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**THE ROLE OF SAIs IN ACHIEVING NATIONAL
DEVELOPMENT GOALS: CASE OF SAI
CAMEROON**

In the last years, the public sector in most countries has undergone major changes in an effort to promote good governance, in line with national development goals. The main thrust of these changes was to improve the efficiency and the effectiveness of the public sector governance, towards achieving the targets and goals of national development programs.

Achieving these underlying objectives is more a systemic issue which requires synchronous agreement among the various stakeholders.

In this symphony of stakeholders, Supreme Audit Institutions (SAIs), as unrestricted and unrestrained auditors of the Management of public finances, play a very crucial role when recognized and supported by Government Authorities.

In fact, since the seminal meetings of the International Organization of Supreme State Audit Institutions (INTOSAI) the duty of Supreme Audit Institutions as partners of the State in the good stewardship of economic policies and the mastery of public finance management was proclaimed.

More recently in 2012, the central role of SAIs in the economic affairs of modern States was recognized and established internationally by the 66th General Assembly of the United Nations which unanimously adopted a resolution recognizing SAIs as levers in “(...) the promotion of an efficient, transparent and accountable Public Administration (...)”.

In Cameroon, despite economic liberalization, the State still bears the brunt of the development of maximum capacities by ushering in an institutional and financial environment that is conducive to growth and building of overarching infrastructures without which the private sector cannot be effectively deployed.

To that end, the Government adopted a prospective Vision – the prerequisite to any long-term national development strategy. Christened Vision 2035, it hopes in 20 to 30 years to ultimately make Cameroon “*an emerging, democratic country united in its diversity*” by 2035.

The national development goals outlined in that Vision are four (4) in number, namely to:

- reduce poverty to a socially acceptable level;
- become a middle-income country ;
- reach the stage of a newly industrialized country;
- Strengthen national unity and consolidate the democratization process.

To concretize this Prospective Vision during the first ten years, the 2010-2020 period, the Cameroon Government in 2009 adopted the **Growth and Employment Strategy Paper** (GESP) – the key tool for planning the country’s economic, political and social expansion in the first ten years of the long term vision 2035. It is sub-divided into several sector strategies, each having a number of measurable objectives to be attained by 2020 ; the ultimate goal is the same as, and inspired by, that of the Vision: to make Cameroon “*an emerging, democratic country united in its diversity*”, by 2035.

Cameroon’s ten-year growth and employment strategy enshrined in its GESp has four objectives:

- to raise growth on average annually by about 5.5% in the 2010-2020 period;

- to reduce under-employment from 75.8% to below 50% in 2020 with the creation of tens of thousands of formal jobs yearly in the next ten years;
- to reduce monetary poverty from 39.9% in 2007 to 28.7% in 2020 ;
- to achieve all the Millennium Development Goals (MDG) by 2020.

For these development goals to be achieved, all the stakeholders intervening in the country's economic, social and political development need to each mobilize and seamlessly play their part of the game.

What role then does the Supreme State Audit Office, the supreme institution that audits public finances in Cameroon, play in implementing this growth and employment strategy? How does it contribute to achieving the development goals defined therein?

This presentation will provide answers to these questions.

Basing itself on an analytical review of GESP and Decree No. 2005/375 of 11 October 2005 organizing the Supreme State Audit Office, Cameroon's SAI, This Presentation first outlines the audit mandate and duties of SAI of Cameroon in tackling the challenges inherent in the ten-year growth and employment strategy (I) and secondly, presents the actions of SAI Cameroon in contributing to the achievement of the national development objectives assigned it in the strategy (II).

1. MANDATE AND DUTIES OF SAI CAMEROON IN ADDRESSING THE CHALLENGES OF THE NATIONAL GROWTH AND EMPLOYMENT STRATEGY

The national growth and employment strategy mentions a number of challenges that Cameroon necessarily has to tackle to meet the conditions of its economic, social and political development outlined in its long term Vision 2035.

Prominent among the challenges to be addressed is **the strengthening of governance with a view to improving central government's strategic management (A)**, due especially to the cross-cutting nature of this notion in achieving development objectives.

This challenge is the main area of focus of SAI Cameroon where it has a sufficiently broad mandate and important functions allowing it to truly have an impact on the success of the growth and employment strategy **(B)**.

A. Governance, main area of intervention of the SAI of Cameroon in the achievement of national development objectives

Governance is a key component of the Growth and Employment Strategy Paper (GESP). The overall objective of this pillar is to build the capacity of central government in its role as facilitator and regulator of economic and social activity to ensure amongst others efficient and transparent public finance management. This has to do with how effectively and efficiently the country's human, material and financial resources and potentials are harnessed for its development. Since it cuts across all the sectors and fields of development of the country, the achievement of Cameroon's development objectives and, hence, its sound integration in the global economy, depends on it.

Given the importance of this component, GESP makes the SAI of Cameroon the key actor of the promotion of good governance in Cameroon. Moreover, it is the sector strategy on improving public governance that legitimizes and guides the current actions of the Supreme State Audit Office. It is also through this component that the contribution of the Supreme State Audit Office in the achievement of national development objectives is felt.

Clearly, to better assess SAI Cameroon's contribution in this regard, it is necessary to first ensure that it has an adequate mandate and all necessary powers to truly impact the achievement of the said objectives.

B. Jurisdiction of the Supreme State Audit Office in the promotion of governance in Cameroon

The Supreme State Audit Office (**CONSUPE**) is the Supreme public finance audit institution in Cameroon and is responsible at the highest level for the external audit of the management of public finances.

Its audit mandate is explicitly defined in **Decree No. 2005/374 of 11 October 2005 to organize the Supreme State Audit**. Under the terms of this decree, The Supreme State Audit Office was given the mandate:

- To audit Government ministries, departments and public agencies that constitute the State administrative system; Municipalities and all other bodies that have a public legal entity; Public and semi-public enterprises and Private enterprises and bodies which receive public funds or are guaranteed by the State to receive financial assistance and are of strategic importance to the nation.
- to assess the management quality of audited public entities, especially at the level of economy, efficiency and effectiveness;
- To audit the implementation of the general State budget;
- To audit the accounts of foreign-funded projects.
- To evaluate projects and programmes.
- To provide technical, methodological and pedagogic support to the internal audit structures of ministries and public agencies
- To assist the government in designing, implementing and evaluating state reform programmes relating to the national financial system;
- To contribute to meting out sanctions to government to government executives for poor management and public financial managers for financial improprieties. under conditions stipulated by laws and regulations. This is done through the Budget and Finance Disciplinary Board.

With all these prerogatives, the Supreme State Audit truly has the operational and legal means to take action and contribute significantly to the achievement of the development objectives of Cameroon outlined in the **Growth and Employment Strategy Paper** .

I. CONTRIBUTION OF SAI CAMEROON TO ACHIEVING THE OBJECTIVES OF THE GROWTH AND EMPLOYMENT STRATEGY PAPER (GESP)

The GESP presents a formulation of Cameroon's economic, social and political development strategy by 2020. It is the sum of all integrated sector strategies backed by quantitative and qualitative objectives to be attained in order to steer the country to economic emergence and consolidate democracy and national unity.

This means that the strategy summons the SAI of Cameroon to lead from the front, both upstream, at the stage of the mobilization of revenue and, downstream, at the level of their conversion into investments (A),

Further, high on the GESP agenda is the consolidation of democracy and the rule of law, levers of economic expansion especially through the fight against corruption and the promotion of the culture of accountability, areas in which the Supreme State Audit is active as well (B).

A. Role of SAI Cameroon in the financial success of GESP programs

The Supreme State Audit contributes to the mastery of the financial management of GESP projects at the stage of the mobilization of revenue (1), and at the stage of the actual realization of projects (2),

1. Supreme State Audit, tool for mastering and securing the sources of financing of the State of Cameroon

As with most States in the world, Cameroon finances its economy with equity funds and loans.

Equity funds are the main source of financing of the Cameroon State. Although their mastery is crucial to the success of the socio-economic development strategy formulated by the Government of Cameroon, these funds are unfortunately one of the most vulnerable areas of Cameroon's public finance, judging, from their rate of loss.

In such a context, the role of SAI Cameroon in protecting domestic revenue is decisive. That is why it undertook in 2010 the audit of government treasuries nationwide.

In 2012, the Supreme State Audit Office audited forestry and road revenue, on the occasion of the audit of the Forestry Fund and the Road Fund respectively. The objectives of these audits were to (i) ascertain the compliance to laws and regulations in force of administrative operations and decisions relating to the payment and collection of forestry and road revenue, (ii) assess the sincerity and fair view of financial statements presented by Government departments tasked with collecting such revenue and (iii) assess their performance of agencies involved in the collection of the said revenue.

These audits made it possible not only to detect cases of errors and fraud that rob the State of substantial resources but to also identify weaknesses that affect the quality of the accounting information produced by these strategic public finances structures in Cameroon.

The impact of these audits, particularly the one done in the Treasury in 2010, enabled the State to reduce the illicit drain of public revenue by exposing parallel networks through which substantial revenue was paid to ghost workers. It goes without saying that the savings that now accrue after exposure of these networks are additional resources now at the disposal of the central government to carry through development projects in the country.

Beside equity funds, public debt also plays a far from negligible role in the success of Cameroon's economic programs. After the long and severe crisis, Cameroon recently regained credibility among donors thanks to its reaching the completion point of the Heavily Indebted Poor Countries (HIPC) Initiative in 2006.

However, the spectre of unsustainable debt conjured by the above crisis still lingers on. Better, it constitutes a permanent risk against which the country has to guard itself. This is what has led government authorities to opt for "cautious indebtedness", reflected in their preference for concessional debt and domestic loans.

In this context, SAI of Cameroon's role in keeping State debt in check is very important. In 2010, it audited the country's public debt management. At the end of this exercise, the Authorities were able, for the first time, to have a relevant and comprehensive diagnosis which revealed various weaknesses in the public debt management of Cameroon. These malfunctions concerned mostly the non-compliance with the relevant regulatory framework and the absence of a policy of coverage of the country's external debt-related risks and allowed for the formulation of proposals for improving debt management and, particularly, the related risks.

In a nutshell, SAI Cameroon helps to secure the State's sources of financing and master various related risks. But its action also covers the audit of investments.

2. Supreme State Audit Office, observatory of the regularity and performance of planned GESP investments

GESP envisages huge investments, which require the mobilization of substantial funds. The SAI of Cameroon is consequently called to look closely into these investments and their performance.

On the first point, it is worth noting that investments that are listed in GESP are evaluated at several billion CFA Francs. To detect irregularities that might affect their implementation, the Supreme State Audit Office has since 2008 been carrying out a bi-annual audit of their physical, administrative and financial execution as part of the audit of the implementation of the Public Investment Budget (PIB).

The aim of this type of audit assignments is to:

- examine public procurement procedures, highlighting any breach of regulations;
- describe (if necessary) the mechanisms of financial improprieties;
- clearly apportion responsibility;
- determine the amount of loss suffered by the State.

The sustained action of the Supreme State Audit Office in the conduct of this type of audit has served to deter the infringement of public procurement regulations and commission of acts of misappropriation.

Concretely, this action has made it possible *inter alia* to:

- considerably reduce the number of abandoned construction sites often observed during the execution of projects financed by the Public Investment Budget;
- improve the quality of works, supplies and services, the subject of audited public contracts, due to the dread of audits;
 - reduce to the minimum, fictitious supplies and/or works;
 - introduce greater transparency and objectivity in the award of public contracts, and hence better quality of public works and infrastructures realized.

On the second point, the Supreme State Audit Office also evaluates the effectiveness, economy and efficiency of the implementation of retained programs within the framework of GESPP. This latter type of audit is no longer optional for SAI Cameroon: it is a necessity imposed by the transition since FY 2013 to the new financial regime of the State which ushers in program budgeting and its corollary, results-based management (RBM). In this context, a performance audit of the national youth training and socio-professional integration program was conducted in 2011 at the National Employment Fund (NEF).

On that occasion, the said policy was audited in light of the objective assigned to this body. At the end of the exercise, very relevant proposals were made to enhance the performance of this program.

The GESPP offers the SAI of Cameroon tremendous opportunities to act and to make a meaningful contribution to the successful financial management of the State's economic programs. This contribution also covers the consolidation of democracy and the rule of law through the fight against corruption and promotion of accountability.

B. Supreme State Audit, major player in the consolidation of democracy and the rule of law in Cameroon

It is an established fact that the chances of success of economic strategies are contingent on the political and social environment. It is on the basis of that reality that GESPP gives a choice of place to the consolidation of democracy and the rule of law in Cameroon, especially through the fight against corruption (1) and the promotion of the accountability (2). The SAI of Cameroon is fore mostly concerned by these issues.

1. *Supreme State Audit Office, basis for fighting corruption in Cameroon*

The fight against corruption forms part of the priorities of the Government of Cameroon. Since the country was ranked twice by Transparency International as the most corrupt country in the world, it resolved to fight this national pandemic which discourages investors, causes significant losses of State revenue and impact very negatively on the socio economic development of the country.

In that regard, the Supreme State Audit Office strives in each of its audits, to prevent and detect acts of fraud and corruption which poison Cameroon's public finances in general and public contracts in particular.

These efforts deployed with the support of the highest State authorities in Cameroon are already producing visible results. Ranked first nearly a decade ago, the country was improved

its position in ranking of Transparency International in 2012, proof that corruption has receded significantly. In the same vein, it rose three points up on the **Doing Business** index in 2012.

2. Promotion of the culture of accountability, a cardinal mission of the Supreme State Audit

It is impossible to think of a democratic State without accountability. By virtue of their audit mandate, SAIs guarantee the effectiveness of public accountability.

The Supreme State Audit Office is no exception to this rule. Indeed, in 2012 alone, the audits performed by this Institution made it possible to arraign 900 (nine hundred) public government officials before the Budgetary and Finance Disciplinary Board, (Cameroon's inter-ministerial disciplinary body lodged within SAI Cameroon) to answer for presumed management faults of which they were accused of. Sanctions, including removal from office and order to pay back, were pronounced against some of them.

In the same vein, thanks to the Institution's audits, several authorizing officers were arraigned before the competent courts and punished because found guilty of embezzlement of public funds.

Although it is agreed that such actions must be multiplied, it remains true that they have translated into a number of positive effects.

The main effect is that these actions have allowed for several billions of embezzled CFAF Francs to be returned to the State by the guilty persons themselves who have owned up to their misdeeds. The funds thus refunded will make it possible to finance the development projects being designed or being executed.

Further, the SAI has always made sure to publish in the media the decisions of the Budgetary and Finance Disciplinary Board punishing embezzlement cases involving public vote holders. The publicity around certain sensational cases has contributed to heighten citizens' awareness on the activities of Government departments. It has also increased the call for the obligation of accountability on the part of those responsible for the management of State funds.

3. The SAI of Cameroon assists the government in designing, implementing and evaluating state reform programmes relating to the national financial system;

The SAI of Cameroon plays an important role in encouraging public sector reforms aimed at improving governance and financial management within the framework of **GESP**. In this domain, the SAI assumes, in addition to its traditional audit functions, the role of a consultant to the government by examining for advisory purposes exposures drafts of reform measures formulated by the government to meet the development objectives in **GESP**. In this way, the SAI assesses the reform measures before their publication with a view, to the detection and indication of inadequacies and gaps contained in them and proposing measures to rectify them or to improve upon the measures.

It is in this light that the SAI has been getting more and more involved in the formulation and designing of recent reform activities related to **Growth and Employment Strategy Paper**. This has either been by way of the SAI receiving for its review and comments drafts of reforms projects prepared by the government or by a direct participation of the SAI in Committees put in place by government to prepare reform programs. The expertise of the SAI has been

instrumental in this regard, in the formulation and designing of reform activities destined to enhance accountability process in the public sector and to improve the performance of the public administration.

The SAI of Cameroon if requested by government, gives all the advice it deems helpful in connection with government policy in the areas of investment, liberalisation, privatisation and any economic and financial reforms. It makes to government in its audit and annual reports observation and recommendations to promote and improve government budgeting and financial management systems. The SAI in this way draws from its vast experience acquired from its audit work to contribute in the reflection on public strategies and policies as well as on major orientations of the administration. Its role here is not to participate in the finale decision but to advise the government on certain aspects that should be taken in to consideration to ensure that the necessary conditions for a well performing public management and the protection of the rights of the users of public services are in place.

In a nutshell, the Supreme State Audit Office (as the SAI of Cameroon) is involved in all the components of GESP, the tool for planning the economic, social and political expansion of Cameroon, and makes a significant contribution to the achievement of its development objectives.