

Republic of Cameroon
"Peace - Work - Fatherland"



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Accounting Reform: Goals and Implementation Difficulties. Alignment of National Accounting Standards with International Ones

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INTRODUCTION

Alignment of accounting standards worldwide is meant to provide terms of comparison, assessment, and credibility of the public finance. The main goal is to safeguard the private sector from public management. Cameroon, as many other countries from the Economic Community of Central African States (CEMAC) committed itself to budgetary and accounting reforms that would modernize its public finance.

It is not something easy to implement, because of the many difficulties we are confronted with. This is the topic I would like to discuss in my talk today.

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I. GOALS OF THE ACCOUNTING REFORM AND THE CURRENT SITUATION IN CAMEROON

A. GOALS OF THE ACCOUNTING REFORM

- Switch to accrual-based accounting
- Improve the budgetary and accounting information by issuing records that provide a more faithful image of the Government's assets and of its financial situation.
- Enable accountants to obtain improved financial statements and to the Court of Auditors to certify the reliability and truthfulness of Government's accounts;
- Improve the quality of the information sent to the Parliament on programs financed by the state budget and, generally, on the financial impact of public policies;
- Align national accounting standards with international ones (CEMAC Directives, IPSAS standards);
- Provide information on the Government's assets and liabilities;
- Insure the financial credibility of the State.

B. CURRENT SITUATION

Nowadays, accounting in Cameroon is swept among several pieces of accounting legislation that do not favor unity of action when it comes to reforms.

When talking about accounting reforms in Cameroon, we should consider the ongoing reforms related to the transposition of CEMAC Directives.

What is being done in Cameroon?

- The Directorate General of the Treasury, of Financial and Monetary Cooperation is mainly in charge with the accounting reform.

B. CURRENT SITUATION

- It is implemented with the help of 2 Committees:
 - The Reform Committee – tasked with studying in depth the CEMAC Directives on accounting and with detecting the consequences on procedures prior to authorizing officers. This committee is also tasked with preparing a draft of the transposition of Directive no.3 on the State's accounting plan;
 - The working group on the implementation of accrual accounting. This group works with the Ministry of State Lands, Cadaster and Land Affairs, the Ministry of Defense, the Directorate General for Budget and the Delegation for National Safety to start an accrual accounting in the true sense of the term.

They underline therefore the necessity of integrating all specific features of the State, the monitoring of fixed assets, amortizations, provisions, and the opening balance sheet.

While waiting for formal changes of the legislation, and for the decrees that would make mandatory the State accounting plan, the Directorate General of the Treasury, of Financial and Monetary Cooperation already implemented a series of instructions on accounting management. The new State accounting plan should comply with the directives, especially with respect to accounts from the 5th and the 3rd category.

II. DIFFICULTIES AND IMPLEMENTATION CONDITIONS

A. DIFFICULTIES

- ▶ Politicians' slow pace at fully transposing Community Directives (Change of the constitution, reintroduction of Law no. 2007/006 of 26th of December 2007 on the financial regime of Cameroon, reintroduction of the Decree on public sector accounting of May 2013, transformation of administrative bodies and structures);
- ▶ No inter-ministerial body at top level to coordinate the reform;
- ▶ Lack of expertise for the inventory and promotion of the State's movable and fixed assets;
- ▶ Necessity to adapt feasible information systems to support the reform.

II. ONGOIG REFORMS AND DIFFICULTIES

B. IMPLEMENTATION CONDITIONS

- **Transposition of CEMAC Directives:** implementation of Community law into national legislation. Cameroon comes last on the list of countries making effective the transposition, but it is very well positioned in terms of ongoing budgetary and accounting practices.
- **Steering of the CEMAC reform:** the reform should be coordinated at least at the Secretariat of State level, with stakeholders identified in all ministries concerned;
- **Staff training:** human resources should be given special focus. A training plan catered for all administrative bodies in Cameroon should be designed.

CONCLUSION

The accounting reform generates a change of paradigm: transition from cash-based to accruals-based accounting; from an approach focused on the respect of budget regularity to an approach focused on awareness of costs generated by public policies; better financial statements in the purpose of improving the quality of the accounting, inventory and promotion of the State's assets.

It requires a solid organization, time for its implementation, financial and human resources, opportunities to share experiences – such as the present conference - and a real political will of authorities, without which this reform is doomed to failure.

And, of course, it implies the implementation of a monitoring and assessment system.

THANK YOU!