF AUDITS AND SYSTEMATIZATION OF SANCTION AGAINST DISHONEST MANAGERS	1 781,5	1 781,5	1 800,8	101.08

Programme : 137 REINFORCEMENT OF THE PREVENTION OF MISAPPROPRIATION OF PUBLIC FUNDS	304,3	304,3	310,6	102.07
<b>Budget head: 13 DEFENCE</b>	<b>201 174,5</b>	<b>198 522,0</b>	<b>192 998,3</b>	<b>97.22</b>
Programme : 166 REINFORCEMENT OF TERRITORIAL DEFENCE	109 039,8	108 742,3	109 771,2	100.95
Programme : 196 SUPPORT TO PRE-SCHOOL DEVELOPMENT	11 469,4	11 469,4	12 032,8	104.91
Programme : 197 UNIVERSALIZATION OF PRIMARY CYCLE	133 283,9	133 283,9	142 822,3	107.16
Programme : 198 GOVERNANCE AND INSTITUTIONAL SUPPORT TO BASIC EDUCATION SUB-SECTOR	27 793,7	27 793,7	29 184,9	105.01
Programme : 199 LITERACY, NON FORMAL EDUCATION AND PROMOTION OF NATIONAL LANGUAGES	2 033,1	2 033,1	2 224,6	109.42
<b>Budget head : 16 SPORTS AND PHYSICAL EDUCATION</b>	<b>21 581,0</b>	<b>21 541,0</b>	<b>21 188,1</b>	<b>98.36</b>
Programme : 213 GOVERNANCE AND INSTITUTIONAL SUPPORT TO THE SPORTS AND PHYSICAL EDUCATION SUB-SECTOR	5 929,5	5 929,5	6 348,3	107.06
<b>Budget head : 17 COMMUNICATION</b>	<b>10 368,0</b>	<b>10 368,0</b>	<b>9 671,5</b>	<b>93.28</b>
Programme : 228 GOVERNANCE INSTITUTIONAL SUPPORT IN THE COMMUNICATION SUB-SECTOR	7 433,2	7 433,2	7 727,2	103.95
<b>Budget head : 18 HIGHER EDUCATION</b>	<b>58 157,4</b>	<b>49 251,5</b>	<b>47 500,6</b>	<b>96.45</b>
Programme : 242 MODERNIZATION AND PROFESSIONALIZATION OF UNIVERSITY ESTABLISHMENTS	18 542,7	15 547,7	15 594,3	100.30
Programme : 243 DEVELOPMENT OF RESEARCH AND INNOVATION IN UNIVERSITIES	7 203,8	6 053,8	6 669,4	110.17
<b>Budget head : 19 SCIENTIFIC RESEARCH AND INNOVATION</b>	<b>12 349,9</b>	<b>12 259,9</b>	<b>12 386,1</b>	<b>101.03</b>
Programme : 256 AGRICULTURAL RESEARCH AND DEVELOPMENT	4 451,0	4 361,0	5 880,4	134.84
Programme : 258 SOCIAL RESEARCH AND DEVELOPMENT	1 595,0	1 595,0	1 693,4	106.17
<b>Budget head 20 FINANCE</b>	<b>49 835,0</b>	<b>49 835,0</b>	<b>49 733,1</b>	<b>99.80</b>
Programme : 275 GOVERNANCE AND INSTITUTIONAL SUPPORT TO MINFI	14 610,1	14 610,1	17 105,4	117.08
<b>Budget head : 22 ECONOMY, PLANNING AND REGIONAL DEVELOPMENT</b>	<b>51 356,8</b>	<b>47 802,3</b>	<b>47 802,9</b>	<b>100.00</b>
Programme : 302 SUPPORT TO ECONOMIC RECOVERY FOR ACCELERATION OF GROWTH	3 788,1	3 786,6	6 647,4	175.55
Programme : 304 REINFORCEMENT OF DEVELOPMENT PLANNING AND INTENSIFICATION OF REGIONAL DEVELOPMENT ACTIONS	27 205,8	23 652,8	24 679,2	104.34

Programme : 305 REINFORCEMENT OF DEVELOPMENT PARTNERSHIP AND REGIONAL INTEGRATION	2 324,1	2 324,1	2 350,7	101.14
<b>Budget head : 25 SECONDARY EDUCATION</b>	<b>234 929,3</b>	<b>232 628,3</b>	<b>246 055,9</b>	<b>105.77</b>
Programme : 331 DEVELOPMENT OF GENERAL SECONDARY EDUCATION	135 877,7	135 877,7	145 563,0	107.13
Programme : 332 DEVELOPMENT OF SECONDARY, TECHNICAL AND PROFESSIONAL EDUCATION	38 705,1	38 705,1	40 136,3	103.70
Programme : 333 DEVELOPMENT OF TEACHER'S EDUCATION	6 525,9	6 525,9	6 805,1	104.28
Programme : 334 GOVERNANCE AND INSTITUTIONAL SUPPORT IN THE SECONDARY EDUCATION SUB-SECTOR	53 820,7	51 519,7	53 551,5	103.94
<b>Budget head : 26 YOUTH AND CIVIC EDUCATION</b>	<b>9 360,0</b>	<b>9 046,0</b>	<b>9 329,9</b>	<b>103.14</b>
Programme : 346 CIVIC EDUCATION AND SOCIAL INTEGRATION OF YOUTHS	4 150,9	4 150,9	4 581,8	110.38
Programme : 347 ECONOMIC PROMOTION OF YOUTHS	3 045,5	3 035,5	3 289,4	108.36
<b>Budget head: 28 ENVIRONMENT, PROTECTION OF NATURE AND SUSTAINABLE DEVELOPMENT</b>	<b>6 621,0</b>	<b>6 461,0</b>	<b>6 297,6</b>	<b>97.47</b>
Programme : 361 FIGHT AGAINST DESERTIFICATION, CLIMATE CHANGE	1 787,9	1 787,9	2 120,8	118.62
Programme : 363 FIGHT AGAINST POLLUTION, NUISANCES AND HARMFUL AND /DANGEROUS CHEMICAL SUBSTANCES	466,9	466,9	470,6	100.79
<b>Budget head : 30 AGRICULTURE AND RURAL DEVELOPMENT</b>	<b>98 555,9</b>	<b>98 360,9</b>	<b>83 838,4</b>	<b>85.24</b>
Programme : 393 MODERNIZATION OF RURAL INFRASTRUCTURE AND AGRICULTURAL PRODUCTION	7 993,0	7 813,0	9 262,3	118.55
<b>Budget head : 32 WATER AND ENERGY</b>	<b>125 620,6</b>	<b>108 796,4</b>	<b>109 999,4</b>	<b>101.11</b>
Programme : 421 ENERGY SUPPLY	52 311,8	41 191,3	64 005,7	155.39
Programme : 422 ACCESS TO ENERGY	6 310,5	5 437,5	17 455,6	321.02
Programme : 423 ACCESS TO POTABLE WATER AND LIQUID SANITATION	7 143,7	6 328,0	10 654,5	168.37
<b>Budget head : 33 FORESTS AND WILDLIFE</b>	<b>20 524,5</b>	<b>17 824,5</b>	<b>16 150,2</b>	<b>90.61</b>
Programme : 963 DEVELOPMENT OF TIMBER AND NON-TIMBER FOREST RESOURCES	2 397,8	2 397,8	2 527,7	105.42
<b>Budget head : 35 EMPLOYMENT AND VOCATIONAL TRAINING</b>	<b>16 616,8</b>	<b>16 476,8</b>	<b>15 489,4</b>	<b>94.01</b>
Programme : 452 PROMOTION OF DECENT EMPLOYMENT	1 510,4	1 465,4	1 802,6	123.01

<b>Budget head : 36 PUBLIC WORKS</b>	<b>308 094,1</b>	<b>262 591,6</b>	<b>261 650,3</b>	<b>99.64</b>
Programme : 467 CONSTRUCTION OF INFRASTRUCTURE	113 137,1	83 337,1	105 558,7	126.66
<b>Budget head : 38 HOUSING AND URBAN DEVELOPMENT</b>	<b>109 059,3</b>	<b>80 188,3</b>	<b>64 990,1</b>	<b>81.05</b>
Programme : 496 DEVELOPMENT OF HOUSING	16 599,1	16 599,1	24 483,6	14,50
<b>Budget head 40 PUBLIC HEALTH</b>	<b>167 775,0</b>	<b>165 870,0</b>	<b>203 908,5</b>	<b>122.93</b>
Programme : 527 MOTHER, ADOLESCENT AND CHILD HEALTH	22 892,4	22 892,4	22 963,8	100.31
Programme : 528 VIABILIZATION OF HEALTH DISTRICTS	8 354,9	7 834,9	55 356,2	706.54
<b>Budget head : 41 LABOUR AND SOCIAL SECURITY</b>	<b>4 853,0</b>	<b>4 363,0</b>	<b>3 441,4</b>	<b>78.88</b>
Programme : 541 PROMOTION OF SOCIAL SECURITY FOR A GREATER NUMBER	252,7	252,7	254,2	100.58
<b>Budget head : 42 SOCIAL AFFAIRS</b>	<b>6 232,3</b>	<b>6 232,3</b>	<b>5 876,5</b>	<b>94.29</b>
Programme : 560 GOVERNANCE AND INSTITUTIONAL SUPPORT IN THE SOCIAL AFFAIRS SUB-SECTOR	3 420,0	3 420,0	3 467,9	101.40
<b>Budget head : 45 POSTS AND TELECOMMUNICATIONS</b>	<b>39 497,0</b>	<b>39 259,0</b>	<b>34 229,7</b>	<b>87.19</b>
Programme : 587 DEVELOPMENT AND OPTIMIZATION OF NETWORKS AND TELECOMMUNICATION AND ITC SERVICES	28 544,1	28 434,1	28 529,3	100.33
<b>Budget head : 50 PUBLIC SERVICE AND ADMINISTRATIVE REFORM</b>	<b>12 975,3</b>	<b>12 605,3</b>	<b>12 941,8</b>	<b>102.67</b>
Programme : 618 GOVERNANCE AND INSTITUTIONAL SUPPORT OF THE MINISTRY OF THE PUBLIC SERVICE AND ADMINISTRATIVE REFORM	11 152,2	10 802,2	11 215,7	103.83
<b>Budget head : 55 PENSIONS</b>	<b>155 000,0</b>	<b>155 000,0</b>	<b>166 523,2</b>	<b>107.43</b>
Programme : 661 PENSIONS	155 000,0	155 000,0	166 523,2	107.43
<b>Budget head : 60 SUBSIDIES AND CONTRIBUTIONS</b>	<b>348 200,0</b>	<b>348 200,0</b>	<b>348 943,4</b>	<b>100.21</b>
Programme : 679 SUBSIDIES AND CONTRIBUTIONS	348 200,0	348 200,0	348 943,4	100.21
<b>Budget head : 65 RECURRENT EXPENDITURE</b>	<b>196 729,1</b>	<b>196 729,1</b>	<b>198 277,8</b>	<b>100.79</b>
Programme : 685 RECURRENT OPERATING EXPENDITURE	196 729,1	196 729,1	198 277,8	100.79
<b>Total</b>				

For the Ministry of Finance, it is essentially appropriations for State personnel and accounting for external funding.

The Audit Bench is not in agreement with this explanation which does not address the problem of verifying compliance with parliamentary authorization in the management of programmes.

#### 2.4.5.2. Low rates of use of payment appropriations

Programmes	Final allocations CA	Final allocations PA	Authorizations PA	PA rate %
<b>Budget head : 06 EXTERNAL RELATIONS</b>	<b>29 855,0</b>	<b>28 855,0</b>	<b>22 743,0</b>	<b>78.82</b>
Programme : 077 REDYNAMIZATION OF MULTILATÉRAL AND DECENTRALIZED COOPERATION	1 904,6	1 904,6	773,1	40.59
Programme : 078 MANAGEMENT OF CAMEROONIANS IN THE DIASPORA	1 607,9	1 587,9	273,8	17.24
Programme : 151 CONSOLIDATION OF PUBLIC SECURITY	10 773,4	10 673,4	4 275,0	40.05
Programme : 154 REINFORCEMENT OF THE SURVEILLANCE OF FRONTIERS	1 590,7	1 535,7	298,2	19.42
Programme : 155 AMELIORATION OF METHODS AND TECHNIQUES OF INTELLIGENCE GATHERING	2 980,7	2 794,3	1 251,3	44.78
<b>Budget head : 32 WATER AND ENERGY</b>	<b>125 620,6</b>	<b>108 796,4</b>	<b>109 999,4</b>	<b>101.11</b>
Programme : 424 GOVERNANCE AND INSTITUTIONAL SUPPORT IN THE WATER AND ENERGY SUB-SECTOR	59 854,5	55 839,5	17 883,7	32.03
<b>Budget head 38 HOUSING AND URBAN DEVELOPMENT</b>	<b>109 059,3</b>	<b>80 188,3</b>	<b>64 990,1</b>	<b>81.05</b>
Programme : 499 GOVERNANCE AND INSTITUTIONAL SUPPORT TO THE URBAN SUB-SECTOR	26 835,7	26 835,7	11 659,0	43.45
<b>Budget head : 43 WOMEN'S EMPOWERMENT AND THE FAMILY</b>	<b>4 864,8</b>	<b>4 573,4</b>	<b>3 190,0</b>	<b>69.75</b>
Programme : 572 DEVELOPMENT OF THE FAMILY AND PROTECTION OF THE CHILD	917,0	625,6	206,0	32.93
<b>Budget head 45 POSTS AND TELECOMMUNICATIONS</b>	<b>39 497,0</b>	<b>39 259,0</b>	<b>34 229,7</b>	<b>87.19</b>
Programme : 586 DENSIFICATION OF THE NETWORK AND AMELIORATION OF NATIONAL POSTAL COVERAGE	4 411,5	4 411,5	162,2	3.68
<b>Budget head : 46 TRANSPORTS</b>	<b>7 851,0</b>	<b>7 851,0</b>	<b>4 996,7</b>	<b>63.64</b>
Programme : 602 AMELIORATION OF SAFETY AND SECURITY SYSTEM OF VARIOUS MODES OF TRANSPORT AND METEOROLOGY	1 609,6	1 609,6	663,2	41.20
<b>Total</b>				

As for abnormally low implementation rates of some programmes, the Ministry of Finance stresses that the implementation rate of the heads remains generally high and that it is therefore the choices made by the main authorizing officers of such heads with a view to achieve the objectives assigned to them.

#### 2.4.6. Investment expenditure

Investment expenditure comprises the public investment budget of institutional bodies and ministries, spending on holdings, expenses for rehabilitation and restructuring and lastly investment interventions. They were executed in the following manner:

<i>In millions of CFA F</i>				
Head	Item	Final allocations	Executions	Rate of execution
92	Participation	45 000,0	44 330,9	98.51
93	Rehabilitation/restructuring	25 000,0	25 000,0	100
94	intervention in investment	143 527,0	142 009,3	98.94
	Capital expenditure	783 715,1	706 800,4	90.19
		291 000,0	269 029,8	92.45
<b>Total development operations</b>		<b>997 242,1</b>	<b>918 140,6</b>	<b>92.07</b>

For the final allocations of 997 242 100 000 CFA francs, investment expenditures were executed in an amount of 918 140 600 000 CFA francs, or an implementation rate of 92.07 %. The implementation rates of expenditure "holdings" and "Investment Interventions" exceeded 98 %, while the entire expenditure on "Rehabilitation/Restructuring" was executed at 100 %. The investment budget of agencies and ministries (investment expenditure by agencies) was executed in the amount of 706 800 400 000 CFA francs for final allocations of 783 715 100 000 CFA francs, a rate of 90.19 %.

These investment expenditures were financed from internal resources (649 110 800 000) CFA francs and external resources (269 029 800 000) CFA francs. According to the "Final Report on the implementation of the 2014 PIB" produced by the Ministry of the Economy, Planning and Regional Development, these expenditures funded especially the following areas:

- Infrastructure: 464 billion CFA francs;
- Production: 117 billion CFA francs;
- Expenditure not allocated by function: 108.3 billion CFA francs.

Investment expenditures on internal resources are distributed in central management by ministries and agencies (396.89) billion CFA francs in delegation of appropriations (269,330,000,000) CFA francs and transferred resources (42.78) billion CFA francs.

With the goal of promoting transparency in order to raise the level of use of the public investment budget, the Prime Minister had issued Decree No. 2013/7987/PM of 13 September 2013 on the creation, organization and functioning of the participatory monitoring mechanism of the PIB.

Despite the improvement observed in the use of the 2014 PIB and notwithstanding the creation of the participatory monitoring mechanism of the PIB cited above, some questions persist regarding:

- expenditure on rehabilitation/restructuring;
- lowest rate of commitments;
- the specific case of the General Delegation for National Security with 76.66 % of commitments but only 22.5 % of clearance;
- low levels of physical and financial executions.

#### **2.4.6.1. Expenditure on rehabilitation/restructuring**

Budget head 93 entitled "Rehabilitation/Restructuring" has a single programme 703 called "Rehabilitation and Restructuring of public enterprises," whose objective is to ensure the rehabilitation and restructuring of State enterprises. To benefit from the restructuring fund, enterprises must have a plan contract with the State, but especially be included in the joint MINFI-MINEPAT order which lists the recipient enterprises, the allocations granted, the list of projects to be implemented, the timeline of their implementation and the chain of expected results.

The Final Report on the implementation of 2014 PIB (details of projects) simply states that the allocations of 25 000 million CFA francs were used in the rehabilitation of APEs with a plan contract as follows:

- Central administration: 24 775 million CFA francs;
- Northwest: 225 million CFA francs.

Sections 2 and 3 of the settlement bill indicate that Head 93 containing a single programme 703 "Rehabilitation/Restructuring" with a budget of 25 000 million CFA francs was fully implemented (100 %). However, the final implementation report of the 2014 PIB specifies neither the projects nor the recipient enterprises.

The Finance Ministry promises to clarify in future the projects and the various beneficiaries.

### 2.4.6.2. Very low commitment rates

Examination of the Final Report on the implementation of the 2014 PIB (summary by head) shows that the level of commitments for certain budget heads remain below 70 % as shown in the table below by decreasing rate:

Head	Item	Commitment rate %
41	Labour and Social Security	66.99
21	Trade	69.64
37	State property, Surveys and Land Tenure	69.31
9	Supreme Court	69.23
31	Livestock Fisheries and Animal Industries	67.46
30	Agriculture and Rural Development	65.71
28	Environment, Nature Protection and Sustainable Development	62.76
42	Social Affairs	57.43
23	Tourism and Leisure	57.37
18	Higher Education	52.58
46	Transport	43.11

### 2.4.6.3. Case of the General Delegation for National Security

It is clear from the final report on implementation of the 2014 PIB that the General Delegation for National Security (Head 12) committed 76.66 % of its final allocations in PA which was 6 billion CFA francs, but cleared only 22.5 %.

For the Ministry of Finance, Head 12 identified an implementation rate of 83.64 % in terms of scheduling of PA, while the observation of the Audit Bench relates to the execution of the investment budget and not at the entire Head 12.

### 2.4.6.4. Low rates of physical and financial execution

Certain ministries show low execution rates. They include:

Head	Item	Execution rate (%)
12	General Delegation for National Security	25.32
46	Tourism and Leisure	41.22

42	Trade	43.50
18	Higher Education	48.74

The Ministry of Finance promises to make efforts in monitoring and reporting.

## 2.4.7. Effective debt servicing

### 2.4.7.1. Debt servicing as presented in the settlement bill

The debt servicing includes the external and domestic public debts. For the initial allocations of 302 800 000 000 CFA francs, the debt servicing highlights authorizations of 291 587 100 000 CFA francs or an implementation rate of 96.30 % as shown in the table below:

Head	Item	Forecasts	Execution	Execution rate (%)
56	External public debt	104 400	101 588,4	97.31
	* Principal	80 900		
	* Interests	23 500		
57	Domestic public debt	198 400	189 998,8	95.77
	* Principal	183 100		
	* Interests	15 300		
<b>Total debt servicing</b>		<b>302 800</b>	<b>291 587,2</b>	<b>96.30</b>

### 2.4.7.2. Stock of public debt on 31 December 2014

The outstanding amounts of the public debt on 31 December 2014 stood at the sum of 3 487,40 billion CFA francs, including 2 560,40 billion CFA francs for the external debt stock and 926,9 billion CFA francs for the domestic debt stock as indicated in the table below :

Item	2012	2013	2014
Outstanding external debt	1 481	1 917,1	2 560,4
Outstanding domestic debt	641,08	702,19	926,9
Total outstanding debt	2 121,78	2 619,29	3 487,4
<b>% in relation to revenue collected</b>	<b>77,12</b>	<b>86,64</b>	<b>103,03</b>

Between 2012 and 2013 the outstanding stock of public debt grew from 2 121 780 000 000 CFA francs to 2,619,290,000,000 CFA francs, an increase of 23.5 %. From 2013 to 2014 the outstanding stock of public debt grew from 2 619 290 000 000 CFA francs to 3 487.4 billion CFA francs, an increase of 33.1 %. It thus reached 103.03 % of revenue generated in 2014.

It was already reported since last year that all indicators remain below the CEMAC convergence criterion and thresholds required by the IMF and the World Bank, Cameroon's debt burden remains low.

However, the financial jurisdiction recommends better management of the public debt. This caution is still necessary on 31 December 2014 when the stock of public debt reached 103.03 % of the revenue collected.

## 2.5. Special Appropriation Accounts

Annex budgets, support funds, special Treasury accounts including the Special Appropriation Accounts form an alternative, constitute exceptions to the principle of budgetary universality laid down by section 5 of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State and which prescribes that all revenues ensure all the expenditure.

Pursuant to section 26 (1) of the above law, Special Appropriation Accounts show, under conditions provided for in the finance law, budgetary transactions financed by special revenues which are by nature directly related to the expenses concerned.

It is within this context that Law No. 2013/017 of 16 December 2013 relating to the finance law of the Republic of Cameroon for the 2014 financial year set up thirteen (13) Appropriation Accounts balanced in revenue and expenditure at the sum of 95.9 billion CFA francs in chapter six and in sections 7-19.

It should however be noted that this law, in head ninth, granted commitment authorizations and payment appropriations only for 11 special accounts. The Road Fund and the royalties paid by autonomous ports to the National Ports Authority have not been formally identified.

Nevertheless, Appropriation Accounts opened by this law and their respective allocations are presented as detailed in the table below:

N°	Spécial Appropriation Account	Allocation
1.	Support Fund to 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 Modernization of Research in State Universities	9 600 000 000
5.	Special Appropriation Account for the promotion and Development of Tourism	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	55 000 000 000
10.	Special Appropriation Account for the Development of Telecommunications	10 000 000 000
11.	Special Appropriation Account for the Development of the Postal Sector	200 000 000
12.	Special Appropriation Account for the production of secure transport documents	3 500 000 000
13.	Royalties paid by autonomous ports to the National Ports Authority	2 100 000 000

An examination of the said accounts calls for the following observations on the form and substance.

On the form, there is:

- special appropriation Account without information;
- special Appropriation Accounts with partial information;
- special Appropriation Accounts with sufficient information.

The table of the situation of Special Appropriation Accounts for the 2014 financial year is presented in a new form as follows:

No.	Special Appropriation Account	Initial allocations	Revenue		Expenditure	
			Collections	Rate %	Execution	Rate %
1.	Support Fund for victims of disasters and natural calamities	2 000 000 000	1 500 000 000	0.00	336 499 520	0.00
2.	Special Appropriation Account for the Regulation of Public Contracts	8 000 000 000	9 014 172 741	12.68	8 132 436 712	1.66
3.	Special Appropriation Account for support to Cultural Policy	1 000 000 000	1 002 062 528	0.21	337 157 378	0.00
4.	Special Appropriation Account for Modernization of Research in State Universities	9 600 000 000	10 000 000 000	4.17	10 000 000 000	4.17

5.	Special Appropriation Account for the promotion and Development of Tourism	1 000 000 000	1 328 100 773	32.81	794 257 232	0.00
6.	Seed Fund	1 000 000 000	1 131 610 062	13.16	835 359 689	0.00
7.	Special Appropriation Account for financing Sustainable Water and sanitation Development Projects	500 000 000	441 144 277	-	441 144 277	0.00
8.	Forestry Development Fund	2 000 000 000	3 067 812 615	53.39	2 568 893 604	0.00
9.	Road Fund	55 000 000 000	55 000 000 000	0.00	49 491 938 510	28.44
10.	Special Appropriation Account for the Development of Telecommunications	10 000 000 000	38 359 789 535	283.6	28 263 764 816	0.00
11.	Special Appropriation Account for the Development of the Postal Sector	200 000 000	241 906 000	20.95	162 606 734	182.62
12.	Special Appropriation Account for the production of secure transport documents	3 500 000 000	4 014 721 383	14.71	3 284 852 805	0.00
13.	Royalties paid by autonomous ports to the National Ports Authority	2 100 000 000	2 723 644 047	29.70	2 098 038 382	0.00
<b>Total</b>		<b>95 900 000 000</b>	<b>127 824 963 961</b>	<b>33.29</b>	<b>106 745 650 684</b>	<b>11.31</b>

From 2009 to 2013, the situation of Appropriation Accounts in the settlement bill was presented in four columns: initial allocations, revenue collection, expenditure execution and realization difference between revenue collection and execution of expenditure.

In 2014, the said table includes initial allocations, revenue collection, the rate of overrun, the execution of expenditure and the rate of collection of revenue.

### 2.5.1. Uninformed Special Appropriation Account

The annexes of the “Special Support Fund for victims of disasters and natural calamities” do not include a budget and does not give details on the collection of revenues and execution of expenditure.

Moreover, there is no decree of application to the law setting it up.

### 2.5.2. Partially informed Special Appropriation Accounts

The comparative table of Special Appropriation Accounts of the 2013 and 2014 financial years is presented as follows:

Title	2013	2014
Special Appropriation Account for the Regulation of Public Contracts	<ul style="list-style-type: none"> <li>- details of missions of account</li> <li>- tables of collection of revenues and detailed execution of expenditure</li> <li>- 18 objectives assigned to accounts with a detailed description of the scheduling</li> </ul>	<ul style="list-style-type: none"> <li>- absence of information on missions</li> <li>- tables not very detailed</li> <li>- 4 objectives presented in summary manner and without clarity</li> </ul>
Special Appropriation Account for financing Sustainable Water and sanitation Development Projects	<ul style="list-style-type: none"> <li>- Reminder of objectives and missions</li> <li>- detail on resources and expenditure of the special account</li> <li>- information on the objectives and financing</li> </ul>	<ul style="list-style-type: none"> <li>- absence of reminder of missions and objectives</li> <li>- absence of information on expenditure and revenue</li> <li>- no information on the expenditure</li> </ul>
Road Fund	<ul style="list-style-type: none"> <li>- reminder of missions only one of which is executed at 100% at the sum of 55 000 000 000 allocated by the finance law that served expenditure of 22 columns in running and 5 in investment including a summary table</li> </ul>	<ul style="list-style-type: none"> <li>- absence of the said reminder, only the allocation of the final law is indicated</li> <li>- no information on the execution of expenditure</li> </ul>
Special Appropriation Account for the development of social activity	<ul style="list-style-type: none"> <li>- reminder of missions</li> <li>- indication of the initial allocation of 200 000 000 that served in the financing of 4 columns in investment and ... columns in expenditure</li> </ul>	<p>missions not recalled indication of the allocation of the sum of 200 000 000 that financed the investment and functioning</p> <p>not detailed in columns in figures as in 2013</p>

The trend started in 2013 in improving the presentation of the settlement bill was not maintained in the settlement bill of the 2014 financial year for the above-mentioned accounts.

### 2.5.3. Sufficiently informed Special Appropriation Accounts

They include:

- special Telecommunications Fund ;
- special Appropriation Account for the production of secure transport documents ;
- royalties paid by autonomous ports to the National Ports Authority ;
- special Appropriation Account for support to the tourism sector ;
- special Appropriation Account for the development of the forest sector ;
- special Appropriation Account for support to cultural policy.

On the other hand, the trend that started in 2013 in the presentation of the settlement bill was reinforced in 2014 for the under-mentioned accounts.

Basically, the observations made on the Appropriation Accounts include:

- the absence of assigned revenue;
- absence of direct link between revenue and spending in some Appropriation Accounts;
- the inaccuracy of the information provided;

- exceeding the ceilings of revenue and expenditure;
- the destination of surplus revenue;
- granting of subsidies without any legal basis;
- payments for bonuses and wages etc;
- the cash balance from Appropriation Accounts not carried forward.

#### 2.5.4. Absence of allocated revenue

In violation of section 26 (1) of Law No. 2007/006 of 26 December 2007 relating to the Fiscal Regime of the State which provides that “*Special Appropriation Accounts shall show, under conditions provided for in a finance law, budgetary transactions financed by special revenues which are by nature directly related to the expense concerned*”, the Special Appropriation Accounts hereunder were exclusively furnished by State subsidies:

N°	Account title	Amount of allocation
1	Support Fund for victims of disasters and natural calamities	1 500 000 000
2	Modernization of research in State universities	9 600 000 000
3	Special Telecommunications Fund	38 359 789 535
4	Development of the Postal Sector	200 000 000

#### 2.5.5. Absence of direct link between revenues and expenditure of certain Special Appropriation Accounts

Examination of expenditure of Appropriation Accounts for the 2014 financial year shows expenses that have no direct connection with the subject for which the assigned revenues were intended. These are:

- Sovereignty expenses ;
- Representation and entertainment expenses ;
- Allowances of authorizing officer ;
- Sundry bonuses ;
- Expenses for election of Miss ;
- Duty allowances ;
- Fees of colloquia and seminars ...

Title	Revenue	Expenditure provided	Expenditure without link to revenue
<b>Special Account for cultural activity</b>	<ul style="list-style-type: none"> <li>- Subsidy for functioning paid by the State</li> <li>- Other revenue</li> </ul>	<ul style="list-style-type: none"> <li>- Office supplies</li> <li>- Subsidy paid literature, musical art , audio-visual art, graphic and plastic art</li> </ul>	<ul style="list-style-type: none"> <li>- Representation and entertainment expenses</li> <li>- benefits paid to authorizing officer</li> </ul>

<b>Special Account for support of tourism</b>	<ul style="list-style-type: none"> <li>- Sundry fines</li> <li>- Penalties for delay</li> <li>- Concession</li> <li>- Rental for urban built and unbuilt</li> </ul>	<ul style="list-style-type: none"> <li>- Promotion of tourism</li> <li>- Sundry fairs and festivals</li> </ul>	<ul style="list-style-type: none"> <li>- Sovereignty expenses</li> <li>- Sundry bonuses</li> <li>- Costs of election of Miss</li> </ul>
<b>Special Forest Development Fund</b>	<ul style="list-style-type: none"> <li>- Subsidy for functioning paid by the State</li> <li>- Proceeds from technical services</li> <li>- Other proceeds</li> </ul>	<ul style="list-style-type: none"> <li>- Support to the planting of fruit trees</li> <li>- Support to the maintenance of forest plantations</li> </ul>	<ul style="list-style-type: none"> <li>- Duty allowance</li> <li>- Costs of colloquia and seminars</li> </ul>

In violation of the aforementioned law, Appropriation Accounts opened by the finance law for the 2014 financial year have borne expenses not directly related to the purpose of the said account.

### 2.5.6. Inexact information communicated in certain accounts

The Appropriation Account to finance projects for sustainable development projects of water and sanitation indicates the execution using self-generated revenues of 271 346 092 CFA francs out of estimates of 500 million CFA francs; with regard to other revenue whose forecasts show zero (0), one curiously finds accomplishments of 169,798,187 CFA francs and a zero rate of implementation.

### 2.5.7. Overruns of revenue and expenditure ceilings of certain accounts

The finance law set the ceiling of resources allocated to the provision of appropriation accounts for the 2014 financial year. Out of 13 accounts, 10 are in excess as shown in the table below:

N°	Special Appropriation Account	Initial allocation	Revenue collected	Overrun
1.	Special Appropriation Account for the Regulation of Public Contracts	8 000 000 000	9 014 172 741	1 011 172 741
2.	Special Appropriation Account for support to Cultural Policy	1 000 000 000	1 002 062 528	2 062 528
3.	Special Appropriation Account for Modernization of Research in State Universities	9 600 000 000	10 000 000 000	400 000 000
4.	Special Appropriation Account for the promotion and Development of Tourism	1 000 000 000	1 328 100 773	328 100 773
5.	Seed Fund	1 000 000 000	1 131 610 062	131 610 062
6.	Forestry Development Fund	2 000 000 000	3 067 812 615	1 067 812 615
7.	Special Appropriation Account for the Development of Telecommunications	10 000 000 000	38 359 789 535	28 359 789 535

8.	Special Appropriation Account for the Development of the Postal Sector	200 000 000	241 906 000	41 906 000
9.	Special Appropriation Account for the production of secure transport documents	3 500 000 000	4 014 721 383	514 721 383
10.	Royalties paid autonomous ports to the National Ports Authority	2 100 000 000	2 723 644 047	623 644 047
Total		38 400 000 000	68 160 175 637	30 371 397 007

### 2.5.8. Carry-over of surplus revenue

The law on the Fiscal Regime of the State prescribes in its section 32(3) that "*except otherwise specified in 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.*"

It is a fact that the surplus revenue over expenditure of the 2013 financial year were not carried forward to the 2014 financial year under consideration.

### 2.5.9. Subsidies allocated to special appropriation accounts

Review of the 2014 settlement bill reveals that some appropriation accounts benefited from State subsidies.

These include:

- Support Fund for victims of disasters and natural calamities;
- Special Appropriation Account for the Modernization of Research in State universities;
- Special Appropriation Account for the promotion and Development of Tourism;
- Forestry Development Fund;
- Special Appropriation Account for support to Cultural Policy;
- Special Appropriation Account for the Development of the Postal Sector;
- Special Appropriation Account for the Regulation of Public Contracts;
- Special Appropriation Account for the Development of Telecommunications;
- Royalties paid by autonomous ports to the National Ports Authority.

That is to say nine (09) out of thirteen accounts meaning three accounts more since 2013.

Meanwhile, section 26 (2) of Law No. 2007/006 of 26 December 2007 relating to the Fiscal Regime of the State provides that: "*except otherwise provided for by a finance law, special accounts may not be subsidized from the general budget. ...*"

In this case, no finance law was voted to grant subsidies to these structures.

### **2.5.10. Differences between revenue and expenditure in special appropriation accounts in the 2014 settlement bill**

Examination of the settlement bill of the financial year reveals a narrowing of the difference between revenues earned and expenses carried out in the budgets of appropriation accounts.

Except for the "Support Fund for victims of natural disasters and calamities" and the special account for the "Regulation of Public Contracts" for which the revenues were realized at 75 % and 16.82 % and expenditure at 16 % and 31.22 %, all other appropriation accounts experienced a completion rate above 70 %.

This is the case with:

- the Special Appropriation Account for the Modernization of Research in State universities which witnessed a realization rate of 71.43 % in revenue and expenditure;
- the Special Appropriation Account for Support to Tourism which realized an execution rate of 106.25 in revenue and 79.43 % in expenditure;
- the Seed Fund whose budget was executed at 101.51 % in revenue and 74.95 % in expenditure;
- the Forest Development Fund with realization of 100 % in revenue and 83.74 % in expenditure;
- the Road Fund with 100 % in revenue and 89.98 % in expenditure.

### **2.5.11. Payment of salaries and benefits from Special Appropriation Accounts**

The special appropriation accounts concerned are the following:

- the Special Appropriation Account for support to Cultural Policy;
- the Special Appropriation Account for the promotion and Development of Tourism;
- the Seed Fund;
- the Forestry Development Fund;
- the Special Appropriation Account for the Development of Telecommunications;
- the Special Appropriation Account for the production of secure transport documents;
- the Royalties paid by autonomous ports to the National Ports.

<b>N°</b>	<b>Special Appropriation Account</b>	<b>Nature of expenditure</b>	<b>Amount</b>
1.	Special Appropriation Account for	Sundry bonuses	17 460 000

	support to Cultural Policy	Remuneration of support staff	6 514 275
		Other expenditure on personnel	63 395 000
2.	Special Appropriation Account for the promotion and Development of Tourism	Salaries of hostesses at airports and train stations	16 225 000
		Sundry bonuses and holding of commissions	25 000 000
		Fees of supervisors	3 000 000
3.	Seed Fund	Mission allowances	23 380 000
4.	Forest Development Fund	Duty allowances	13 800 000
		Mission allowances abroad	279 793
		Mission allowances in the country	288 938 750
		Bonuses and gratuities	10 000 000
5.	Special Appropriation Account for the Development of Telecommunications	Allowances for mission in the country	84 855 000
		Allowances for missions abroad	34 937 000
		Specific allowances (allowances as committee members)	534 258 000
		Special duty allowances	20 000 000
		Output bonuses (salaries) personnel	117 910 000
6.	Special Appropriation Account for the production of secure transport documents	Bonuses for merchant marine experts	8 750 000
		Output bonus for recovery	50 000 000
7.	Royalties paid by autonomous ports to the National Ports Authority	Benefits to members	4 850 000
		Benefits for members of the committee to prepare financial statements (management accounts, stores accounts, administrative account, report of execution of budgets and performance...)	13 975 000
		Allowances for committee members	14 125 000
		Other management costs of the Committee for the Homologation of rates	6 550 000
		Bonus for personnel on the report of the national ports situation	3 000 000
		Allowances of budget preparation committee	20 075 000
		Missions	68 057 780
		Gratuities and sundry bonuses	541 954 106

	Costs of temporary personnel	836 132
	Benefits for the authorizing officer	694 996
	Monthly allowances of chairman of NPA board	36 000 000
	Benefits for members of Board of Directors	30 600 000
	<b>Total</b>	<b>2 059 420 832</b>

Once again, it is established that salaries, benefits, allowances and bonuses of any kind were paid in violation of section 32 (1) of Law No. 2007/006 of 26 December 2007 relating to the Fiscal Regime of the State which affirms that *"It shall be forbidden to charge directly to a special account any expenditure resulting from payment of wages, salaries and sundry entitlements."*

For all these dysfunctions observed in the management of special accounts, the Ministry of Finance informs that it has set up a Working Group with the aim of making the functioning of special accounts regular with the effects expected in future budgets and settlement laws.

#### **2.5.12. Total balance of Special Appropriation Accounts**

Out of a total allocation of 95.9 billion CFA francs for the thirteen (13) special accounts for the 2014 financial year, revenues were realized in the amount of 127 824 963 961 CFA francs while expenditures were executed amounting to 106 745 650 664 CFA francs, a surplus of 21,079,313,297 CFA francs which was neither carried over nor integrated into the overall result in accordance with section 32 (3) of law No. 2007/006 of 26 December 2007.

The table below shows the trend in consumption of allocations of special accounts during the past four (4) years:

Financial year	Revenue collection	Execution of expenditure	Surplus	Consumption rate %
2011	87 700 000000	67 665 056 818	17 053 979 498	77.15
2012	93 300 000 000	26 516 916 756	66 636 124 231	28.43
2013	95 300 000 000	53 773 901 895	40 383 894 325	56.43
2014	95 900 000 000	127 824 963 961	21 079 313 297	133.29

The Ministry of Finance indicates that reforms are under way for the integration of this surplus in the overall result when the budget balance of the State will actually consist of the balance of the general budget, special accounts and possibly annex budgets.

### **2.5.13. Production of management accounts**

Management accounts of certain special accounts were not submitted to the financial jurisdiction.

For the Ministry of Finance, the special appropriation accounts are not institutional units outside the budget heads on which they depend.

The Audit Bench recalls the obligation of rendering account to which all structures that manage public funds are bound in accordance with the provisions of section 41 of the Constitution and those of section 8 of Law No. 2003/005 of 21 April 2003 relating to the jurisdiction, organization and functioning of the Audit Bench of the Supreme Court.

### **3. Examination of annual performance reports of government structures**

Pursuant to the provisions of section 39 (c) of Law No.2006/016 of 29 December 2006 relating to the organization and functioning of the Supreme Court, the Audit Bench shall "*give its opinion on settlement bills presented to Parliament*". These settlement bills, in accordance with section 22 (3) of the Fiscal Regime of the State must "*be accompanied by annual performance reports of government services prepared by principal authorizing officers*".

Following the transmission of the settlement bill of the 2014 financial year to the Audit Bench, the Ministry of Finance made available to the financial jurisdiction dated 22 October 2015 thirty-eight (38) annual performance reports (APR).

It should be recalled that the budget for the 2014 financial year, just like that of 2013, had to comply in all its phases, from preparation to execution, with the provisions of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State whose entry into full force had been set for 1<sup>st</sup> January 2013.

Thus, the production of the settlement bill for the 2014 financial year, accompanied by the annual performance reports (APR) of government structures for the year falls within the continuity of the implementation of programme budgeting which became effective since 2013.

For the Audit Bench, examination of the settlement bill incorporates the analysis of annual performance reports annexed thereto and which are the reports of the execution of the State budget by programmes.

The analyzed annual performance reports concern heads: 6-8, 10-23, 25, 26, 28-33, 35-43, 45, 46 and 50. They include 133 programmes 96 of which are operational and 37 support programmes.

For the second experience of the programme budget, in terms of time requirements, the analysis of the Audit Bench is limited once again to findings accompanied by some recommendations on the following points:

- the form and content of annual performance reports;
- supports and operational programmes;
- links between programmes and missions of administrative structures;
- relevance of the objectives and indicators;
- programme execution results.

### **3.1. Form and content of annual performance reports**

The annual performance reports received by the Audit Bench are identical and are organized around the following points: explanatory statement, context of implementation of programmes, state of implementation of programmes, strategic assessment and prospects.

The explanatory statement situates the implementation of programme budgeting, including translation into practice of results-based management and parliamentary assessment of government performance in terms of budgetary authorizations.

Regarding the context of implementation of programmes, annual performance reports recall the strategic objective of each administrative structure and its field of intervention. They present the programmes developed by the administrative structure concerned for the accomplishment of its missions, before indicating key events that influenced the implementation of these programmes during the 2014 financial year.

The situation of implementation of programmes indicates the execution performance of programme budgets. The characteristic elements of each programme are first mentioned there, namely the objective, the indicators, the actions, the budgetary allocations, the programme manager; then the context of implementation of the said programme and its overall performance provide information about the technical results and the consumption of appropriations whose justification can provide lessons for the future.

Lastly, the structuring of each programme into different actions ensures assessment of the performance of achieving the objective of each of them by relying on attached indicators, allocated appropriations and the environment of implementation of the said actions.

Annual performance reports end with a proposed strategic balance sheet and prospects.

The strategic review is based on a financial and physical assessment of the implementation of the programme budget. This assessment highlights the projects or activities, deduces the overall achievement rate of indicators across programmes and states the execution rate of the operating and investment budgets.

The lessons learned from the implementation of the 2014 programme budget helps to set future directions, to introduce adjustments in the performance approach of administrative structures and more concretely in most annual performance reports, propose a performance template for administrative structures for 2015.

Upon analysis of the content of the annual performance reports, the Audit Bench found that programme managers are not always identified (Head 15 programmes 196-199) and/or their function is not always indicated (Head 18 programme 244). Moreover, in some heads, the different programme managers occupy the same function (e.g. Head 18 programmes 241, 242, 243 where officials are all the Technical Adviser No. 2; Head 7 where all programme managers are Director of Territorial Organization). In addition, several programmes have the same official (head 25 programmes 331 and 332).

The performance approach of administrative structures as presented in the programme budget for 2014 remains to be completed. The observations raised include :

- the relationship between the support and operational programmes ;
- the consistency between the programmes and missions of administrative structures ;
- the measurement of performance.

**3.2. Support and operational programmes**

From the analysis of the data in section twentieth of the finance law for the 2014 financial year, the provisions of sections 4 and 5 of the settlement bill and those in the available annual performance reports, the Audit Bench assessed the financial burden of operational and support programmes.

The table below shows in particular that of the total amount of authorized payment appropriations of 1 934 427 900 000 CFA francs, operational programmes account for 71 % and 29 % for support programmes.

It appears that operational programmes account for nearly three quarters of authorizations in payment appropriations.

The table below summarizes by category of programmes, the final allocations of commitment authorizations and payment appropriations as well as commitment authorizations and authorizations for payment of appropriations:

	Final allocations CA	Commitments CA	Final allocations PA	Authorizations CA	Authorizations (/PA%)
<b>Support programmes</b>	659 893,5	604 944,0	640 504,0	552 967,1	29

Operational programmes	1 497 102,3	1 240 963,8	1338 547,4	1 381 460,8	71
Total	2 156 995,8	1 845 907,8	1979 051,4	1 934 427,9	100

### 3.3. Relationship between programmes and missions of administrative structures

The Audit Bench verified that the structure of each programme can help identify a public policy conducted by the ministry or institution. It notes that generally, each framework programme matches the missions assigned to the entity to which it is attached with the exception of programmes 301, 302, 304 and 305 of head 23 (Ministry of Tourism and Leisure).

### 3.4. Relationship between actions and programmes

The Audit Bench notes:

- the inconsistency between the objective and activities of an action (e.g. Action 3 of programme 094 head 7: while the goal of the action is "allow stakeholders to respond effectively to disasters" the indicator being the "average emergency activation time in case of major disasters or hazards", the activity is curiously "the allocation of aid and relief to victims of accidents");
- the imprecision on the operational or support programmes (except for heads 7, 8, 13, 31 and 50);
- the lack of characteristics of indicators (title, target, baseline, target year, base year); case with programmes 256 and 257 of head 19 and 557, 559, 560 of head 42;
- the non-execution of budgeted actions (actions 7, 9 and 11 of programme 391 and 2 of programme 392).

### 3.5. Measuring performance

Regarding the instruments to measure performance, the reports generally include the objective of each programme and evaluation indicators retained for each, in accordance with section 8 of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State. The Audit Bench examined their relevance.

#### 3.5.1. Relevance in the definition of the target

Pursuant to the provisions of section 8 of the Fiscal Regime of the State which defines an objective as "*a result to be achieved in the implementation of a function, a programme or an action measurable by indicators*", the goal must be "**SMART**" that is to say **S**pecific (specific to a particular outcome), **M**asurable (measurable or observable) **A**chievable (motivating, controllable and usable), **R**ealistic (realistic and consistent) and **T**ime-bound (measured over time).

It was noted that objectives that have a link with the tasks assigned to the ministry or institution are associated to programmes received at the Audit Bench.

However, on reading the result of some programmes, it is noted that achieving the objective will depend on elements over which the designated manager does not have complete control. This is the case with programmes 421, 422 and 423 of head 32 (MINEE) for which realization could involve MINTP and MINEPAT.

### **3.5.2. Relevance in determining indicators**

Annual performance reports mention indicators to use to measure results of the execution of each programme for the period under review.

Section 8 of the Fiscal Regime of the State defines an indicator as *"a qualitative or quantitative variable that helps to measure outcomes in the realization of objectives"* As an objective, it must be **"SMART"**.

To be precise, in addition to the measurement unit, the indicator should have a target value understood as the level it should display after a given period (target year). It must indicate its value and its reference year and thus comprise a total of five (5) criteria.

The analysis of performance reports establishes that indicators related to some programmes do not include the 5 criteria. This is particularly true of programmes 199 of head 15 (MINEDUB), 256, 257 of head 19 (MINRESI), 288 of head 21 (MINCOMMERCE) 363 head 28 (MINEPDED) 391 head 30 (MINADER) 469 head 36 (MINTP), 526 and 530 of head 40 (MINSANTE), 557, 559 and 560 of head 42 (MINAS).

In addition to not being precise, some indicators do not measure the results. This is the case with programme 152 of head 12 (DGSN) whose objective is "to improve the performance of various services." The indicator selected "number of coordination and follow-up meetings" is unsuitable for the target. Certain indicators are irrelevant in the choice of the target value. This is the case with actions 1 and 6 of programme 095 head 7 (MINATD) for which the target value of the indicator overruns two (02) years before the target year.

### **3.5.3. Programme delivery Results**

In the implementation of programmes, annual performance reports distinguish between the overall performance of the programme from performances detailed in actions. An examination of this implementation of programmes allows the financial jurisdiction to make both technical and financial findings.

#### **3.5.3.1. Technical Results**

The Audit Bench found that:

- the rate of technical implementation is blank for some programmes actions;

- the rate of technical achievement is low while the rate of consumption of payment appropriations is high;
- the rate of technical implementation is not consistent with the technical result and the target value (action 6 of programme 09 and action 4 of programme 093; actions 9-11 of programme 717);
- the technical result obtained is above the target value at the end of the first year, which calls into question the choice of indicator (actions 1 and 6 of programme 095 head 7);
- the technical result obtained is in an inappropriate form for measuring the indicator (action 1 of programme 391 of head 30, all actions of programmes 182 and 183 of head 14);
- the technical result is not consistent with that indicated in the draft settlement bill as it appears in the Annexe (programs 110, 197, 198, 301, 302, 305, 136, 137, 138);
- some programmes with a high rate of technical result conceal a fairly low rate of technical implementation of some actions (actions 1-4 programme 452 of head 35).

### **3.5.3.2. Financial results**

In assessing the financial result of the programme, the Audit Bench relied primarily on the rate of use of payment appropriations and found out that:

- consumed payment appropriations are higher than the revised allocation (case with action 4 of programme 168 of head 13, etc.);
- the financial implementation rate is low (for actions 2 of programmes 391 and 394 of head 30 and 6 of programme 960 of head 33);
- payment appropriations used are greater in number than commitment authorizations in certain programmes, which should have been subject to the application of the provisions of section 53 of Law No. 2007/006 of 26 December 2007 on the Fiscal Regime of the State (case with programmes 092, 095, 138, 211-213, 715.716, 717, etc.);
- the financial results are not always consistent with the figures of the settlement bill (for programmes 256-259 of head 19).

### **3.6. Recommendations**

After reviewing the annual performance reports of the second year of programme budgets, the Audit Bench recommends:

- revision of some targets and indicators to make them more relevant;
- internal audit of all programmes;
- limiting the number of programme indicators to make them more efficient;

- transmission to the Audit Bench of performance drafts of administrative structures after promulgation of the finance law;
- bringing together actions of a programme that have the same objective;
- improving the quality of feasibility studies of programmes.

## CONCLUSION

The review of settlement bill of the 2014 financial year enabled the financial jurisdiction to make observations on both the form and the substance.

### On the form

All the documents to accompany the settlement bill of the 2014 financial year in accordance with sections 20 and 22 of Law No. 2007/006 of 26 December 2007 referred to above were not produced. The financial jurisdiction takes note of an improvement in the presentation of the settlement bill and its annexes.

However, the deadlines for transmission of the settlement bill of the 2014 financial year and particularly its annex "Annual Performance Reports of administrative structures" needs to be improved.

### On the substance

The finance law for the 2014 financial year, executed in a challenging environment characterized by falling oil prices and the security situation of the country was marked by high achievement rates in both revenue (102.20 %) and expenditure (98.95 %) and the outstanding public debt reached 103.03 % of revenue collected.

The State budget for the 2014 financial year, balanced at **3 312 000 000 000 CFA francs**, was realized in revenue at **3 384 712 924 408 CFA francs** and executed in expenditure at **3 277 297 620 024 CFA francs** that is to say an surplus budget balance of **107 403 383 502 CFA francs**.

However, the lack of adjustment of operations imputed on provisional accounts has an impact on the balance which, according to the Audit Bench, should be reduced to **79 925 213 201 CFA francs**. In addition, the under use of funds lodged in accounts 45 "deposits of administrative structures", whose balance amounts to 85 695 641 423 CFA francs on 31 December 2014 and the modification of appropriations without the production of statutory instruments violate the principles of yearly recurrence and payment for services rendered and pose a problem of budgetary discipline.

The Audit Bench takes note of the commitment made by the Minister of Finance to continue the reform of public finances and the internalization of CEMAC Directives for improving fiscal discipline and the quality of financial information of the State.

In the light of these considerations, the Audit Bench of the Supreme Court is of the opinion that Parliament should adopt the settlement bill of the 2014 financial year.

## **Section 2. Certification report of the General Account of the State for the 2014 financial year**

### **Introduction**

#### **1. Mission of the Audit Bench**

In accordance with the terms 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 account 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 account of the State.

*“Certification is a written and reasoned opinion which is formulated by an independent body, bearing full responsibility, on the accounts of an entity. It consists in collecting the elements necessary for the obtention of reasonable assurance on the compliance of financial statements, in all their important aspects, with a series of rules and principles”<sup>14</sup>*

It follows that the Audit Bench has as mission to ensure that the account submitted for certification is in compliance with the legal and regulatory provisions and that the financial statements are regular, fair and give an accurate image of the financial situation of the State.

The certification issued by the Bench aims at clarifying Parliament in charge of controlling the execution of the finance law. It is also meant for 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 finance laws.

#### **2. Audit methodology**

The Audit Bench carried out its audit within the ambit of the provisions of Law No. 2003/005 of 21 April 2003 to lay down the jurisdiction, organization and functioning of the Audit Bench of the Supreme Court and of Law No. 2006/016 of 29 December 2006 to fix the organization and functioning of the

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*Cour des Comptes* (French), Report on the certification of the accounts of the State, 2010 financial year, Documentation française, Paris, 2010.

Supreme Court and by referring to generally recognized international standards in issues of audit of public finance, notably ISSAI standards.

Three fundamental principles govern the organization and activity of the Audit Bench both with regard to the execution of its controls and enquiries and with regard to the redacting of its public reports or opinions: independence, contradiction and collegiality.

The institutional independence of the financial jurisdiction guarantees that all controls carried out and the conclusions reached are in total freedom of appreciation.

Contradiction implies that all facts and assessments resulting from a control, an enquiry 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 occurs to conclude the main stages of the control and publication procedures.

This applies to the act of certification of State accounts.

With regard to standards, those that are applied partially or fully here concern:

- **ISSAI 1200** *“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 accounts jurisdiction 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 administrative accounts of principal authorizing officers, the judge shall issue an opinion and a certification report on the general account of the State”.*

*(5) ... The opinion and report shall be forwarded to Parliament.”*

- ISSAI 1250 *“Consideration of Laws and Regulations in an Audit of Financial Statements”*. The Bench 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, the instruments giving jurisdiction to the Audit Bench,” and CEMAC Directives were taken into consideration.
- ISSAI 1300 *“Planning of Audit and Financial Statements” and distribution of tasks”* ;
- ISSAI 1520 *“Analytical Procedures”*

- ISSAI 1510 “*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 1710 “*Comparative information- Corresponding figures and Comparative financial Statements*“: the production of data of the 2013 financial year carried forward into the general accounts of the State for the 2014 ensured comparative analysis from one financial year to another.
- ISSAI 1700 “*Forming an opinion and reporting on financial statements*“: an interim certification report is produced and submitted for contradiction by the Minister of Finance. The final report is forwarded to Parliament as provided for by the decree referred to above.

It should be noted that within the framework of the certification of the general accounts of the State for the 2014 financial year, the Audit Bench could not apply certain important standards in matters of audit. They notably include:

- ISSAI 1500 “*Audit evidence*“: the verification on documents could not be carried out because of the reduced deadlines of the certification mission this year. The Bench could therefore not collect conclusive elements on observations made on the financial statements especially;
- ISSAI 1505 “*External confirmations*“: uncertainties on the account “Equity Security” for example could not be dispelled in the absence of circularization;
- ISSAI 300 Operations were correctly committed, cleared, paid and registered. That paid and registered expenditure operations correspond to those which were normally the subject of taking-over in compliance with the principle of the establishment of obligations and that revenue operations registered are those that have been cleared;
- ISSAI 1530 “*Audit sampling*“ was not performed for lack of time and preliminary exchange between the Ministry of Finance and the Audit Bench.

Certification is an annual mission which is the subject of continuous exchange with the government. This approach was not possible within the framework of the mission of this year for several reasons:

- application of accrual accounting yet to be completed;
- *experimental* nature of the general account of the State;
- non-respect of deadlines for the production of the general account of the State; its late submission does not give the jurisdiction enough time to carry out verifications on documents on a sizeable sample, to establish and forward the certification report within the deadlines in compliance with the parliamentary calendar;

- terms for verification during execution of the interim budget by the Bench in order to assess the risks of material errors in the accounts, the effectiveness of internal control measures and the correct application of budgetary and accounting procedures, are not yet defined between the Audit Bench and the Ministry of Finance;
- limited material and financial resources.

Considered within the context of this methodology, the certification of the general account of the State for the 2014 financial year leads the Audit Bench to make observations with regard to the form and the substance and to give its opinion on the said general account.

## 1. ON THE FORM

### 1.1. Jurisdiction of the Audit Bench to certify the general account of the State of the 2014 financial year

According to article 126 of Decree No. 2013/160 of 15 May 2013 supra,

*“(4) Based on the settlement bill and the administrative accounts of principal authorizing officers, the accounts judge shall give an opinion and issue a certification report on the general account of the State”.*

*“(5) ...the opinion and report shall be forwarded to Parliament.*

It should nonetheless be noted in article 128 of this decree that some of its provisions whose application is gradual shall be deferred up to the end of six years concern especially:

- the full application of rules and procedures resulting from the principle of establishment of rights and obligations as well as accrual accounting governing general accounting;
- the report of the accounts jurisdiction on the certification of accounts.

These provisions which are in accordance with article 111 of CEMAC Guideline No. 02/11-UEAC-190-CM-22 relating to the General Rules on public accounting to which their *“effective application could be differed up till the end of eight years”*. They give the impression that certification cannot be done fully on the general accounts of the State for the 2012 to 2018 financial years and that it will be required only for the general account of the State of the 2018 financial year.

However, section 63 of the Financial Regime of the State provides that: *“State financial accounting shall be based on the principle of the acknowledgement of rights and obligations in accordance with the general accounting plan...It shall be described in the general State account”*. In compliance with section 78 of the same text, these provisions are applicable from the 2012 financial year.

Thus, if the general account of the State for the 2014 financial year is due, its certification as well as that of the subsequent submitted accounts up till six years from the 2013 financial year, must take

account of the level of appropriation and application *«of rules and procedures resulting from the principle of establishment of rights and obligations as well as accrual accounting governing general accounting»*.

Subject to this reservation, the Audit Bench, just like in the two previous years, can perform its mission of certification of the general account of the State for the 2014 financial year. This certification is done within the context of a constructive measure of accompanying the gradual implementation of the reform of accounting and management of public finance.

## **1.2. Transmission deadline of the general account of the State for the 2014 financial year**

By correspondence No. 113/L/MINFI/SG/DGTFCM/DCP/SDRBEC of 13 October 2015, the Minister of Finance on transmitted to the President of the Audit Bench for opinion on the settlement bill for the 2014 financial year. This bill was accompanied by the general account of the State in accordance with the provisions of article 126(3) of the decree 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.”*

These provisions indicate that the deadlines for the transmission of the general account of the State to the financial jurisdiction are linked to those for the production of the settlement bill.

According to section 21 of 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”*.

Moreover, *“State accounts... shall be produced at the Audit Bench not later than three (3) months after the end of the supplementary period of the financial year ...<sup>15</sup>, “whose time-limit shall be 28 February of the year”<sup>16</sup>.*

It follows that the general account of the State must be transmitted to the Audit Bench from 1st July in order to let the jurisdiction carry out certification before the date of presentation to Parliament of the settlement bill set for 30 September.

The above dates were not respected. This referral was not done within the set deadlines.

*The Minister of Finance takes note of this situation and indicates that more efforts will be made in the future to respect the deadlines for the submission of the settlement bill at the Audit bench and transmission to Parliament.*

The Audit Bench duly takes note of this commitment by the Ministry of Finance to respect the deadlines for submission of the settlement bill to the financial jurisdiction.

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<sup>15</sup> Article 26 of Decree No. 2013/160 of 15 May 2013 *supra*.

<sup>16</sup> Section 62(3) of Law No. 2007/006 of 26 December 2007 relating to the Fiscal Regime of the State.

### 1.3. Content of the general account of the State for the 2014 financial year

Decree No. 2013/160 of 15 May 2013 supra provides in its article 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 supplements these provisions:

“*The general State account shall include:*

- *the account balance;*
- *the balance sheet;*
- *Income statement;*
- *summary statement of budgetary execution for revenues;*
- *summary statement of budgetary execution for expenditure;*
- *statement of accounts of correspondents;*
- *cash flow table.*”

The general account of the State reached the Audit Bench under the following composition of Annex V of the settlement bill:

- the trial balance of accounts for the 2014 financial year;
- the provisional balance sheet on 31 December 2014;
- the income statement on 31 December 2014;
- the cash flow table on 31 December 2014.

The annexed statement is replaced by explanatory notes at the end of the last three statements.

Moreover, the summary statements of the execution of budgetary revenue and expenditure rather appear in sections 1-3 of this settlement bill and in Annexes I to III of this bill.

In place of the statements of the corresponding accounts, there is a summary table of “*commitments to be honoured by the Treasury for the benefit of sundry depositors and correspondents*”.

The general account of the State of the 2014 financial year, as transmitted by the Ministry of Finance to the Bench for certification, includes six (6) out of the seven (7) documents required. The seventh document, the situation of correspondent accounts, is replaced by a summary table that is blank on the identity of correspondents and depositors or their respective credit situation vis-à-vis the Treasury, that is, the amount of their assets.

*For the Ministry of Finance, it is a simple omission which it intends to remedy.*

The Audit Bench notes the fact that the Ministry of Finance is prepared to submit all the documents that accompany the settlement bill in the future.

**2. ON THE SUBSTANCE**

According to article 125 (3) of the decree of 15 May 2013 supra, “the accounts jurisdiction 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 verifies that the principles which govern the preparation of the said statements are respected.

On the general accounts of the State for the 2014 financial year, the financial jurisdiction noted the same shortcomings that it had noticed in the general account of the State for the 2013, especially on :

- the non respect of accounting principles and rules ;
- the balance sheet ;
- the income statement ;
- the cash flow table.

Notwithstanding some adjustments made in certain classes of accounts, the same observations are made on the account of the 2014 financial year.

**2.1. Non-respect of accounting principles and rules**

**2.1.1. Carry-forward of the trial balance of accounts of the 2014 financial year**

Examination of the trial balance of accounts of the 2013 financial year had particularly revealed for property accounts and those of class 3 that opening balances did not correspond to closing balances of the 2012 financial year.

This inconsistency persists with the general account of the State for the 2014 financial year as indicated in the table below.

- **Case of property accounts**

Accounts	Fixed assets	Closing balance 2013	Opening balance 2014
		Balance in debit	Opening balance in debit
20	Fixed assets	99 182 493 218	0

21	Building lands	3 698 229 335	0
22	Buildings, equipment and furniture	419 917 080 720	0
23	Real counterpart expenditure	69 348 087 416	0
26	Equity security	40 654 999 321	0
27	Non distributed investment expenditure	15 213 214 308	0
28	Capital transfers	117 019 749 380	0
	<b>Total</b>	<b>765 033 853 698</b>	<b>0</b>

At the close of the 2013 financial year, the assets in the trial balance of accounts showed a debit balance of 765 033 853 698 CFA francs. This balance was not carried forward to the opening balance of the 2014 financial year.

- **Case of class 3 accounts**

Accounts and item	2013 Closing balance		2014 Closing balance		Observations
	Debit balance	Credit balance	Debit balance	Credit balance	
35 New carry forward (Transitional measures) )	1 625 895 542		1 736 743 312		Report infidèle
390000 Difference on the opening balance	889 462 228 122		6 379 577 880 222		Report infidèle
39020 Cancellations of unjustified entries	25 005 565		340 869		Report infidèle
39030/ Repeat of opening balance HIPC /IADM	2 144 126 645		0		Report infidèle
39031 Exceptional repeat BEC below PP	4 688 860 947		4 786 669 178		Report infidèle
Total	897 945 916 821		6 386 101 633 581		

The Class 3 accounts above indicates a cumulative negative balance of 897 945 916 821 CFA francs in the closing balance of 2013. The cumulative balance of the same accounts appears a debit of 6 386 101 633 581 CFA francs on the opening balance of the 2014 financial year.

This inconsistency is as a result of the inaccurate carry-forward of closing balances of the 2013 financial year to the opening balance of the 2014 financial year as indicated in the table above. The creation in Class 3 of the account “39,000 difference on opening balance” which recorded a debit

balance 6 377 808 907 291 CFA francs in 2014, far from correcting these inconsistencies, further degrades the accuracy of the accounts.

Failure to carry forward into the opening balance of the 2014 financial year of closing balances of property accounts and of Class 3 accounts in the trial balance of the 2013 financial year is a violation of the principle of inviolability of the balance while it impairs the reliability of the overall balance.

(2) Moreover, just like the trial balance of the 2013 financial year, the examination of the different columns of the opening balance of the 2014 financial year shows that the columns Accumulated Debit and Accumulated Credit only provide information only on amounts in Debit and Credit transactions columns, regardless of the amounts in the columns of debit opening balance and credit opening balance. This is non-compliance with the arithmetic logic of establishing the trial balance of accounts, the latter which must show, for each account:

- the debit or credit balance at the beginning of the financial year ;
- accumulated debit and credit transactions of the period ;
- the debit or credit balance at the end of the period.<sup>17</sup>

The arithmetical logic of establishing the trial balance is not respected although it does not seem to affect the closing outcome, that is to say the new balance.

*The Ministry of Finance has taken note and states that all this is due to computer malfunctions that occurred in the last processing of the balance.*

The Audit Bench takes note of these explanations by the Ministry of Finance.

## 2.1.2. Abnormal closing balances of balance of the accounts

The allocation accounts summarized in the table below recorded abnormal balances on 31 December 2013 in violation of Instruction No.13/001/MINFI/SG/DGTCFM/DT/CLC of 1 January 2013 to fix the nomenclature of Treasury accounts applicable from 1 January 2013.

### ▪ Balances abnormally in debit but actually in credit

N°	Head	Item	Balance in debit in 2014
1	1603	Debts of more than two years owed by domestic public enterprises	5 558 358 462
2	3862	Clearance of movement of funds	669 154 477 784
3	404904	Pending requested transfers (purchase orders) 2004	518 695
4	4504083	Deposit CAB/PR Logistics Department Unity Palace	57 398 715
5	4505	Deposits by gov't structures	52.640.181
6	460102	Salaries Debt-Repayment matured bonds 2002	15 500.000

<sup>17</sup> Article 24 of Guideline No.03/11-UEAC-195-CM-22 relating to the Accounting Standard of the State.

7	460103	Salaries Debt-Repayment matured bonds 2003	12.300.000
8	460104	Salaries Debt-Repayment matured bonds 2004	34 495 000
9	460105	Salaries Debt-Repayment matured bonds 2005	67 700.000
10	460113	Salaries Debt-Repayment matured bonds 2013	900.000
11	460202	Salaries Debt-Repayment of interest 2002	310 000
12	460203	Salaries Debt-Repayment of interest 2003	386.000
13	460204	Salaries Debt-Repayment of interest 2004	1 210 000
14	460205	Salaries Debt-Repayment of interest 2005	3.385.000
15	460212	Salaries Debt-Repayment of interest 2012	1.470.000
16	460213	Salaries Debt-Repayment of interest 2013	27.000
17	470101	National Social Insurance Fund	270 272 157
18	470420	Securities by accountants	339 327 581
19	470521	Chamber of Commerce	497 753 607
20	470522	Chamber of Agriculture	192 579 160
21	470536	National Employment Fund	4 950 035 059
22	470540	FEICOM	81 092 220
23	470568	Bonus from proceed of export tax to be distributed	410 179 915
24	480014	Automobile stamp duty to be distributed	307 080 475

▪ **Balances abnormally in credit but actually in debit or nil**

N°	Head . 2014 FY	Item	Credit balance	Head 2013 FY.
1	3610	Current account of Revenue Services	37.800	Idem
2	471101106	Deficits/debits public accountants 2006	7 023 408	
3	47120107	Advances on computerized balances 2007	48 485 589 204	
4	47120206	Advances on pensions (30 %) 2006	587 653 115	
5		Advances on pensions (30 %) 2006	10 814 426 957	
6	512004	Advance car loans civil servants	110 761 194	Idem
7	51241	Escrow account -debt	187 739 648 565	5604002
8	51242	Special account Road Fund BEAC	72 689 788 660	5604003

▪ **Accounts abnormally in credit or debit but obligatorily nil**

Account No.	Item	
5811	Movements of funds between accountants (TPG towards attached stations)	82 625 000 000 (SC)
5841	Movements of funds between accountants	3 591 960 (SC)
5851	Internal movement of funds	191 559 556 (SC)

5812	Movements of funds TPG towards stations	296 175 360 868 (SD)
5821	Movements of funds between accountants	169 674 884 (SD)

In 2014, certain account balances that recorded abnormal balances in 2013 were adjusted. This partial adjustment still reflects an imperfect implementation of the principles and rules of registration and processing of accounting transactions in the preparation of the trial balance which is a component of the general account of the State.

These shortcomings in the keeping of the trial balance of accounts does not allow the Audit Bench to rule on the completeness of accounting records (carry-over of closing balances), their reliability (abnormal balances) and therefore the accuracy of the financial position of the state on 31 December 2014.

The Ministry of Finance (Public Treasury) said they are committed to correcting anomalies that subsist since several financial years and the gradual modifications in order to enter into accrual accounting.

The Audit Bench has taken note.

### **2.1.3 Carry-forward of balances of the trial balance to the financial statements**

According to article 112 (3) of decree No. 2013/160 of 15 May 2013 supra, “*rules applicable to general State accounting are based on internationally recognized accounting principles. They must ensure the production of a general account of the State which includes the trial balance of accounts and financial statements ...*”

The trial balance of accounts is an exhaustive and obligatory summary statement established from all the accounts and highlighting for each of them the total amounts of debits and credits and the balance which can be in debit, in credit or nil. It also helps at the end of the financial year, to establish the income statement and the balance sheet and to verify, for example, if the total of debit balances of items on the balance sheet minus the total of credit balances is equal to the result which is also equal to the difference between the credit and debit balances of the income and expenditure accounts.

- **Carry-forward into the balance sheet**

Inconsistencies were noted in the general account of the State for the 2013 financial year in the carry-forward of certain balances into the balance sheet. The same inconsistencies reappear in 2014. This makes it difficult to justify the differences between the balances of property accounts in the trial balance and balances of the same accounts entered in the balance sheet as shown in the table below.

In billions of CFA francs

Account	Item	Balance 2014	Amount in balance sheet 2014
20	Fixed assets	42 ,296	459,4
21/22/	Fixed assets	422,062	3 119,9
Accounts 23/26/27/28	Fixed assets	283,976	1 637,5

Upon examination, it seems only the movements of the period were recorded in the balance and the correspondent accounts of the balance sheet at 31 December 2014 were reconstructed in an extra accounting manner through inclusion of fixed assets for the 2003 to 2013 financial years. This is not likely to give a reliable value of this component of the State's assets.

Non-respect of the relationships between the balances of the trial balance and those as of the balance sheet in 2013 led to inconsistencies of entries in the balance sheet at 31 December 2014.

- **Carry-forward into the income statement**

The balance of State expenditure as recorded in the trial balance of the 2014 financial year stands at 2 092 423 341 517 CFA francs and that of revenues at 2 983 820 184 227 CFA francs. This shows a surplus of 891 396 842 710 CFA francs.

These balances do not seem to have been properly entered into the income statement. Indeed, the balance of operations of the 2014 financial year in the income statement amounted to 891.3 billion CFA francs, which is a difference of about 200 million CFA francs. This is the logical consequence of the difference between the amounts of income and expenses in the balance as described above and their amounts in the balance sheet, respectively 2 092.1 billion CFA francs and 2 983.3 billion CFA francs.

## **2.2. Financial statements of the general account of the State of the 2014 financial year**

### **2.2.1. State assets**

State assets on the balance sheet at 31 December 2014 amounted to a gross amount of 5 216.8 billion CFA francs, that is an increase of 748.3 billion CFA francs compared to the 2013 financial year.

These assets include fixed assets (59.80 %) and financial assets (31.408 %).

- **Fixed assets and the problem of depreciation**

The amount of 3119.9 billion CFA francs does not reflect the value of fixed assets. This amount corresponds only to recorded assets between 2003 and 2014. In addition, the loss in value suffered by these assets over time is not taken into account.

The Ministry of Finance acknowledges these shortcomings and states that *"these assets should be considered with caution because they are not exhaustive ... In order to have more reliable data ... it is essential that a physical inventory and a valuation of all fixed assets of the State be carried out ... In addition, the total amount of 5 216.8 billion CFA F corresponds to the gross value and not the net worth which would normally result in amortization due to the depreciation of assets acquired over time... "*

It appears that there is urgency in implementing accrual accounting so as to culminate in the establishment of a comprehensive table of assets and to enter depreciation accounting for more fairness in the evaluation of State assets.

Furthermore, the overall increase in fixed assets of 748.3 billion FCFA is in discordance with the value of *"capital expenditures"* recorded in the cash flow table under "net cash flows from investing activities" for an amount of 566.0 billion CFA francs. Both amounts should not be different.

The lack of completeness of assets and lack of information about their depreciation does not allow for an accurate picture of the financial situation of the State on 31 December 2014 and call into question the principle of equilibrium of its balance sheet.

*For the Ministry of Finance, accrual accounting, which must be reflected in the balance sheet through accrual accounts, is a process that is ongoing at its level.*

The Audit Bench has taken note.

- **Financial assets**

Financial assets recorded in the State's balance sheet on 31 December 2014 at 1637.5 billion CFA francs fall into three categories:

- Capital on counterpart funds: 490.4 billion CFA F ;
- Equity securities and holdings: 208.6 billion CFA F ;
- Undistributed capital and capital transfers: 938.5 billion CFA F.

With particular reference to equity securities and holdings, out of 45 billion CFA F forecast, authorizations related to State holdings amounted to 44.330 billion CFA F including 25.274 billion FCFA in payments. These payments which are the effective holdings of the State in various companies during 2014 seem not to have been properly expressed either in the trial balance or in the balance sheet of the State on 31 December 2014.

Indeed, the account *"260 Investments in Public/Private Financial Institutions..."* shows debit operations of 20.604 billion CFA F corresponding to the increase in State equity securities and holdings in 2014.

This amount also corresponds to the change in this item in the balance sheets for 2013 and 2014. The financial statements should not have recorded 4.670 billion CFA F of equity securities and holding operations.

There is therefore inconsistency between the value of new State holdings in the trial balance and the balance sheet in 2014 on the one hand and the value of payments for the said holdings as presented in the settlement bill of the same year on the other hand.

In the absence of a statement of State holdings and the situation of new acquisitions, it is difficult to dispel the doubt on this inconsistency.

The uncertainties that affect the valuation of financial interests of the State do not allow the Audit Bench to make a pronouncement on the fairness of the financial statements of this class of assets.

To the Ministry of Finance, the assets and liabilities of the State are being identified in view of their evaluation within the context of the implementation of accrual accounting. Following the valuation of the said assets, it will be the subject of inclusion in the accounts.

The Audit Bench has taken note.

## **2.2.2. Circulating assets**

- **Debts**

Tax debts amounted to 1005.7 billion CFA F on 31 December 2014, an increase of 10.1 billion CFA francs compared to 2013.

- Tax debt represents 80.6 % or 810.5 billion CFA francs including:
  - Principal: 658 210 123 425 CFA francs;
  - Surcharge and prosecution costs: 148 099 360 670 CFA francs.

If the recording of such claims in various financial statements does not call for comment, the fact remains that these debts, the oldest dating back to 2010 pose at varying degrees the problem of their actual existence based on documentary evidence and their "recoverability". For this, the constitution of provisions to cover these risks would be justified.

In the current state of implementation of patrimonial accounting by the committee established by Memorandum No. 11/256/NS/MINFI/S4/DGTCFM/DT of 2 August 2011, the recognition of depreciation of debts and their provisioning are not made. This has a direct impact on the actual value of these assets.

The age of certain debts raises doubt on their veritable existence and uncertainty about their value as entered in the State's balance sheet on 31 December 2014.

*For the Ministry of Finance, this is justified by the non-extinguishment from the recovery notices and cross-debt agreements. The public Treasury is working on the follow-up to this issue. Missions and working groups are looking into the issue.*

The Audit Bench has taken note

- **Cash reserves – asset**

On 31 December 2014, cash reserves – State asset includes:

- Cash resources in bank ;
- Cash in hand ;
- Cheques and transfers to be cashed.

At this date, these financial resources showed a balance of 457.3 billion CFA francs against 681.7 billion CFA francs a year earlier, a decrease of nearly 295 billion CFA francs mainly due to erosion of bank resources.

But the evolution of these bank resources is uncertain since the structure of resources of accounts on 31 December 2014, according to the Minister of Finance, *"reveals a difference of 113.2 billion CFA francs between the trial balance of accounts and the situation established at year-end from bank statements and reports of close of cash desks"*.

The recording in the balance sheet of balances of cash resources is based generally on the results of year-end inventories, in this case, bank reconciliations and controls of funds. The amount of cash resources contained in cash assets in the balance sheet on 31 December 2014 as carry-over of the trial balance, different from that which results from the inventory work is thus questionable.

The recording in the balance sheet of an amount of bank resources and cash in hand higher than the balances in these accounts determined from the bank reconciliation and control of funds at year-end does not allow the Bench to make a pronouncement on the accuracy of the financial statements that give the cash position of the State on 31 December 2014.

- **Adjustment accounts**

The State's balance sheet on 31 December 2014 includes the two classes of adjustment accounts.

**(i) "4810 Adjustment Accounts - assets"**

This account includes expenditure to be adjusted, expenditures to be budgeted (legal fees), rejected expenses, bonuses on sales of stamps and miscellaneous debts.

The 4810 account recorded "*Expenditure to be adjusted*" from 2004-2014 of the amount of 170.2 billion CFA francs or 51.8 % of total *Adjustment account- Assets* in the balance sheet of the 2014 financial year.

As for the "*bonuses for sale of stamps*" in the amount of 158.1 billion CFA francs or 48.1 % of this category of adjustment account, they are included in the balance on subheads 481 213 and 48 132 respectively with debit balances of 3,104,206,414 CFA francs and 3,603,690,020 CFA francs, or a total balance of 6,707,896,434 CFA francs different from that entered in the balance sheet. This is probably a material error that should be corrected.

## **(ii) "580 adjustment accounts"**

Another weakness of the State's balance sheet on 31 December 2013 is the use of the adjustment account. If account "*4810 Adjustment account- Asset*" provided for by the State Accounting Standard is well informed with an indication of elements of circulating assets such as *Expenses to be adjusted, legal costs, rejected expenses, bonuses on the sale of stamps ...*, "*account 580 adjustment account*" in the asset after the block of the *Cash reserves Asset* giving an amount of 227.6 billion CFA francs in 2014 up from 47.9 billion CFA does not disclose its contents as had already been noted by the Audit Bench in 2013.

The inclusion of the second adjustment account in the State's balance sheet on 31 December 2014 and difficulties in justifying the balance of the said account in the trial balance contribute in the deterioration of the quality of financial statements.

### **• Inventory**

Data on inventory of State services are not recorded in the balance sheet at 31 December 2014. This situation is out of line with the accounting plan which reserves Class 3 for accounting for inventory transactions.

The Ministry of Finance explains this by the fact that "*... the State does not keep accounts of inventories.*"

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 signed by the Prime Minister, Head of Government, whose application is regularly prescribed by the circular on the implementation of finance laws.

The lack of accounting records relating to inventories weakens the structure of the State's balance sheet in that it does not include the operations of an important part of its assets. This balance sheet does not therefore identify all State assets and is not a fair presentation.

*For the Ministry of Finance, this state of affairs is justified by the progressive inclusion of patrimonial accounting in public Treasury habits. Improvements will follow with the implementation of the reforms.*

The Audit Bench has taken note.

### 2.2.3. Treasury correspondent accounts

Accounts 42, 45 and 470 trace inflows and outflows of deposits in the balance of Treasury correspondents. The balances of these movements matching the correspondent inflow balances entered in the balance sheet under the column Cash resources - Liabilities.

In the cash flow table, receipts and payments related to financing activities also record the movements on the same correspondent deposits.

Thus, the deposits made by correspondent's amount to 855.6 billion CFA francs against 786.5 billion CFA francs of withdrawals or a surplus of 69.1 billion CFA francs on those withdrawals.

Upon analysis, this surplus does not correspond with account balances tracing the "*... financial services carried out by the Public Treasury for the benefit of classical Treasury correspondents which are public administrative institutions, regional and local authorities, central services, individuals ...*". It is 994.4 billion CFA francs in the balance sheet of the State at 31 December 2014.

Subject to justification for the balance of deposits and withdrawals of Treasury correspondents in the cash flow table, these records are not consistent with the transactions underlying them.

*For the Ministry of Finance, the figure of 994 billion CFA francs in the balance sheet includes the opening balance. There cannot be equilibrium between the balance of the movements of the period and the final balance which must necessarily integrate previous ones.*

The Audit Bench has taken note.

### 2.2.4. The net situation

Article 26 of CEMAC Guideline No. 03/11-CAEU-195-LM-22 of 19 December 2011 relating to the State accounting standard provides that "*the table of net situation or balance sheet position presents the assets and liabilities of the State. It distinctly shows ... in liabilities: financial debts, non-financial debts (excluding cash), provisions for risks and expenditure, cash liabilities overdrafts and adjustment accounts liabilities*". Volume I of the instructional Guide of the Standard recalls to that effect that the format of the table of equity or balance sheet is a specificity that takes into account that the State has no equity.

The general account of the State for the 2013 financial year revealed inconsistencies in determining the net worth. These inconsistencies seem to increase with that of the 2014 financial year.

Indeed, the net equity at period end is accumulated carry-forwards from prior financial years with the results of operations for the current year. This equality is not confirmed in the State's balance sheet at

31 December 2014 due to a negative "carry-forward from previous years" that is - 1060.8 billion CFA francs is unjustified.

Uncertainties about the determination of the net equity in 2014 do not allow the Audit Bench to decide on the reliability of the equilibrium of the State's balance sheet at 31 December 2014.

*For the Ministry of Finance, the practice of patrimonial accounting is an experimental exercise for the Treasury. The latter cannot be perfect given the time allotted to it, despite the efforts being made in this direction. It should be noted that to date, the CEMAC Guidelines that set the framework have not yet been fully transposed.*

The Audit Bench has taken note.

### **2.2.5. Compensated revenue (Omission to account for compensated revenue)**

The balance of accounts 415 "customs revenues" is 195 244 522 289 CFA francs at 31 December 2014. This balance includes the amounts to be recovered before 2013 of 102 000 750 706 CFA francs. The same amount is included in the trial balance and in the balance sheet for the 2014 financial year for claims against third parties (*Account 415 customs revenues*) even though it was paid by compensation in accordance with regular agreements between the State of Cameroon and SONARA respectively represented by the MINFI and General Manager of the enterprise.

The non-recognition of revenue collected by compensation alters an amount equivalent to the financial situation of the State and shows the failure of the principle of completeness and therefore the accuracy of the general account of the State.

*The Ministry of Finance takes notes and indicates, however, that reforms are under way on the effective recognition of reciprocal debt conventions.*

The Audit Bench has taken note.

### **2.2.6. Income and expenditure during the 2014 financial year**

The income statement of the State at 31 December 2014 shows income in the amount of 2 983.3 billion CFA francs and expenditure of 2 092.1 billion CFA francs or an income surplus of 891.2 billion CFA francs.

Regarding this income, consideration of certain accounts reveals they have zero balances at 31 December 2014. These zero balances are justified even less as they relate to the categories of income that may be deemed profitable or at least important sources of revenue.

The rounding method used in the general account of the State (the billion CFA francs), which leads us to consider as nil the account balances of less than 500 million CFA francs partly justifies this

situation. It is therefore appropriate to question the completeness of records of operations relating to these income categories a sample of which is reflected in the table below.

**Table of accounts with nil revenue on 31 December 2014**

Account	Item	Balance	Observation
7105	Fees for examinations and competitive examinations	0,0	
7110	Medical and medico-legal certificates	0,0	
7115	Fees for establishment of driver's licence	0,0	
7120	Fees for issuance of taxpayer's card	0,0	
7122	Fees for passports and laissez-passer	0,0	
7123	Fees for indentify cards and residence permits	0,0	
7172	Services of military hospitals	0,0	
7181	Hospital admissions	0,0	
7185	Mortuaries	0,0	
7189	Road worthiness tests	0,0	
7191	Income from rented public buildings	0,0	
7192	Income from lodgings rented by civil servant and public employees	0,0	
7323	Taxes on insurance contracts	0,0	
7333	Fees fo setting up and merging of companies	0,0	
7338	Tax on games of chance and amusement	0,0	
7349	Transport licences	0,0	
7363	Customs duty on petroleum	0,0	
7375	Customs computer tax	0,0	
7384	Stamps on driving licences	0,0	
78385	Stamps of vehicle registration certificates	0,0	

In terms of expenses, cases of zero-balance accounts are also noted. This includes especially account 6718 *VAT Refunds*. This account which had a negative balance of 2.9 million CFA francs at 31 December 2013 appears to have had no operations in 2014. One wonders if it really reflects a total lack of VAT refund during this financial year.

In the absence of any information on the income and expenditure accounts mentioned above, the reliability of the balances of these accounts as recorded in the income statement of the State for the period from 1 January to 31 December 2014 remains questionable.

For the Ministry of Finance, *these revenues are now mostly collected and used directly by the user services. Others go into account 48 because they are not State revenue. The Ministry of Finance will suppress some of these accounts and improve monitoring for others.*

The Audit Bench has taken note of the commitment of the Minister of Finance to improve the situation of some of these accounts, but questions the regularity of revenue management directly used by collector services

### **2.2.7. Cash flow table**

The establishment of the cash flow table is not consistent with the income statement and balance sheet.

- **Cash flow table and income statement**

As the Audit Bench noted in its certification report on the general account of the State of the 2013 financial year, some recurrent expense accounts in the cash flow tables and the income statement recorded different amounts. Thus, intervention expenditure has an amount of 444.6 billion francs and that of financial expenditure of 127.6 billion CFA francs in the cash flow tables at 31 December 2014 while these amounts are respectively 386.3 billion CFA francs and 75.0 billion CFA francs in the income statement.

- **Cash flow and the balance sheet: Variation in State cash resources in 2014**

Similarly, the determination of the cash variation as entered in the cash flow table does not reflect accounting practice.

Cash resources consist of active elements and Cash-assets and Cash-liabilities. The cash flow table considered only the Cash-Assets to determine the cash variation. Furthermore, all cash components-assets such as "cheques and transfers to be cashed" were not considered.

To disregard "*funds deposited by correspondents and other third parties*", recorded in Cash-liability accounts in the management of State cash resources leads to an inaccurate assessment of the situation of the cash situation and its evolution over time.

By considering the cash-asset and cash-liability of the State on 31 December 2013 and 31 December 2014, the change in its net cash resources is 250.2 billion CFA francs against 295.4 billion CFA francs as contained in the cash flow tables.

The correct amounts of the cash flows being questioned, the Audit Bench cannot take a ruling on the real evolution of the State treasury between 2013 and 2014.

The Ministry of Finance attributed these shortcomings to the reforms and concludes that it is appropriate to expect that the normative framework relating thereto be established effectively.

The Audit Bench has taken note.

## **CONCLUSION**

### **ON THE FORM**

The time required for the Audit Bench to accomplish its mission of certification, dependent on production of the settlement bill and the general account of the State, is not likely to allow it to perform all the procedures of audit in accordance with applicable international standards. Moreover, all seven documents that constitute the general account of the State do not comply with the provisions of article 126 (2) of Decree No 2013/160 of 15 May 2013 referred to above. The summary table "*to honour commitments by the Treasury for the benefit of various depositors and correspondents*" produced in place of the situation of correspondent accounts does not provide information on the identity of correspondents and depositors or their creditor position vis-à-vis the Treasury.

### **ON THE SUBSTANCE**

In relation to the entry into force of Decree No 2013/160 of 15 May 2013 referred to above, article 128 provides as follows: "the provisions of this decree shall be immediately applicable, except for the following provisions whose gradual application shall be deferred until the end of a period of six (6) years:

- harmonizing programme budget mechanisms in Administrative Public Establishments and Regional and Local Authorities;
- full implementation of the rules and procedures arising from the principle of recognition of rights and obligations, as well as accrual accounting governing financial accounting;
- the implementation of cost accounting;
- the report of the audit jurisdiction on the certification of accounts.

As a result, the current certification of the general account of the State as well as its production in support of the settlement bill will be applicable only in 2019.

Already, patrimonial accounting which is the frame of reference for the production of the general account of the State is not implemented in all material aspects, such as inventory and evaluation of assets, constitution of depreciation and provisions on certain assets, carry-forwards of accrual account balances, accounting for revenue collected by compensation, lack of information on certain income and expenditure accounts.

All this limits the completeness of the accounting and does not help the verification of the accurate picture of the asset and financial situation of the State.

Also, the Audit Bench considers that:

- the production of the general account of the State for the financial year ending 31 December 2014 at the financial jurisdiction as prescribed by article 126 of Decree No. 2013/160 of 15 May 2013 relating to General Rules governing Public Accounting of the State contributes in the implementation of financial accounting ;
- this implementation is part of a process of the preparation of financial statements in conformity with generally accepted accounting principles in order to correct the shortcomings as identified by the Audit Bench and recognized by the Minister of Finance.

Under these conditions, the general account of the State for the 2014 financial year as produced does not lend itself to certification which, meanwhile, is not yet required.

**Section 3. Act No. 001/2015/CDC/CSC of 14 April 2015 relating to the certification of revenue reporting forms of the extractive sector for public structures and entities**

The Audit Bench of the Supreme Court of Cameroon, sitting in Chambers at its hearing of 14 April 2015 at 11 am in the ordinary hearing room at its headquarters in YAOUNDE, adopted the act of certification of revenue reporting forms of the extractive sector for the 2013 financial year for public structures and entities. This annual report contains excerpts.

**1- REFERRAL BY THE MINISTER OF FINANCE**

By letters Nos. 00845 and 001354/MINFI/ ITIE/CAB of 23 February and 27 March 2015 received and registered with the Central Mail and Liaison Service of the Audit Bench of the Supreme Court on 23 February 2015 and 30 March 2015 respectively the Minister for Finance, Chairman of the Extractive Industries Transparency Initiative Committee (EITI), referred to the President of the President of the said jurisdiction to request the certification of revenue reporting forms of the extractive sector of three administrative structures and entities within the framework of the conciliation of the 2013 financial year.

The first correspondence reads as follows:

“Dear Sir,

As you know, the EITI Committee recruited MOORE STEPHENS to carry out the conciliation of the 2012 and 2013 financial years. After the first phase which resulted in the publication on 29 December 2014 of the EITI report for 2012, the Conciliator has started the second phase of its mission since the beginning of the current month.

I wish to transmit to you herewith the provisional timetable for the conciliation of the 2013 financial year. In addition to the dates for future sessions of the Committee, please note the deadlines for the following activities:

Training workshop on the use of the reporting forms	Friday 13 March 2015
Transmission by the Technical Secretariat to the Independent Administrator of duly signed and certified reporting forms	Tuesday 07 April 2015

Just like previous conciliations, immediately after the training workshop for managers and focal points of entities within the conciliation scope on the filling of the reporting forms, the data collection phase will be launched. The duly signed and certified reporting forms of entities within the conciliation scope must be sent to the MOORE STEPHENS firm no later than 07 April 2015. For this purpose, each of the following administrations will send to you directly its reporting form, duly completed and signed by its manager for certification:

- The Directorate General of Taxes;
- The Directorate General of Customs;
- The Directorate General of the Treasury, Financial and Monetary Cooperation.

As you know, the Audit Bench is expected to produce a letter of confirmation that the audit of the accounts of the aforementioned structures has been carried out in accordance with international standards or generally accepted standards in Cameroon, which the Bench should indicate if they are consistent with international standards.

It should be noted that the settlement law for 2013 will also be forwarded to the conciliator.

I know you can count on your usual support and I thank you in advance.

Yours Sincerely  
Sgd: Minister of Finance”

**Attachment:** Estimated timetable for EITI conciliation for the 2013 financial year.

The second correspondence reads as follows:

*"Dear Sir,*

I wish to inform you that following the training workshop on filling the reporting forms, the deadline for the submission to the MOORE STEPHENS firm of the duly signed and certified aforementioned forms has been fixed and brought back from Tuesday 07 April 2015, as indicated in my correspondence No. 00845/MINFI/ITIE/CAB of 23 February 2015 to Friday 03 April 2015.

Thank you for your continued support.

Yours Sincerely  
Sgd: Minister of Finance”

Attachment Estimated timetable for EITI conciliation for 2013.

Following these two correspondences, the President of the Audit Bench by order No. 2015/01/CAB/CCDP/CSC/152 of 30 March 2015 designated the Masters of the Supreme Court KAMENI Peter FOU DA AMOMBO, FOU DA NKODO Achilles THEUMOUBE Philip NDJOM NACK Elie, ALIMA Jean Claude and OUMAROU Abdou, as Rapporteurs to ensure the consideration of the account certification file of the extractive sector for conciliation of 2013 financial year.

According to the Order, the team of Rapporteurs was assisted by Mrs EYINGA NLATE Evelyne Sandrine spouse of ENAM, EPIE EKUME Irene, DJOMO Lyna Kristelle, MEKOSA Jennet NJAMBE, N'KOO ABOH Justine and Messrs Achille Ntamag and TSALA AWONO Nestor, Audit Assistants.

Mrs NJOWIR Mary YIBEALA spouse of JIFON, Senior Registry Administrator took down the minutes. The Legal Department was represented by Mr. EBENE Daniel, Advocate General.

Examination of the revenue reporting forms of extractive industry of the public structures concerned with the scope of conciliation calls for observations with regard to the form and substance.

## **1. ON THE FORM**

### **1.1. Jurisdiction of the Audit Bench**

The jurisdiction of the Audit Bench is based on the Constitution<sup>18</sup>, Laws No. 2003/005 of 21 April 2003 and No. 2006/016 of 29 December 2006 respectively establishing the jurisdiction, the organization and functioning of the Audit Bench of the Supreme Court and the organization and functioning of the Supreme Court.

Indeed, in application of the aforementioned instruments, the Audit Bench is responsible *inter alia* for:

- controlling and ruling on public accounts and those of public and semi-public enterprises;
- giving its opinion on any matter referred to it in connection with the control and verification of accounts<sup>19</sup>.

In addition, pursuant to section 33(1) of Law No. 2003/005 of 21 April 2003 referred to above, "*the Audit Bench gives a final ruling on the accounts. The ruling on the accounts shall comprise two parts:*

- a) The first part shall certify the nature of the accounts, and any corrections shall be indicated;*
- b) The second part shall determine the regularity of the accounts, an accounting surplus or an accounting deficiency and where applicable indicate the respective periods when the operations were effectively carried out."*

Through all these prerogatives, it is competent to certify the revenue declaration forms of public structures and entities whose accounts it controls.

### **1.2. Admissibility of the request from the Minister of Finance**

The Minister of Finance, in his capacity as Chairman of the Extractive Industries Transparency Initiative (EITI) Committee, applied to the Audit Bench to certify the reporting forms of certain public entities for the 2013 financial year.

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<sup>18</sup> Section 41: The Audit Bench shall be competent to control and rule on public accounts, as well as those of public and semi-public enterprises.

It shall give final rulings on final judgments passed by lower audit courts;

Examine any other matters expressly devolving upon it by law

<sup>19</sup> Section 10 of Law No. 2003/005 of 21 April 2003 relating to the jurisdiction, organization and functioning of the Audit Bench.

In that capacity, the request is admissible.

### 1.3. Deadlines

After the training workshop for managers and focal points of entities from the conciliation scope on the filling of the reporting forms held on 13 March 2015, the duly signed and certified reporting forms of these entities had to be sent to the conciliator by 03 April 2015 in accordance with the aforementioned second correspondence of the Minister of Finance.

The said forms were sent to the Audit Bench on the following dates:

Serial No.	Structures	Date of deposit of forms	Observations
01	Directorate General of the Treasury, Financial Cooperation (DGTCFM)	30 March 2015	Letter No.15/00143/L/MINFI/SG/DGTCFM of 30 March 2015
02	Directorate General of Customs(DGD)	31 March 2015	Letter No. 2969/MINFI/DGD of 31 March 2015
03	Directorate General of Taxes (DGI)	07 April 2015	Letter No. 2308/MINFI/DG of 07 April 2015

Forms supplemented or modified as a result of the diligence of the Audit Bench were subsequently transmitted to the jurisdiction in paper form or by electronic mail and this until 07 April 2015.

It is important that the stated deadlines be respected, which is not the case so far.

### 1.4. Methodology adopted and due diligence carried out

The team of Rapporteurs carried out the mission in accordance with generally accepted international auditing standards, including the International Standards of Supreme Audit Institutions (ISSAI).

Thus:

- the letters of the Minister of Finance No. 00845 and 001354/MINFI/ITIE/CAB of 23 February and 27 March 2015 specifying the terms of the mission are in compliance with ISSAI 1210 on the agreement on the terms of audit engagements.
- the team of Rapporteurs documented both the EITI procedures and the instruments that regulate the different revenues involved in the certification in accordance with ISSAI 1250 on the considerations of laws and Regulations in an Audit of Financial Statements and ISSAI 1230 on audit documentation;
- the team leader planned and allocated tasks between the Rapporteurs as prescribed in ISSAI 1300; planning an Audit of Financial Statements
- the mission carried out an arithmetic check of the amounts of revenue reported on the reporting forms;

- the mission verified that the reporting forms are supported by a detailed statement of the payments with the references of the payment receipts or the orders of transfer to the Public Treasury account;
- finally, the figures on the reporting forms of the DGI, the DGD and the DGTFCM were compared with the data in the trial balance of accounts for the 2013 financial year used in drawing up the settlement law for the said financial year, the draft of which the Audit Bench issued Opinion No. 001/2014/CSC/CDC of 17 November 2014.

The adversarial principle has been respected in accordance with ISSAI standards 1260 and 1265: Numerous meetings and telephone and electronic communications took place between the team of Rapporteurs and the various administrators involved in the preparation of the reporting forms.

It should be pointed out that the mission did not carry out the circularization process, that is to say the external confirmation of the information falling within the competence of the conciliator. Likewise, it was unable to carry out all due diligence and certain cross-checks envisaged in the structures concerned due to the late communication of the reporting forms. As a result, ISSAI 1505 was not applied.

## 2. MERITS

The Audit Bench makes the following observations:

### 2.1. On the Reporting Forms of the Directorate General of Taxes (DGI)

The Directorate-General of Taxes submitted twenty-one (21) forms for the reporting of revenue paid during the 2013 financial year for a total amount of 225,523,864,560 CFA francs compared to 192,855,564,172 CFA francs for the 2012 financial year. Among these forms, six (06) concern mining companies and fifteen (15) petroleum and oil transport companies including a unilateral reporting form.

Two of these forms have a zero amount: PERENCO OIL & GAZ CAMEROON and DANA PETROLEUM.

### SUMMARY OF REPORTING OF REVENUE PAID INTO THE DGI IN 2013

Serial No.	Entreprise	Amount of reportings 2013 financial year	Including sub- National transfers	Payments without reference of receipts	
				Amount	Percentage
1	YANG CHANG LOGONE	85 449 413		56 451	0.066 %
2	MURPHY	12 754 500			
3	GLENCORE	1 142 844 009			

4	PERENCO RIO DEL REY	89 499 909 452			
5	ADDAX PETROLEUM CAMEROON LTD	2 284 827 933		86 625	0.004 %
6	PERENCO OIL & GAZ CAMEROON	0			
7	PERENCO CAMEROON	17 805 633 275			
8	KOSMOS ENERGY	1 771 300 948		132 492	0.007 %
9	NOBLE ENERGY CAMEROON	209 779 641		3 809 505	1.81 %
10	EUROIL LIMITED	112 787 397			
11	ADDAX PETROLEUM COMPANY	81 657 498 013			
12	COTCO	6 372 155 847	352 006 709		
13	SNH	23 974 070 621	1 291 586 284		
14	DANA PETROLEUM	0			
15	GAZ DU CAMEROUN	266 924 321		5 602 307	2.09 %
S/TOTAL		225 185 935 370	1 643 592 993		
16	GEOVIC	8 493 499	337 224		
17	CAM IRON SA	58 513 019	1 417 250		
18	ROCAGLIA	1 428 503	196 052		
19	DECLARATION UNILATERALE	53 011 838			
20	CIMENCAM	36 833 365	9 208 341		
21	RAZEL	37 190 290	9 297 572		
S/TOTAL		195 470 514	20 456 439		
GRAND TOTAL		225 523 864 560	1 664 049 432	9 687 380	0.004 %

Examination of the payment details attached to the DGI reporting forms made it possible to identify the absence of reference receipts for ten (10) payments totaling 9,687,380 CFA francs, that is, 0.004 % of the amounts reported in the forms.

In addition, the Audit Bench notes that, unlike the previous financial year, the amount of each report corresponds to the amount of the payment detail for each heading and for all companies.

## 2.2. On the Declaration Forms of the Directorate General of the Treasury, Financial and Monetary Cooperation (DGTCFM)

The Directorate General of the Treasury, Financial and Monetary Cooperation produced, for certification in 2013, nine (9) reporting forms for a total amount of 544,141,143,671 CFA francs against 536,094,401,405 CFA francs in 2012. These forms relate to:

- the petroleum royalties paid by the SNH into the single Treasury account and to the direct intervention expenditure;
- mining sector revenues paid by the companies included in the conciliation scope, namely: C & K MINING, CAM-IRON, CAPAM, CIMENCAM, GEOVIC, RAZEL and ROCAGLIA;

Mining revenues collected by the Treasury through intermediary revenue officials of mining revenues for "Other enterprises" which are not part of the conciliation scope.

The table below summarizes all the oil and mining revenues, subject to the reporting of the DGTFM for the 2013 financial year.

### SUMMARY TABLE OF REPORTING OF REVENUE PAID TO THE DGTCFM IN 2013

Enterprises	Amount of payments	Payments without receipt references	
		Amount	Percentage
SNH	542 907 469 390	0	0
C&K Mining	125 234 390	35 211 395	28.11 %
CIMENCAM	25 691 625	23 125 025	90 %
GEOVIC	0	0	0
RAZEL	4 700 000	4 700 000	100 %
ROCAGLIA	8 606 693	2 038 909	23.68 %
CAM IRON	2 443 500	2 443 500	100 %
CAPAM	7 408 024	0	0
Other companies	1 059 590 049	31 982 307	3.01 %
Total	544 141 143 671	99 501 136	0.018 %

The reporting forms for petroleum royalties paid by SNH to the State Treasury for direct and indirect transfers and dividends are supported by receipt references. These petroleum revenues amounted to 542,907,469,390 CFA francs for the 2013 financial year.

Indirect transfers represent the intervention expenses incurred by the SNH on behalf of the State.

The GEOVIC reporting form is nil.

Review of the payment details attached to the DGTFM reporting forms revealed the absence of receipt references for thirty-six (36) installments totaling 99,501,136 CFA francs. These payments relate to C & K MINING, CIMENCAM, RAZEL, ROCAGLIA, CAM IRON and "Other Companies"

#### DETAIL OF PAYMENTS BY DGTCFM WITHOUT RECEIPTS

COMPANY	MONTH	REVENUE	AMOUNT
C&K Mining	16/01/2013	Ad valorem tax	5 830 495
	28/02/2013	Fixed duty	50 000
	30/04/2013	Surface area royalty	403 000
	30/04/2013	Research permit	1 500 000
	30/04/2013	Research permit	750 000
	30/04/2013	Surface area royalty	564 000
	30/04/2013	Surface area royalty	11 812 500
	30/04/2013	Surface area royalty	500 000
	30/04/2013	Surface area royalty	1 500 000
	17/06/2013	Fixed duty	50 000
	31/07/2013	Fixed duty	50 000
	31/07/2013	Exploitation permit	12 151 400
	31/07/2013	Fixed duty	50 000
S/TOTAL			35 211 395
CIMENCAM		Ad valorem tax	22 125 025
	22/04/2013	Research permit	500 000
	18/06/2013	Research permit	500 000
S/ TOTAL			23 125 025
RAZEL	30/04/2013	Exploitation permit	200 000
	01/07/2013	Research permit	500 000
	31/07/2013	Renewal	1 500 000
	31/07/2013	Renewal	1 500 000
	31/07/2013	Exploitation permit	1 000 000
S/TOTAL			4 700 000
ROCAGLIA	22/08/2013	Ad valorem tax	137 895
	30/12/2013	Ad valorem tax	401 014
	15/03/2013	Extraction tax	1 500 000
S/TOTAL			2 038 909
CAM IRON	30/04/2013	Surface area royalty	1 958 500
	30/04/2013	Surface area royalty	485 000
S/TOTAL			2 443 500

OTHER COMPANIES	31/12/2013	Fixed duties and royalty	5 052 630
		Fixed duties and royalty	3 157 000
		Fixed duties and royalty	2 846 646
		Fixed duties and royalty	3 871 560
		Fixed duties and royalty	1 456 224
		Fixed duties and royalty	9 096 609
		Fixed duties and royalty	2 959 022
		Fixed duties and royalty	1 128 512
		Fixed duties and royalty	1 235 696
		Fixed duties and royalty	1 178 408
S/TOTAL			31 982 307
GRAND TOTAL			99 501 136

Generally, it should be pointed out that these mining revenues were paid into the Treasury Account 421 by the revenue intermediaries against total receipts. However, the system of accounting for the said revenues by the Treasury does not make it possible to find the references of the receipts per transaction.

### 2.3. On the reporting forms of the Directorate General of Customs (DGD)

The General Directorate of Customs produced for certification in 2013, twenty-six (26) reporting forms, of which seventeen (17) were for oil companies, seven (07) for mining companies, one (1) for quarry exploitation companies and one (1) unilateral reporting for a total amount of 37,280,085,428 CFA francs against 69,673,734,646 CFA francs in 2012..

Three of these reporting forms are nil: PERENCO OIL & GAS CAMER, DANA PETROLEUM CAM SARL, CAPAM HOLDING PLC.

The unilateral reports of the quarry companies amount to 1,641,317,329 CFA francs.

The table below summarizes the total oil and mineral revenues, subject of the DGD's declarations for the 2013 financial year.

Serial No.	Entities	Amounts of reports in 2013	Unjustified amounts
1	PERENCO RIO DEL REY	4 073 473 314	
2	PERENCO OIL & GAZ CAMER	0	
3	PERENCO CAMEROUN	1 440 718 025	
4	SOCIETE NATIONALE DES HYDROCARBURES	73 707 759	
5	ADDAX PETROL CAM COMPANY	1 515 415 140	
6	ADDAX PETROLUM CAM LTD	184 958 474	
7	NOBLE ENERGY CAM LTD (EDCUK)	3 354 086	

8	SOCIETE EUROIL LTD	23 286 593	
9	PECTEN CAMEROON COMPANY	195 500 699	
10	SOCIETE GLENCORE EXPLORATION	67 810 025	
11	CAMEROON OIL TRANSPORT CO (COTCO)	5 777 336 546	4 261 921 406
12	YAN CHANG LOGONE DEVELOPMENT C.	4 304 315	
13	SOCIETE KOSMOS ENERGY CAM.H.C	19 833 437	
14	MURPHY CAMEROON NTEM OIL CO LTD	8 916 580	
15	MURPHY CAMEROUN ELOMBO OIL CO LTD	111 676	
16	GAZ DU CAMEROUN	110 517 981	
17	DANA PETROLEUM CAM SARL	0	
18	GEOVIC CAMEROON SA	10 000	
19	C&K MINING INCORPORATED	33 278 257	
20	ROCAGLIA PIERRE HUBERT	1 286 895	
21	CAPAM HOLDING PLC	0	
22	CIMENCAM	10 415 588 733	
23	RAZEL CAMEROUN	2 246 008 627	
24	CAM IRON SA	4 309 670	
25	QUARRY EXPLOITATION COMPANIES	9 439 041 267	
26	UNILATERAL REPORTING	1 641 317 329	
TOTAL		37 280 085 428	

Concerning COTCO, it should be noted that the initial report of the DGD was 10,295,415,140 CFA francs, of which 8,780,000,000 CFA francs of pipeline rights of way, appear in the trial balance of accounts for an amount of 4,261,923,583 CFA francs, giving a difference of 4 518 076 417 FCFA.

Following the diligence of the Audit Bench, the DGD produced a new form in the amount of 5,777,336,546 CFA francs, including 4,261,921,406 CFA francs of pipeline rights of way, almost the same as the balance.

However, the difference of 4,518,076,417 CFA francs between the first form and the second remains unjustified.

#### **2.4- Reconciliation of revenue declared by public structures in the balance of the trial balance of accounts for the 2013 financial year**

The Audit Bench, in a joint session of 17 November 2014, gave its opinion on the settlement bill for the 2013 financial year. This opinion established the balances of the trial balance of accounts for the said financial year.

The totals of the income reports paid by the companies in the conciliation scope have been reconciled to the revenues appearing on the trial balance of accounts and the settlement law for the 2013 financial year.

The table below shows the result of this reconciliation.

### Form reconciliation table- trial balance of accounts

Serial No.	Name of tax and account No.	Amount on form	Amount of the trial balance of accounts	Difference	Observations
1	Surface area royalty Account 7336	512 872 848	599 240 639	-86 367 791	This difference is justified by the fact that the balance includes the royalties paid by entities that are not part of the of the conciliation perimeter.
2	Tax (on oil and non-oil company) Account 7413	189 597 950 920	169 689 214 079	19 908 736 841	The amount of the balance of accounts relates only to oil companies. (account 7413). The tax on mining companies is charged to account 7231 entitled "Taxes on Non-oil companies"
3	Extraction tax Account 7355	302 734 512	187 733 664	115 000 848	The revenues in this column include other revenues from accounts 7335, 7339 and 7357
4	Proportional Tax on Income from movable capital Account 7218	2 001 960 386	40 176 531 836	-38 174 571 450	The conciliation perimeter concerns only a low proportion of the mass of taxpayers of the TPRCM
5	Fixed duties, Ad Valorem Tax and duty for collection of Valuable substances Accounts 7335 7339 and 7357	1 270 387 674	270 711 002	999 676 672	This difference is justified by the discrepancy between the accounting nomenclature and that of reporting of revenues
6	Pipeline right of Way Account 7412	4 261 921 406	4 261 923 583	2 177	The difference is not significant
7	SNH royalties Account 7411	542 907 469 390	538 732 469 390	4 175 000 000	This difference corresponds to SNH dividends found in account 7456

It can be seen from the table above that:

- the amounts of payments reported by the oil and mining companies relating to SNH royalties and pipeline rights of way and those of the trial balance of accounts (accounts 7411 and 7412) show no significant differences;
- the reconciliation of the amounts of the reporting forms with those of the balance of accounts and the settlement law for the 2013 financial year for petroleum companies (account 7413), surface area royalties (account 7336), extraction tax (Account 7355), the fixed and ad valorem taxes (accounts 7339 and 7357) reveal some inconsistencies.

These inconsistencies can be explained by the fact that some of these revenues, in particular those of mining companies, have been transferred to the Treasury in imputation accounts intended to receive the revenues of other taxpayers subject to the same taxes but not part of the conciliation perimeter. Moreover, the nomenclature of State accounts does not necessarily coincide with the contents of the revenue reporting forms.

It is therefore necessary to certify the forms for the reporting of revenues presented by the Directorate General of Taxes, the General Directorate of Treasury and Financial and Monetary Cooperation, as well as the General Directorate of Customs.

## **CONCLUSION**

### **ON THE FORM**

Subject to the problem of referral to the financial jurisdiction, which calls for efforts to comply with the deadlines, the request for certification of the extractive sector revenue reporting forms for the 2013 financial year of the Minister of Finance is admissible.

### **ON THE MERITS**

In the light of the above-mentioned auditing standards and principles, due care and subject to the foregoing observations, the financial jurisdiction certifies that the data of the twenty-one (21) reporting forms of the Directorate General of Taxes, nine (9) of the Directorate General of the Treasury, Financial and Monetary Cooperation and the twenty-six (26) forms of the Directorate General of Customs for the 2013 financial year are regular and fair.

**PART FOUR**  
**RECOMMENDATIONS OF THE AUDIT BENCH IN 2015**

The report of activities of the Audit Bench of the 2015 financial year recalls the previous recommendations not implemented and new recommendations.

## **CHAPTER 1: REMINDER OF PREVIOUS RECOMMENDATIONS NOT IMPLEMENTED**

### **Section 1. The Fiscal Regime of the State**

The Audit Bench recalled the recommendations which concern the fairness of budget balances and the evaluation of the assets of the State in its various reports.

#### **Single paragraph. The fairness of budgetary balances**

In 2011 the Audit Bench recommended the respect of the principles and procedures of the processing and registration of accounting and budgetary operations in order to improve on the determination of budget balances and give fair results of execution of the budget (**Recommendation 11-03**).

This recommendation has not yet been implemented by public accountants of the State.

### **Section 2. Review of some legal frameworks**

The Audit Bench had recommended the review of certain instruments governing control and judgment of accounts such as Law No. 2003/05 of 21 April 2003 referred to above as well the preparation of enabling instruments of Law 99/016 of 22 December 1999.

#### **Paragraph 1. Review of Law No. 2003/005 relating to the jurisdiction, organization 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 the reviewing of this law was again perceived through the workshop organized by the Audit Bench in June 2013. This workshop paralleled the shortcomings of the current text with the provisions of a financial jurisdiction in conformity with international standards and particularly the CEMAC Guidelines.

These provisions would thus ensure the internalization of these Guidelines subject to certain instruments enacted in the more appropriate forms than are permitted by a statutory instrument (**Recommendation No. 11-06**).

This recommendation is yet to be implemented.

## **Paragraph 2. The enabling instruments of Law No. 99/016 of 22 December 1999 on the general rules and regulations governing public establishments and public and semi-public sectors**

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 incompatibilities of the various management organs.

It also recommended the drafting of 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 undertakings 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 have not been considered up till date.

## **Section 3. The production of accounts.**

### **Paragraph 1. Content of packages of expenditure supporting documents**

In 2007, the Audit Bench recommended to the Minister of Finance to initiate reflection aimed at significantly reducing the number of documents constituting a package 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 reflection has not taken place.

### **Paragraph 2. Production of accounts of natural persons performing official functions**

Recommendation No. 08-2 made during the 2008 financial year on 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, organization and functioning of the Audit Bench of the Supreme Court, is not yet implemented.

## **Section 4. The application of Law No. 73/7 of 7 December 1973 relating to the preferential claim of the Treasury to safeguard public funds**

### **Single paragraph. Collaterals and guarantees of the Public Treasury over the property of public accountants**

The Audit Bench recommended in 2013 the respect of Law No. 73/07 of 07 December 1973 relative to the preferential claims of the Treasury to safeguard public funds in order to guarantee the claims of

the Treasury and make effective the execution of court decisions against defendants in debit to the State or entities benefitting from the preferential claim of the Treasury (**Recommendation 13-01**).

This recommendation is not yet implemented.

## **Section 5. The settlement bill**

### **Paragraph 1. Budgetary expenditure relating to guarantee by the State**

The Audit Bench recommended in 2013 that the execution of the budgetary expenditure relating to the State's guarantee to public establishments and the semi-public undertakings 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 direct bilateral and multilateral loans**

In order 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 implemented.

## **Section 6. Decree No. 2013/160 of 15 May 2013 relating to the General Rules governing public accounting**

### **Single paragraph. Legal empowerment on the new competences introduced by Decree No. 2013/160 of 15 May 2013 relating to the General Rules governing public accounting**

The Audit Bench recommended in 2013 that legislative provisions should authorize 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 the accountant on the basis of the severity of the fault and the terms of limitation. (**Recommendation 13-04**).

This recommendation is not yet implemented.

## **Section 7. The General Account of the State**

In its article 128, Decree No 2013/160 laying 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 financial accounting

of general accounts. The implementation of cost accounting and the linkage to the mechanisms of programme budget for Public Administrative Establishments and Regional and Local Authorities. But the deadline is not far. The government must take all necessary steps to prepare the various structures by that date (**Recommendation 14-1**).

This recommendation has not yet been implemented.

## **Section 8. Expenses incurred in cash advance**

In view of the accumulation of expenses in advance of cash, the Audit Bench recommends the establishment of auxiliary registers to monitor the regularization of such expenditure in accounting stations (**Recommendation 14-2**).

No follow-up has so far been reserved to this recommendation.

## **Section 9. Asymmetric liability of budget execution actors**

### **Paragraph 1. Transfer of the competences from the accounting officer to the authorizing officer without 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 authorizing officer's request, he ceases being liable for the expenditure in question. However, this liability is not transferred to the authorizing 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 14-3**).

This recommendation has not been implemented.

### **Paragraph 2. The link between the Budget and Accounts Disciplinary Council and the Audit Bench**

Law No. 2003/005 of 21 April 2003 authorizes 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 authorizing 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 authorizing officer or to the manager (**Recommendation 14-4**).

Implementation of this resolution is still awaited.

## **Section 10. The lack of service numbers on appointment instruments**

The service numbers of public officials are increasingly absent in their appointment instruments to positions of responsibility. Thus, most of the management accounts which reach the financial jurisdiction do not include the numbers of the accounting officers, the authorizing officers or other officials involved in the controls carried out by the Audit Bench. This lack of the service number in the appointment instruments is detrimental to the identification of these actors and makes it difficult to notify and even execute the judgments taken by the financial jurisdiction (**Recommendation No. 14-5**).

This recommendation has not yet been implemented.

## **Section 11. Accounting deficits**

The examination of the management accounts produced by the public accountants of the State shows that the deficits of public accountants reported are not always accompanied by the minutes of the deficit report signed by the authors of the deficits and the auditors and that some are not supported in accounting entries.

Moreover, the authors responsible for most of the deficits are not named.

By 31 December 2014, the total amount of deficits in the financial districts amounted to 12,121,866,583 CFA francs (**Recommendation No. 14-6**).

Implementation of this recommendation is expected.

## **CHAPTER 2: NEW RECOMMENDATIONS**

### **Section 1: The identification of those answerable to the Audit Bench**

Law No 2003/005 of 21 April 2003 relating to the jurisdiction, organization and functioning of the Audit Bench of the Supreme Court provides in 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 master the structures within its jurisdiction.

#### **Recommendation No. 15-1: Annual production of updated lists to be controlled containing names and coordinates of the accountants and authorizing officers concerned**

The Audit Bench recommends that the provisions of section 11 above be formally respected.

### **Section 2. The notification of decisions of the Audit Bench**

Several notifications from the Audit Bench do not reach their addressees because of the procedure of notification of its decisions.

#### **Recommendation No. 15-2: Sensitization of administrative and municipal authorities**

The Audit Bench recommends the sensitization of administrative and municipal authorities on their role in the notification procedure of the decisions of the financial jurisdiction.

### **Section 3: The 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.

**Recommendation No. 15-3: Need to resort to amending finance laws**

The Audit Bench recommends recourse to amending budget laws in case of changes made by ordinance or decree to the appropriations opened by the last budget law.

## CONCLUSION

As usual, the 2015 annual report allows high-level government officials and the general public to be aware of the outcome of the activities of the Audit Bench of the Supreme Court for the financial year in question.

The description of these activities above follows that of the human, financial and material resources used shows that the Audit Bench is resolutely committed to the constantly controlled implementation of its legal missions. It demonstrates its ability to contribute effectively to the improvement of behaviour within the framework of public finance management.

The success of the Audit Bench in the international arena reflects its credibility and is causing new challenges for public authorities in terms of renewing human resources, adequate financial and material resources and appropriate structures. The 10 years of functioning, which increasingly is being mastered by the financial jurisdiction, the abundant jurisprudence which already inspires the work of eminent scholars<sup>20</sup>, are a living testimony to this.

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<sup>20</sup> Professor Célestin SIETCHOUA DJUITCHOKO, The Audit Bench of the Supreme Court of Cameroon, the main rulings, opinions, certification reports of the general account of the State and observation reports for annotated control. Ed. Kilimandjaro , third trimester 2016.

**ANNEX**

**Situation of human resources of the Audit Bench as at 31 December 2015**

Item		Number	Observations	
<b>Legal and Judicial Officers</b>	Seat	SS 1 <sup>st</sup> Group	1	President of the Audit Bench
		SS 2 <sup>nd</sup> Group	3	Division Presidents
		4 <sup>th</sup> Scale	1	Division President
			16	Masters of the Supreme Court
	Legal Dep't.	HH 2 <sup>nd</sup> Group	1	Senior Advocate General
			2	Advocates General
<b>SS1</b>		<b>24</b>		
<b>Audit Assistants</b>	Contract employees		53	
	<b>SS2</b>		<b>53</b>	
<b>Registry staff</b>	Senior Registry Administrator		1	
	Registry Administrators		3	
	Senior Registrars		2	
	Registrars		4	
	Assistant Registrars		6	
	<b>SS3</b>		<b>16</b>	
<b>Technical staff</b>	Information technologists		2	
	Archivists		9	
	Journalist		1	
	<b>SS4</b>		<b>12</b>	
<b>Support Administrative staff</b>	Secretaries		19	
	Drivers		23	
	Security officers		9	
	<b>SS5</b>		<b>51</b>	
<b>Total (SS1 + SS2 + SS3 + SS4 + SS5)</b>		<b>156</b>		

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The following signed this Annual Report:

**The President of the Audit Bench**

Mr ATEBA OMBALA Marc

**The Members**

Messrs MOUTCHIA AMBE George

MBENOUN Théodore

Mrs FOFUNG Justine NABUM  
spouse of WACKA

SIMO TCHUINTE Lucienne  
spouse of SIMO BOBDA

Messrs MANGA MOUKOURI Isaac

HAKAPOKA Narcisse

KAMENI Pierre

DITOPE LINDOUME

FOUDA AMOMBO

NGAN Evaristus AZEH

THEUMOUBE Philippe

NDONGO ETAME David

DJOKO André

MIKONE Martin Bienvenu

NDJOM NACK Elie Désiré

ALIMA Jean Claude

YEBGA MATIP

EZO'O BIZEME

OUMAROU ABDOU

**The Registrar**

Mrs NJOWIR Mary YIBEALA spouse of JIFON