INSTITUTIONALIZING ACCRUAL BUDGETING AND ACCOUNTING THROUGH A UNIFORM LEGISLATION: UNE EXPÉRIENCE Á LA CAMEROUNAISE

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Abstract

This paper traces the use of accrual accounting in a tradition where a uniform code-based accounting chart is imposed on all levels of government. Operating within a hybrid of Franco-German and Anglo-Saxon accounting heritage, local government in Cameroon experienced some hurdles in practicing accrual accounting for over a decade. It becomes therefore pertinent to examine the motivation towards the move to accrual accounting and the extent to which accrual data is used for financial reporting and decision-making. The study is hinged on a triangulation in qualitative research, with a case study, interviews and documentary analysis. New Public Management and the institutional theories are used as a framework to broaden the understanding of the practice of accrual as an accounting choice underpinning reforms in the Cameroon public sector. It was revealed in this study that the normative and coercive isomorphic pressures influenced the adoption and practice of accruals in councils. In order to appear legitimate and for fear of being sanctioned, council authorities had to produce some accrual-based financial reports at all cost, even though these reports were hardly used for management decisions making.

Keywords

decoupled accounting • institutional theory • New Public Management • uniform accounting • whole of government accounting

1. Introduction

The government of Cameroon is undergoing a series of public management reforms similar to those of the International Monetary Fund (IMF) code of good practice in matters of public finances (MINFI/DGTCFM, 2013), in the spirit of accountability and good governance. These reforms are in adherence with the on-going New Public Management (NPM) agenda designed to achieve a more business-like and performance-focused public sector. Proponents of this NPM reform argue that accrual accounting as an accounting technology provides more appropriate information for decision makers and ultimately leads to a more accountable and transparent, efficient and effective public sector (Hyndman & Connolly, 2011; Ofoegbu, 2014).

Cameroon is a unitary, bilingual (Francophone/Anglophone) and bi-jurial state that inherited a common law and civil law code-based system, and consequently endowed with a Franco-German and Anglo-Saxon accounting tradition. Generally, accounting practice in Cameroon is characterized by a heritage of Franco-German uniform code-based accounting model, statutorily regulated by the state for both private and public entities. Cameroon also epitomizes Franc zone Africa that bequeaths a macro-economic oriented tradition, where accounting is used as an administrative device for national economic planning, fiscal control, performance evaluation and supervision of activities of all states' entities (Elad, 2015). Given the hybrid nature of accounting practices in Cameroon, the strategy of harmonisation became mandatory in order to enhance consistency, comprehension, comparability and control of state’s economic and financial activities at all levels. The harmonisation of budgetary and accounting framework for local government and government entities in Cameroon was initiated in 1998 and 2006, respectively through two regulatory texts. These two statutory provisions marked the beginning of double entry accounting on accrual basis in the public sector of Cameroon.

Though implementing experiences on the adoption of accruals in Europe and some developing countries reveal it being problematic, complex, costly and time consuming (Cavanagh, Flynn, & Moretti, 2016), this study demonstrates that the Cameroononian public sector is bent on adhering to this accounting practice since its adoption almost two decades ago, notwithstanding the challenges.
The problem statement of this study can be articulated at two levels. First there is a knowledge gap on the implementation and practice of accrual accounting in the public sector, and specifically in the local government of Cameroon. In mapping the spread of accrual accounting in the public sector by countries, Cavanagh et al. (2016) present the government of Cameroon as one of the 57% of countries of the world still operating under pure cash-based system. Even Muka (2016) explains that there is still need to study the factors determining the adoption of accrual accounting in Cameroon, given that the existing public sector cash-based and fund accounting system is grossly lame. The opinion of these scholars shows that there is no empirical research documented on the practice of accrual accounting in Cameroon, whereas this much applauded accounting technique was statutorily adopted at the local government level about two decades ago. Secondly, the entire public sector, and the local government specifically, have not been able to efficiently apply this harmonised accrual standard since its inception in 1998 for the local government, and 2008 for public administrative entities in Cameroon, respectively. What is the motivation towards the practice of accrual accounting in the Cameroon public sector? To what extent is the accrual model used for local government financial reporting?

Subsequently, the main objective of this study is to examine the country’s motivation as well as the changes effected towards the move to accrual accounting in the public sector. It will specifically trace the application of accrual accounting method from legal texts, to budget accounting procedures, as well as financial accounting documents at the local government level.

The findings of this study shall add on the world experiences by governments, the challenges of practicing accrual accounting in a country that operates in such a hybrid context of a uniform code-based accounting tradition. The framework of accrual reforms detailed in this study is to inform policy makers and public financial management reformers, pertinent areas to reckon with, in the quest for a best-fit approach on the practice of accrual accounting and budgeting within the context of Cameroon.

The paper is partitioned into 5 sections as follows: introduction, theoretical issues, methodology, tracking accrual reforms in a uniform legislation, budgetary accounting framework and procedures, summary and discussions of findings, and conclusion.

2. NPM and institutional theories: A rationale for the practice of accrual accounting in Cameroon

NPM is a broadly used concept that explains the transposition of private sector management techniques and market oriented mechanism into the public sector. It emerged in the 80s as a panacea to reinvent and reengineer state-centred, bureaucratic and failed governments that were alleged to be morally bankrupt, wasteful and inefficient (Barzelay, 2001; Hood, 1991). According to Brinkerhoff and Brinkerhoff (2015), NPM denotes a heterogeneous mix of management reform prescriptions and practices largely championed by two international bodies such as the World Bank (WB) and IMF for developing countries, and the Organisation for Economic Cooperation and Development (OECD) for the industrial world.

As private sector style of accounting became central in the rise of NPM, Watkins and Arrington (2007) provide an explanation of accounting studies within the context of NPM, borrowing from the work of political theorist. They advance that the rationalisation and expansion of accounting within domains like the public sector, entails a new conception of public accountability with a different style of accounting, where public servants are evaluated and monitored through sophisticated accounting techniques. In acknowledgment of accrual accounting as the best accounting method adopted from the private sector, Olson, Guthrie, and Humphrey (1998) argue that without accrual accounting some of the NPM changes would be weakened. Consequently, there is an increasing tendency towards the adoption of private sector managerial and accounting techniques in order to make the public sector more accountable, professional and performance focused.

The NPM and institutional theory are used in this study as settings to understand budgeting and accounting reforms in the public sector, and consequently the local government. While NPM justifies the new choice for accrual accounting as a rational and functional reason for a supposedly efficient and effective management, the institutional theory associates such changes in accounting choices and practice as fashioned by isomorphic forces (interest and values) of the environment of an entity (Baker & Rennie, 2012; DiMaggio & Powell, 1983; Hyndman & Connolly, 2011). Proponents of institutional theory, such as Adhikari and Mellemvik (2011), Carpenter and Feroz (2001), and Collin, Tagesson, Andersson, Cato, and Hanson (2009) advance that the behaviours of management
and other stakeholders as well as organizational practices, are influenced and shaped by the values and interests of the institutional environment. Rahaman, Lawrence, and Roger (2004) also share the opinion that organizations sometimes legitimise themselves by adopting rules and practices that are socially relevant from their institutional environment, sometimes regardless of their usefulness to the institution itself. The search for legitimacy persuades organizations to adopt those rules and practices that are being accepted; in doing so, organizations are rewarded with extended legitimacy, increased resources, and survival capabilities. Since organizational activities are strongly motivated by legitimacy seeking behaviour, the search for legitimacy has often proved more important than rational decision-making processes. Meyer and Rowan (1977) argue that by promoting legitimacy, institutional isomorphism increases the success and survival of organizations. Such legitimated norms and practices are transported to organizations through isomorphic pressures categorized as mimetic, coercive, and normative (Connolly, Reeves, & Wall, 2009; DiMaggio & Powell, 1983). Organizations seek for legitimacy by adopting the same practices in mimicking other organizations that they view as successful. Mimetic pressure brings organizations closer to the so-called “successful” or “legitimized organizations” operating within their environment. They endeavour to present themselves in the guise of successful or legitimized organizations by adopting their rules and prevailing practices. Organizations may also have to adopt a particular practice due to coercive pressures exerted by providers of funds, particularly in times of fiscal stress, leading to resource dependency where organizations confront numerous and incompatible demands from varied external factors. For example, the IMF and WB impose certain conditionality including accrual financial reporting by recipient countries. The normative pressure is exhibited when an organisation seeks for legitimacy by adopting practices that are generally accepted by the society (Kostova, Roth, & Dacin, 2008). The normative pressure is derived from wider institutional environment, incorporating professional organizations, consultants, and experts. The professional organizations attempt to develop and define the norms and practices for a particular discipline within their autonomy; the public sector accounting norms issued by the International Public Sector Accounting Standards Board – IPSASB (2017), Economic and Monetary Community of Central Africa – CEMAC (2011) and Organization for the Harmonization of Business Law in Africa – OHADA (2017) are examples influencing the adoption and practice of accrual accounting by entities in Cameroon.

Another essential part of the neo-institutional based studies is the attempt to demonstrate how the legitimized structures and practices, transferred through one or more of the isomorphic mechanisms, have decoupled in actual organizational practices. The term “decoupling” is therefore used in this context to demonstrate how the formal structure or practice is separated and distinct from actual organizational practice. The concern for legitimacy often encourages organizations to engage in “window dressing” by creating an institution for ceremonial purposes. Of the responses to institutional pressure, decoupling has been one of the most widely discussed in the accounting literature. How and Alawattag (2012), for instance, demonstrate how organizations have used accounting technologies to appear legitimate and how these accounting technologies have remained a ceremonial tool or a product of social rationalization. More interestingly, the notion of decoupled accounting, as depicted by implementing experiences, has ostensibly become a key phenomenon in less developed countries (Adhikari, Kuruppu, & Matial, 2013; Simpson, 2012).

In the context of this paper, NPM theory justifies the adoption of accrual as a reform tool for an efficient and effective (internal) management, while the institutional theory sees such adoption as pressured by (external) isomorphic forces that urges the organisation to legitimise itself within its existing environment. Such isomorphic external pressures could be coercive, mimetic or normative. The adherence to accrual standards in the Cameroon public sector can therefore be justified as a NPM reform strategy, as well as being influenced by any of these institutional isomorphic pressures.

3. Methodology

This study adopts a triangulation in qualitative research with case study methodology. According to McHarrie (2016), triangulation is a multi-method approach to data collection and data analysis. Rothbauer (2008) explains that case study triangulation involves illuminating a case (unit of study) from different research angles, so as to capture the complexity of a (selected) case. The case in this study comes from a selection of 20 councils (8 Anglophone and 12 Francophone councils respectively) as categorised by the decentralisation laws in Cameroon.

Primary data was collected from structured interviews and face-to-face discussions with selected council officials such as vote holders of councils (i.e. mayors of councils or government delegated of city councils), municipal treasurers (i.e. accountants of councils), as well as financial officers. The supervisory authorities to these councils such as the divisional officers and financial controllers were interviewed as well. Primary data was also sourced from books of original entry, as well as financial statements, to tract the use of accrual accounting during the financial years. Secondary data was sourced from content analysis of accounting legislation to tract the sequences of statutory provisions for accrual-based
accounting and budgeting in the public sector. A review of conceptual and theoretical literature enabled us source for imperial evidence as a backup to justify the practice of accrual accounting in the public sector of Cameroon. Descriptive statistics and tables were used to for data analysis and interpretation.

Both primary and secondary data were sources during the financial years spanning a period of ten years from 2006 to 2016, when the use and control of accrual double entry bookkeeping and the preparation of accrual-based financial statements became mandatory. Access to these sources was facilitated by the author’s involvement in training, consultancy and supervision on local government finance and budgeting with councils of Cameroon.

4. Tracking the uniformity of accruals through Whole of Government Accounting reform in Cameroon

Accrual is a concept used in accounting language, where revenue and expenses are recognised once they are committed and received, regardless to when they are cashed. Accounting experts of the Federation of European Accountants (known as Accountancy Europe) and International Federation of Accountants (IFAC) advance on the accrual basis of accounting as to where the full characteristics of transactions are recognised and recorded in the economic period to which they relate. The accrual basis of accounting recognises the function of time and provides a more accurate historical record of financial transactions, as it keeps tracks of values on all economic and financial transactions, regardless of whether money has transpired. The values of all assets and their accumulated depreciation, values of debts, loans and their accrued interest, etc., are computed and accounted for. The accrual concept is more complete and comprehensive as it applies to both revenue and expenses, accrues information concerning all levels of a financial transaction covering cash bases information as well. Although accrual accounting has been used in the private sector for a very long time, studies have shown that it is not possible to simply adopt private sector accruals to the public sector in bulk (Christiaens, Reyniers, & Rolle, 2010; Wynne, 2007). Entities therefore use different entry points for accrual, as classified by the Governmental Accounting Standards Board – GASB (2006), differentiating accounting systems under modified accrual, full accrual or a combination of cash and accrual bases of financial reporting and disclosures, used by governmental entities in the US. The controversy on the implementation and use of accrual accounting within government entities remains a debate. In lamenting over the use and abuse of accrual accounting Barton (2011) claims that government agencies need a different type of accounting system, because the purpose of government organizations is significantly different from the purpose of private businesses. Meanwhile, Jagalla, Sabastian, Becker, & Weber (2011) think that the claims about the benefit of accrual in government accounting and budget reforms have been massively overstated.

Budgetary accounting is a practice of keeping and presenting accounting operations in the same format alongside with the execution of the budget in double entry. An accrual budget should therefore have, inter alia, budget items that record all assets and the cost of consuming them over time, existing potential liabilities and interest on public debts. To enhance accountability within government entities, accrual budgeting and accrual accounting are simultaneously handled in such a way that ensure a symmetry in accrual financial reporting, by recording the budget implementation the way it is authorized (Blöndal, 2003; Nsangou & Awasom, 2015).

Whole of Government Accounting (WGA), which is parallel to joined-up government integrated public governance (Pollett & Bouchaer, 2011), seeks to bring a big picture of various public sector entities within one frame, accounting for one need of the whole government. Though the scope of WGA is ambiguous, Grossi and Newberry (2009) noted that it might extend to public trading enterprises, the local government and the whole of public sector at large. This, consequently, will lead to sophisticated accounting skills and software to align all separate financial statements with accounting policies adopted for WGA, for centralisation and control.

Uniform Accounting (UA), on the other hand, according to the Uniform Accountancy Act (UAA) of OHADA (2001) seeks to integrate enterprise accounting and government macro-economic accounting into one unified model. Uniform accounting scholars such as Elad (2005) hold that UA is appropriate for developing countries, because it specifies detailed standards on accounting terminologies, bookkeeping and valuation rules. He extends that UA helps to enhance control, consistency, comparability and consolidation of financial information such that bookkeepers and even non-accountants can easily become conversant with the main accounting framework. To Sunder (2009), the prominence of Uniformity in accounting practice through written standards facilitates comparison and construction of macro statistics. He however regrets that prioritising the pursuit of uniform accounting standards to social norms diminishes the effect of financial reporting and stewardship as well as governance.

Both WGA and UA are frameworks that show a strong link to national/sub-national accounting structures, which are sometimes based on accrual data. According to the circular of MINFI/DGTCFM (2013), the application of harmonized accrual-based accounting standards at the sub-national
level can be considered as a crucial prerequisite for the enhancement of the statistical information basis at the national level. WGA that incorporates accruals as a standard entails a challenging degree of centralization in accounting practice. A mixed accounting system of this nature – Accrual Accounting (AA), UA and WGA could be much needed for a unitary state like the United Republic of Cameroon (URC), to reassert its unity, coordinate public action and enhance economic development.

**Uniform legislative process in Cameroon**

In exploring the statutory provisions of public sector accounting reforms in Cameroon since 1998, one could trace how a common legislative process issued in the making of whole of government financial reporting on accrual basis. It all began with an enactment of a finance law at the (regional/national) macro level that mirrored into the financial regime of the state (central government and deconcentrated services) and the financial regime for the local government (decentralised services). Each of the financial regimes then pronounce a specific law governing budgetary and accounting practice traditionally called *le plan comptable*, for their respective sector; the public sector deconcentrated entities, and the local government decentralised entities. The last legislation ended with decrees instructing the application of budgetary and accounting issues (for the public sector in 2010, and for the local government in 2006, already revised in 2012). In consonant with the CEMAC directives that emphasizes the adoption of IPSAS as best practice of accrual standard, all the other accounting acts abide to this edicts. The supranational power of this Directive makes it mandatory to transpose these standard to the national public sector of all Member States under its CEMAC supervisory authority (Articles 47 to 50, CEMAC Directive 2011). Figure 1 is a recap illustrating the uniform legislating process in Cameroon, for all government and public sector entities, splitting into two domains: the public administrative units on one hand; and local government entities on the other side.

There is uniformity in the legislative processes linking the whole of government budget and accounting practice, with rules that are mandatorily imposable to all public sector entities. The institutional normative and coercive pressures come into play here for all public sector entities to legitimize themselves by adhering to these legislative standards.

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**Figure 1. A uniform legislative process from national to sub national government**

1. The Finance Law enacted by each member state of the CEMAC region on whole of government financial management (2013)
3. Decree harmonizing the budget nomenclature and accounting chart for public administrative units (2008)
4. Instruction to the application of budget & accounting chart (2013)
3. Decree harmonizing the budget nomenclature and accounting chart for local government (1998-2010)
4. Instruction to the application of budget & accounting chart for local government (2006, modified in 2012)
The control and oversight powers from the supervisory ministries of finance (MINEFI) and that of Decentralisation (MINATDeC), as well as the audit bench of the Supreme Court, exert coercive forces by sanctioning state officials that do not abide to the standards of these legislations. Such coercive pressures have galvanised into the enactment of anti-corruption laws and strategies since 2006, to combat mega financial malpractices that had been rampant within central, decentralised and deconcentrated entities.

**Accruals in uniform budget and accounting framework**

With the accrual standard as the yardstick of accounting practice, homogeneity in whole of government budgeting and accounting is guaranteed through the implementation of a common budgetary and accounting framework illustrated in Table 1.

Table 1 shows the numbering of the budgetary and accounting nomenclature with a common code and names of accounts, characteristic of the code-based uniform accounting system. For instance, under transport expenses identified in Class 6 of the chart of account, at the three levels one has:

- CEMAC states, 4 digits...................6110, Transport expenses on mission
- Public sector, 6 digits...................611 0xx, Transport of vote holder and board members
- Local government 6 digits............611 100, Transport of councillors.

This common code ensures symmetry between budgeting and accounting operations, embedded in a double entry bookkeeping system. This budget structure and decimal logic of codification of accounts are frequent at all levels of accounts for public sector entities. The budget nomenclature and account items are harmonised by regrouping and classifying all budgetary and accounting operations according to their economic nature, services or groups of programmes, in terms of the accounting principle of source of fund and use of fund. According to Nsangou and Awasom (2003), these uniform exigencies facilitate the analysis and interpretation as well as the control, consistency, comparability and consolidation, of financial information within governmental institutions. A practical implementation of this accounting system therefore will ensure transparency, accountability and good governance in the management of whole of government financial resources.

**Accruals in uniform budget and accounting procedure: A dual, separate but complementary bookkeeping in a unique budgetary process**

The spirit behind the fundamental public budgeting and accounting principle of the separation of function between the vote holder and accounting officer runs across all levels of whole of government accounting as well. In fact, it is reiterated in the directives of CEMAC accounting plan, and the accounting plan of public administrative entities, that there is no hierarchical relationship between these two government officials who are called to manage a single budget in a parallel but complimentary function with regards to the execution and accounting for the States resources. The vote holders are the political and administrative heads of government institutions, and not bosses with regards to the execution and accounting for state’s funds. It is therefore forbidden for the vote holder to subject the financial accounting function under his rule and according to his whims and caprices. Figure 2 is an illustration of the budget and book keeping process handled by these two separate actors in the public sector budgetary chain in Cameroon.

Figure 2 shows that all levels of financial activities start from and rotate around the budget. Once the legislative and oversight bodies have approved the budget, two levels of accounting for the budgeted activities become mandatory: that of the vote holder and that of the accounting officer.

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The vote holder’s budgetary accounting handles vote and commitments accounts in single entry analysis, comprising three phases of transaction movements on a daily basis. A revenue ledger traces the amount assessed, issued to debtors and authorised for collection by the accountant, while the expenditure follow up ledger traces the commitment, the ascertainment of the credits owed, and the authorisation of its subsequent payment. At the end of period two summary statements are made, statement of execution of revenues and that of expenditures, which sums up to the administrative account submitted to the budget session for consolidation.

The Accounting Officer in financial accounting keeps the conventional double entry books throughout the period. His/her budget transactions are identified from source documents authorised by the vote holder and transmitted to him/her for verification, execution and analysis. At the end of the period a trial balance is made as a recap and control of all double entry analysis for the period. The end of year financial statements is similar to those found in IPSAS 1 (International Accounting Standards Board – IASB, 2008) on the presentation of financial statements on an accrual basis. This likeness to IPSAS is in line with article 2 on the CEMAC Directive of (2011), reiterating that the accounting works of all government institutions should be inspired by international accounting standards such as the IPSAS.

Such urge for the recognition of IPSAS as a best legitimate accounting practice has been preponderant in other developing countries that also experienced trajectories in institutionalising public sector accounting (Adhikari et al., 2013; Antiroikko, Bailey, & Valkama, 2011; Godfrey, Devlin, & Merrouche, 1996). The unsuccessful reform ideas propagated by international bodies have been described as chaotic and disruptive, too technocratic and ideological, without taking into consideration the country’s stage of development (Annisette, 2004; Lapsley, Mussari, & Paulsson, 2009). However, the relevance of this reform in Cameroon is still to be acknowledged given that out of 374 accounts expected from councils annually, only 31 (23.5%) were submitted for control, auditing and consolidation in 2013 as reported by the Audit Bench of the Supreme Court (2015). All the workshops geared towards the practical application of this new deal notwithstanding.

Figure 2. Main actors in a harmonised budgetary chain: A dual separate but complementary bookkeeping system.
**Other structural reforms in tandem with accrual-based financial management**

It has been reckoned that changes in the organizational composition of the public sector introduced by NPM-style reforms, leading to corporatisation, contracting out and privatization in their various forms have led to an increased decentralisation of responsibilities in accounting in the public sector (Christensen & Laegreid, 2007; Osborne & Gaebler, 1993). This was evident with the financial management reforms in councils that necessitated organizational changes as a strategy in deepening the decentralization machinery in Cameroon.

With the advent of accrual method beginning with the councils of Cameroon in 1998, many other reforms where consequently introduced to speed up the decentralisation processes. The three-decentralisation laws of 2004 (for regions, councils and the orientation of decentralisation) ushered more financial horizons for councils by announcing the promulgation of an autonomous financial regime and fiscal system for decentralized entities in 2009. Local government entities were therefore endowed with more competences to promote the economic, social, hygiene, educational, sports and cultural development within their municipalities. This mission was backed by a rigorous financial policy with strategies of inter-ministerial transfer of more financial, human, material and financial resources to councils, through sundry statutory provisions in 2010. These multiple grants and transfers mark one of the greatest achievements in the decentralization machinery that increased the managerial task and accounting responsibility of local councils.

After ensuring that councils had some degree of financial autonomy expressed in an autonomous financial and fiscal regime for councils, the need to reorganize and define a new organizational set up became eminent. Not only was the decree of 2009 creating an organizational chart with job profiles and specification to councils enacted, but also projects to assist councils in designing their organizational charts where galvanized almost in all councils by the World Bank community driven project for Cameroon. This was followed by a series of capacity building programs to upgrade the level of council staff, for the appropriate job profiles as per their new organizational charts.

5. **Summary and discussion of findings with the case of local government**

A review of literature on NPM and institutional theories enables gathering empirical literature to understand and justify the motivation towards the practice of the accrual method, and the use of accrual accounting in local governments of Cameroon. The summary of this empirical data can be captured in Figure 3.

Figure 3 shows that both institutional pressures and NPM reforms exigencies justified the adoption of accrual accounting in local government in Cameroon. With the external isomorphic pressures on local governments, embracing reforms became eminent. The normative pressures came from the application of the long-time Napoleonic code-based tradition, a legacy of the French colonial accounting heritage in Cameroon, embedded in the uniform accounting standard for francophone Africa (Elad, 2015). These accounting norms where reinforced by the CEMAC directives of 2011 for public sector budgeting and accounting transposed to its Member States.

While anchoring on NPM reforms with accruals at the helm of its accounting technology, structural changes were introduced through sundry legislative text, in tandem with a new accounting plan and budget nomenclature. Organisational charts with specific job profiles to occupy both managerial and accounting functions where designed. More powers and resources were also transferred from the State’s (decentralized) public entities to local government (decentralised) entities, while training and consultancy was galvanised by civil society organisations and international residential bodies such as Dutch and German corporations.

With the implementation process that started two decades ago, it is yet difficult to confirm that local governments have become more accountable and efficient as per the NPM doctrine. According to supreme Court rulings of 2012 and 2015, respectively, accounting officers are still often convicted for poor accounting work, the non-production of accounting records, corruption and mismanagement of public funds. Accounting is consequently decoupled as accountants pretend to produce accrual reports at all cost for fear of control and eminent sanctions from the oversight bodies and audit bench of the Supreme Court. Financial reporting and auditing is decoupled as vote holders (administrative and elected officials) also do not use accounting and audit reports for management decisions, but as a tool to intimidate potential political rivals, flatter the local population and gain the recognition of the international community, for implementing the best recommended accounting practice in their institutions. These findings are corroborated with a content analysis of financial and accounting documents collected from the services of the vote holders and accounting officers of selected councils.

A content analysis of books of original entry earlier exposed in Figure 2 (randomly selected from councils in case, between the years of 2006 to 2016) revealed that there

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2 Audit bench Decisions no72/D of 14/06 12 and no 73/P of 10/06/15, of the Supreme Court of Cameroon.
was an endeavour to keep financial and accounting books on accrual basis, though with many shortcomings in analysing transactions with accrual accounts. An extract of the use of accrual accounts was traced in their budgets and financial accounting books as shown in Table 2.

Most of the vote holder’s service had the recommended budget nomenclature but many lapses were found in accounting for the budget in single-entry analysis. The official prescribed books of original entry on revenue and expenditure were hardly used in this service. Though the budget nomenclature had allowances for accruals, such as depreciation, suspense accounts for accrued transactions, such as debtors and creditors, were not recorded. Depreciation for instance, appeared only in the budget estimate as an operating expense, while the actual budget did not account for it.

At the Municipal Treasurer’s (accounting officer) service, the double entry books of original entry, such as the account entry form and journals, were often (manually) used. The few councils that could produce financial statements from the trial balance could do this only with computer software. It was impossible for any of the councils to produce a comprehensive Balance sheet including the values of all assets and their depreciation. The starting point for accrual entries entails the identification, measuring and valuation of assets and liabilities. This is usually done at the level of the vote holder’s finance office and accounting works in single entry. The absence of these recordings beginning from the vote holders’ service, together with the non-use of the prescribed accounting books show that management decisions in councils were not dependent on the information provided by accrual budgeting and accounting reports.

Data sourced through semi-structured interviews with council stakeholders on the understanding of the accrual concept (the use and interpretation of accrual information) and the challenges in operating with the accrual method, showed varying opinions as presented in Table 3.

From Tables 2 and 3 we can gather that the experience of council officials and stakeholders reported a significant momentum towards implementing accrual-based
documents, especially when he uses pieces of papers to commit the budget rather than the formal source documents and prescribed books of original entry recommended at the vote holder’s service. As opined by the accounting officers, such intimidating external controls were reported frequent from oversight bodies and audit bench controllers, pressuring the accountants for tips when irregularities were found in their accounting works. The accountants were therefore pressured to comply with the exigencies of such hierarchical controls at all cost, to evade being convicted for irregular financial reports by the audit bench of the Supreme Court.

One can therefore derive that, with local government of Cameroon, given the underpinning pressures and challenges, the practice of accrual at this instance is therefore done as a kind of window dressing, not necessarily to enhance accountability and informed decision making. These findings corroborate some of the earlier standpoints on accrual accounting research endeavours, such as Adhikari et al. (2013), How and Alawattage (2012), Hyndman and Connolly (2011), and Lapsley et al. (2009), where accrual accounting is “decoupled” for ceremonial purposes and not necessarily management and financial accounting systems at the higher level concerning the budget authorizing and supervisory role, and at lower level of budget execution and accounting function. However their sampled opinion portrays the trajectories in practicing accrual financial reporting as the control and oversight bodies sum it all with the multiple irregularities in financial reporting that reflect the non-mastery and understanding of the accrual method. The difficulties that impede the practice of accrual in councils abound be the inability to identify and evaluate council assets, low level of qualified staff, multiplicity and none mastery of accounting documents, some of which meanings were distorted due to poor technical translation of French texts for the Anglophone minority officials. Such language problems that are also confirmed by Carmen, Carmen, Victoria, & Nicoleta (2017) are evident especially in the harmonisation of a common language for the preparation of financial statements of public entities that are often complex and can only be interpreted by professional accountants.

There were other mitigating factors like “intimidating than protective” internal controls from the vote holder, pressuring the accountant to execute payment without justification

### Table 2. Tracking the use of accrual in budgeting and financial accounting analysis by councils

<table>
<thead>
<tr>
<th>Accrual accounts</th>
<th>Budget accounts</th>
<th>Financial accounts</th>
<th>% of use of accrual by councils (a selection of 20 councils)</th>
</tr>
</thead>
<tbody>
<tr>
<td>24-Advance payments</td>
<td>0</td>
<td>2</td>
<td>10%</td>
</tr>
<tr>
<td>28-Depreciation</td>
<td>0</td>
<td>2</td>
<td>10%</td>
</tr>
<tr>
<td>38-Recorded claims</td>
<td>0</td>
<td>4</td>
<td>20%</td>
</tr>
<tr>
<td>40-Creditors</td>
<td>0</td>
<td>10</td>
<td>50%</td>
</tr>
<tr>
<td>43-Tax payable</td>
<td>0</td>
<td>8</td>
<td>40%</td>
</tr>
<tr>
<td>41-Debtors</td>
<td>0</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>68-Depreciation expenses</td>
<td>1</td>
<td>0</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Table 3. Extract of interviewees’ opinions

<table>
<thead>
<tr>
<th>Categories of interviewees</th>
<th>Role in budget &amp; accounting process</th>
<th>Extract of sampled opinions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oversight bodies/Financial controllers</td>
<td>Approves the budget, controls the regularity of financial operations and submits to the hierarchy/audit bench.</td>
<td>“Many irregularities… cash flows are recorded in single entry without justification documents. They should know the old style administrative writings only prove, but accounting documents justify…”</td>
</tr>
<tr>
<td>Vote holder</td>
<td>Approves the budget for execution. Reports budget operations in his/her year-end Administrative Account.</td>
<td>“I am not sure we all understand these issues…”</td>
</tr>
<tr>
<td>Finance officer</td>
<td>Does budgetary accounting for the vote holder and transmits budget data to accounting officer for execution.</td>
<td>“Good laws, but…Multiple documents imposed poor texts and formats with misleading translation”.</td>
</tr>
<tr>
<td>Accounting officer (Municipal treasurer)</td>
<td>Executes the budget, does financial accounting and final reports to build up his/her year-end Management Account.</td>
<td>“Many staff recruited on personal and not professional grounds; they can’t handle multiple/ technical documents. We need more specialised training”.</td>
</tr>
</tbody>
</table>

“We are given good computer software having sporadic French expressions. We key our data but have to depend on our new expert to produce our financial statements the way controllers want… controls are often intimidating than protective”.

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to enhance accountability, efficiency and effectiveness in the management of states’ resources.

6. Conclusion

After almost two decades in experimenting with accrual methodology in public sector accounting and budgeting in Cameroon, beginning with the local government, it is evident that all council officials and stakeholders are still full of steam to forge ahead with this accounting technology, the difficulties notwithstanding. The quest for a more transparent and accountable public sector, using accrual method of accounting as a strategy, remains a dream given that the conviction of vote holders and accountants for poor or non-production of proper accounting records and the mismanagement of public funds has become common practice. Endeavours are made to prepare budgets and financial records on accrual basis. However, administrative authorities hardly exploit such records for decision-making, though they need the reports for ceremonial purpose, to flatter the community and reinforce their position. Still, the accounting officers are bound to produce financial reports on accrual basis, usually for fear of being convicted and sanctioned by the audit bench of the Supreme Court. In this context, it becomes mandatory to sensitize and change the mind-set of government officials and stakeholders with more formative and informative training as reiterated by the Cameroon Growth and Employment Strategic Paper (Republic of Cameroon, 2010).

Some limitations were experienced in this study, especially with regards to the availability of literature on accounting from Francophone Africa that could enable us expand more on the issues of a uniform code-based accounting tradition and accrual accounting in bilingual Cameroon. While Elad (2015) also decries the imbalance of extant literature of francophone normative accounting, that has not been given enough attention in the international accounting literature, it would be necessary to encourage more research on uniform-code-based brand of Francophone accounting heritage in emerging nations. More specifically as noted by Awasom (2013), reinforced research in public sector accounting is also necessary given the paucity of literature in this area of study within the sub region.

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