

Reforming public sector accounting and financial systems: A critique of Cameroon and Nigeria

AMBE Alfred Nobe

Department of Accounting, Gombe State University Gombe, Nigeria

Abstract

General studies on New Public Financial Management as a new way of improving the accounting and the financial sector to successfully drive production through knowledge has included reforms in both these areas- a wide-spread proposition going back twenty years. Unfortunately more contextualized empirical studies in developing and emerging economies are scarce. Accounting and financial management reforms in Cameroon and Nigeria should aim at improving accountability of these governments by such means as accrual accounts, devolved budgets, performance measures, transparent costing and output and outcome based budgeting. None-the-less, while many western nations to a very large extent are succeeding in applying these measures, strong cases exist against attempting such reforms in developing economies largely due to constraints of underdevelopment. This study seeks to critically assess the government accounting and financial changes in these two countries. The design, methodology or approach in this study is to examine developments in the accounting and financial reforms in Cameroon and Nigeria using documentary research backed by interviews of senior administrators concerned with government accounting matters in key ministries of Finance, Education and Agriculture in these two countries. Findings showed that there was a universalist support for accounting and financial reforms, that there were institutional voids, socio-political differences, technical and behavioural problems, to name but a few. It is recommended among others that these countries' governments should make available sufficient resources to train personnel which will assure capacity for the new methods and for the building of institutions to cover for infrastructural deficits that exists in these system; they adopt a participative culture as a way to eliminate unhealthy bureaucratic and socio-political behaviour. Executive and parliamentary will is coveted for appropriate and timely execution and monitoring of reform implementation processes.

Keywords: *Accounting Reforms; Accrual Accounting; Top-Down Approach; Public Sector*

1. Introduction:

For some time, many experts treated the reform of accounting and financial processes and systems of both the public and private entities as

isolated and independent processes necessitated purely by the need for more accuracy in gathering monetary economic data; but of recent the advent of the New Public Financial Management

(NPFM) technique has been more revealing by situating these activities under its universality thus making it an underlying mechanism in public sector reforms world-wide, (Gutherie et al, 1999; Lapsley, 2000). By it (ie NPFM) accounting and financial reforms are a part and parcel of normal management reforms aimed at improving public sector productivity. It is quickly acknowledged here that, though the general direction of reforms is to improve effectiveness and accountability of the entity (in this case, public sector entity) through such means as accrual accounting, cameral accounting, devolved budgets, output based budgeting or programming budgeting, performance measurement and transparent costing, the impetus to reform is usually from both internal and external forces, (Pollit,1990; Hood, 1995; Lane, 2000 and Olson et al, 2001).

Some others such as Hede (1992), Hood, (2001),and Rhodes, (2000) have generalized reform periods, looking at history and therefore, have suggested three separate reform periods of the overall public sector. These are: the merit reforms (which to them began in the mid eighteenth century- 1750s and above). They (the reforms) focused on abolishing political patronages. Accounting then was largely arithmetic and accuracy was a great ethical guide. The equity reform period, (1950s 1970s) are a second string, which were aimed at guaranteeing equal opportunity for all citizens to be employed in the public sector. This period witnessed a wealth of socialist and communist ideology on economics and government which gained grounds around the world. The cash and cameral accounting systems also spread at this period though with almost no persuasion or inducement from other countries to adopt them. Managerial instruments of public sector accounting and finance were also introduced into

governments then. Now Hood (2001) and Rhodes (2000), add a third period, the market reform periods dominated by capitalist free-market style accounting and financial resurgence. Vigoda (2002) and Wettenhall (2003), suggest that there has been a community in which states (i.e. governments) have mixed with civil society together in the hope of bringing growth and development to communities and nations. Keast and Brown (2003) view the managerial reform period as one oriented largely towards the restructuring of the internal operational framework of the public sector and para-government institutions. This to them is the third period, while the market and community reforms are considered by them as fourth and fifth waves of reforms.

This attempt to group nations into reform periods carries with it the assumption that all countries have been eager to modernize and improve their public sector systems and processes including their accounting and financial systems. On a closer look, this will be true of the widely exposed world of the west (ie North America and Western Europe) and of recent, the rapidly emerging nations of Asia. But such an assumption must be taken with a lot of caution as regards developing countries of Africa.

The drummed-up benefits of NPFM remain the assurance of better service delivery to taxpayers, reduction of bureaucracy and ease of complexity in decision-making through more timely and relevant information and knowledge. Improved procurement and pricing decisions, budget preparations and planning decisions, customer/citizen orientation programmes, as well as accountability and expenditure control, are more NPFM benefits. Clear quantity and quality performance targets can be set and evaluated with very low margins of error, a measure that should greatly assist responsible

decentralisation as well as equitable and transparent decision making in government, (Romzek, 2000; Verbeeten, 2008; Boston, 1993; Guthrie et al, 1999).

Ramanie and Lynne, (2002) add that the NPFM has the following characteristics (known here as benefits); minimal government interference in service provision along with the concomitant espousal, of market philosophy and beliefs together with an inherent assumption that private sector is more efficient than the public sector, (Beckertt, 2000; Jaconelli& Sheffield, 2000). So while it can be said that public sector reforms are not new to developing countries, some of these countries have been more committed to reforms than others. Arellano-Gault, (2000); Blair, (1995) and Turner, (2001) all view that developing countries which embarked on these reforms were greatly concerned with improving efficiency and effectiveness in their public sectors as well as combat corruption as a lesser concern, (Quah, 1999).

2. Research design

This study aims to achieve the following objectives: firstly, to expose the relative receptivity of the two nations and their systems to government accounting and financial reforms; secondly, to assess successes made by the two governments in these reforms, especially with regards to IPSAS criticisms are also made; thirdly, to supply solutions to failings in their reform processes; and fourthly, to reduce the large literature gap in comparing government accounting and financial reforms in developing countries, especially between the Anglo-Saxon systems and the francophone systems.

The methodology adopted in this study is documentary research substantiated by interviews given the ongoing reforms. Files from

ministries, reports made and financial statements produced were checked covering before reform period, set as 2008 and after (or on-going) reform period of 2012. Types of workshops held, seminars and their pronouncements in publications (eg newspapers) were used. Other works directly or indirectly linked to changes in these systems were also used. Therefore, content analyses of largely qualitative type were used in this study.

The interviews were made on junior, middle and senior administrative and accounting officers in the ministries of Finance, Education and Agriculture of Cameroon and Nigeria. It was not easy to get more than three interviewees per ministry and some ministries insisted on designating a single interviewee. Thus by using three ministries, assertions in one could be corroborated or refuted by the other two. This, with the documents is thought to have brought the truth out in this study.

3. Background literature and theory:

Accounting and Financial systems are crucial subsystems of management information systems (MIS) (Udey& Wiggins, 1999). Their major function has been to process financial transactions as well as non-financial transactions that directly affect the processing of financial transactions. For example, documentation policies and personnel methods used to prepare accounting reports which support decision-making processes, (Toluyemi, 1999).

Caillouet and Lapaeyre (1992) view Accounting and Financial Information System (AIS) as providing financial data for managerial functions such as planning, controlling, providing performance reports of the variances generated and special reports to analyse problem areas. Similarly, to Kaplan et al., (1998) retains and generates the information to be used by the

organisation to plan, evaluate and diagnose the dynamics of operations and financial circumstances. AIS is a major source of information to decision makers in government, government parastatals, business organisations and not-for-profit organisations, (Caillouet & Lapeyre, 1992; Udey & Winggins, 1999). Hall, (1998), has equally identified four major sub-systems composing the AIS: the transaction Processing System; the general Ledger/financial reporting system; the fixed assets system; and the management reporting system.

Therefore, the government accounting and financial system is an integrated financial information system developed within the Office of the Accountant General or Treasurer General and includes sub-systems as; the accounting system, the payment systems, investment and loans systems and financial management system. These systems should usually be designed to collect and integrate all data from departmental data base for storage in a centralised data base for use in further analysis and centralised decision-making.

3.1 Accounting best practices in government

Nurissah (2014) suggests Public sector, is “a political organisation set up with the power to direct, regulate and control the activities of citizens to enable them live together harmoniously and to solve their common problems effectively.” So, to him public sector accounting activities are concerned with recording and managing the public property for the purpose of discharging the accountability of government.

There are many accounting practices that can be implemented in government for the purpose of achieving best results in accounting records and decision making. The handy tools (ie best practices) so far bandied about for the past twenty

years and more, are: accrual accounting in government and output/outcome-based budgeting.

3.1.1 Outcome-based budgeting (OBB)

Under the OBB approach, emphasis is given to the outputs/outcomes or results as well as effectiveness of projects and programmes, compared with expenditure and input, Nurissah (2014). In addition, government expenditure should emphasize value for-money as well as programmes and projects with high multiplier effect”. According to Malaysian Ministry of Finance, (2010) Outcome Based Budgeting (OBB) is an integrated process incorporating five main development components, viz: planning, budgeting, monitoring and evaluation, accountability and management information system. By integrating these components, OBB seeks to enhance public sector management's effectiveness and efficiency. Thus OBB allows the cascade from national, ministry and department/activities and fosters clear and unified lines of responsibility and creates better audit oversight and reporting. It focuses on results rather than the input utilization. OBB includes three key components: Results-Based Budgeting (RBB), Results-Based Performance Evaluation and Results-Based Management Information System. Kibbler white and Ussher (2002) posit that output/outcome-based budgeting is similar to programme budgeting. They explain outcomes as the impacts on or the consequences for or on the community as a result of the activities of government. Outputs mean the goods or services that are produced by a department or entity, (Kibblerwhite & Ussher, 2002). Emphases are thus shifted from inputs: how much was spent, to what was money spent for and why? This has helped so much to place focus on what goods and services government is producing and what they cost. These budgets none-the-less, are again translated or are

translatable to inputs in order to facilitate government budgetary control and for the compilation of government returns and statistics.

Lane (2006) on his part quickly ties OBB system of budgeting to accrual accounting. He says OBB can provide assistance in efforts to improve public management practices. There are interesting changes ahead to any country embarking on accounting and financial reforms, and to Lane (2006), the shift is in the presentation of public sector budgeting information on an accrual and output basis. He says that as a matter of fact, the adoption of the accrual accounting and budgeting techniques have been part and parcel of broad-based public sector reforms including the new managerialism, contracting, and market-based activities, (Parker & Guthrie, 1993; Alford & O'Neill, 1994; and Olson, et al 1998). Thus there is a marked trend within the public sectors of many nations to move from traditional cash-based budget-reporting to accrual-based budgeting and this latter facilitates greater focus on outputs and outcomes. This is found to be in various degrees or stages in transiting countries.

3.1.2 IPSAS

The immediate foregoing discussion can be summed up in what is aggressively being pursued by various governments, known as IPSAS, (International Public Sector Accounting Standards). Ijeoma and Oghoghomeh (2014) suggests that while commercial entities across the world are moving towards the International Financial Reporting Standards (IFRS), governments are attempting harmonization with the IPSAS. The pressures for these are coming from International and regional organisations such as World Bank, African Union (AU), Economic Community of West African States (ECWAS), multinational organisations and internal quest for timely, clear and open financial statements. The UN Food and Agricultural Organisation (FAO),

(2006) said that “the adoption of IPSAS and the consequent changes to the basis of recognizing expenses (and potentially also income) raises issues with respect to the current budgeting policy. This is because there is a requirement under IPSAS to provide reconciliation between the actual expenses in financial reporting and the budget. The changed basis of expense recognition in the financial statements would need to be reflected in the budget to facilitate reconciliation of the results. The requirement under IPSAS to recognize and depreciate capital assets illustrates the point. Currently financial reporting and budgeting are on the same cash basis in that the acquisition cost of capital assets are expensed in the year of acquisition. It is so for all nations which have not reformed. However IPSAS will recognize the expense of a capital asset as depreciation (non-cash) and spread it over the useful life of the asset.”

3.2. IPSAS Benefits

FAO (2006) notes IPSAS are an independent set of accounting standards under-pinned by a strong due process and supported by governments, international accounting bodies and international development organizations such as the World Bank. They represent best practices for governments and not-for-profit organizations. The OECD, European Commission and NATO have recently adopted IPSAS for their financial reporting.

Significant benefits will arise from IPSAS adoption and include reporting of assets, liabilities, revenue and expenses in accordance with independent financial standards and improved financial management. The increase in comprehensive information about costs should give better support for results-based management. The Board of Auditors and the Panel of External Auditors of the UN support IPSAS adoption as it will improve the quality, comparability and

credibility of the United Nations system of financial reporting with consequential improvements anticipated with respect to accountability, transparency and governance.

4. The process in Cameroon

The Republic of Cameroon is an African country located on the eastern side of Nigeria (some call it the centre of Africa), running the whole length of it from Lake Chad to the Atlantic Ocean. It has English and French as its national languages - a heritage received from the aftermath of WWII when German overseas territories were shared among the victorious nations. Cameroon, (one of the German colonial territories, then called Kamerun) was partitioned between France and England as trustee territories. France had the larger share and managed it separately from its other colonial territories, while Britain combined its own portion with Nigeria and administered them together. It was during this trusteeship period that the present identity of Cameroon was formed, because at the time of independence when the two territories opted rather to come together instead of getting independence separately, their individual identities were retained in the new country now known as the Republic of Cameroon. According to the 2010 revision of the World Population Prospects, (because no census has taken place in the country since 1972) the total population was nineteen million, five-hundred and ninety-nine thousand people, (19 599 000) in 2010 (Colonial Cameroon, 2015).

Cameroon has a public sector accounting and financial system that tends more towards the CEMAC region. (CEMAC means the Economic and Monetary Community of Central African States from its French version; *Communauté Économique et Monétaire de l'Afrique Centrale*) than meeting national demands. The system is as

practiced by most franco phone African countries (though at varying degrees), derives much from the French 'Plan Comptable Generale' with its pre-planned accounting code. It must be said quickly here that Cameroon by error of omission or commission has not looked keenly into the benefits of the Anglo-Saxon accounting approach bequeathed to its Anglophone population and the versatility it carries, most importantly for the benefit of the nation before other groups. Moussa (2004) found in a study of African Francophone countries that their systems have a 57% to 74% similarity with that of France; a situation that found Cameroon at 64% similarity with France's system. The link to France and the regional body CEMAC, means that reforms are going to be very slow. Following this therefore, accounting reforms have been rare in the Cameroon government sector with much of its pressure for reforms coming from external forces such as, World Bank and other donor agencies which are under pressure from contributors to extract result and impact reports from recipient countries and organisations. It is for this reason that Gaël and Anand, (2013) view reforms in Cameroon as 'accidental'. Specifically, in 2008, World Bank successfully concluded preparation on a project to support the Government of Cameroon to reform towards improvements in transparency, efficiency, and accountability of public finance management. These two authors were able to conclude that:

“Cameroon has experienced poor governance for much of its independent history. Repressive governance under its first president, Ahmadou Ahidjou, was followed by the rule of Paul Biya who has served as president since 1982, winning re-election to an additional seven year term in 2011 after amending the term limit provision of the constitution in 2008. The Mo Ibrahim

Governance Index for Cameroon ranks it 36th out of 52 countries in Africa, with a stagnant score over the past six years. Cameroon scores particularly poorly on sub-scores for Rule of Law and on Participation and Human Rights. Cameroon topped Transparency International's list of the most corrupt countries in the world in 1998, 1999 and 2002.”

Reflecting this problem, Orock et al. (2012) noted,

“Corruption and embezzlement of state funds by public officials have become so endemic that they have come to be seen by most Cameroonians as the major knot that ties together their problems with poverty, unemployment and insecurity”. In terms of the functioning of the bureaucracy, and in a 2009 Development Policy Review by the World Bank, it was noted that “uneven commitment to reform, inconsistency and pervasive bureaucratic inertia distinguish Cameroon from many high performing developing countries.” It pointed out that: “bureaucratic inertia ...has undermined its capacity to effectively execute policies.” It pointed to “the root cause of this pervasive problem, namely the excessive fragmentation of the administration and the proliferation of overlapping agencies (ministries, permanent committees, special commissions, and so forth); the patronage based promotion and demotion system, which contributes to low morale and ineffectiveness in the civil service; and the indiscriminate low pay policy which seriously undermines the emergence of a stable and well-

motivated technocracy in Cameroon administration.”Others have commented on the effects of a patronage-based system of appointments and demotions on the performance of the bureaucracy. The net effect is a high degree of reform inertia, low levels of mutual trust, and weak coordination across ministerial boundaries, precisely the symptoms identified by the report.”

The report therefore reached a number of conclusions for Cameroon that: Even though an experiment could probably be successful in any country (if well targeted and designed), it would not mean that it would have a “catalytic” effect and this could take several years to materialize. Even then, they pointed out that in traditional Public Sector Management projects, the same “catalytic” effect may not materialize since the impact on the ground is sometimes problematic, which hampers the change agenda. Roll (2011) has the same view when he points out that pockets of effectiveness may “perform relatively well but are not a magic bullet for transforming the whole public sector either; because they are performing essential functions in 'bad governance' contexts. It can thus be said of Cameroon that, it is difficult to successfully implement a public sector reform project with a design that calls for cross-government coordination of reforms where the authorizing/governance environment is not supportive. The lesson learned here is that understanding the political economy and the authorizing environment is critical to ensure that project design suits the political context. Notably, where the public sector context stifles the full benefits of the projects then, it were better they the context, be reformed to facilitate project implementation. Cameroon has no national accounting standards board and no chartered accounting institutes for any of the professional areas whether Financial accounting,

management accounting, taxation, public sector accounting, corporate governance or banking and insurance. It has no financial reporting council that can issue and regulate standards for use in Cameroon, nor national accounting committees to look into activities of professional accountants in Cameroon. Cameroon has not passed any legislation with regards to the adoption of International Public Sector Accounting Standards (IPSAS).

It is therefore, not surprising that while Cameroon has been attempting reforms on its very rudimentary budgetary approach, and accounting and financial system, it has yet to embark on far reaching reforms on its public sector accounting and financial system.

5. The process in Nigeria

The Federal Republic of Nigeria is a country located on the western side of the Republic of Cameroon and on the East of the Republic of Benin. The Atlantic Ocean forms the southern boundary while Niger and Chad are on its northern side. It was colonised by Britain and got its independence in 1960. Unlike its neighbours Cameroon, which belongs to the Economic and Monetary Union of Central African States (CEMAC), Nigeria belongs to the Economic Community of West African States (ECOWAS). It has one national language, English.

Prior to the coming of colonial master (Britain) (ie the events prior to the period from 1807 to 1900), (Colonial Nigeria, 2015) Nigeria already had a long history of national and international trade (the latter was mostly with North African Arab traders). The more properly organised systems of trade and governments in existence then were the ancient kingdoms and empires of Benin, Oyo and Kanem Bornu which are large cultures and groups of nationalities

which all operated in the territory which is now Nigeria. All these systems of trade and governments were evidently in need and used accounting information in order to have been so well organised as to trade in such a large scale across Africa. So although the exact period when book-keeping and accounting was introduced in Nigeria is not known, there is no doubt that such a history covers a considerably long period before colonisation began. When it came, colonialism came with large multinational companies in Nigeria and these also influenced the evolution of the accounting system in the country in that the accounts of those companies were kept according to the system operated by the colonial power Britain. In fact, it was their presence and activities that led to the granting of the Royal Charter in 1886 to the National African Company a company which later became the Royal Niger Company, an amalgam of a group of companies. The granting of this Charter became the watershed for accounting in Nigeria in that by it, it became compulsory for the company to keep proper accounting records according to the British home system. This entails that British accounting firms oversaw the compliance (ie auditing) of overseas companies and branches of companies using the accounting standards as operated in Britain as at then. Therefore, most of the early professional accountants were either British or Nigerians trained in Britain and the laws governing accounting in Nigeria from the granting of the Royal Charter up to independence were almost the same as the ones in Britain. Thus a combination of traditional linkages between multinational companies and international accounting (and audit) firms, as well as the absence of local accounting firms at these early stages were the primary reasons why the growth of accounting in Nigeria was naturally skewed towards Britain.

By 1960, there was a quick adoption of the colonial heritage of professional development from Britain, which manifested in the establishment of some indigenous professional bodies; and in accounting, the Association of Accountants in Nigeria (AAN) was formed which went on to become the Institute of Chartered Accountants of Nigeria (ICAN). Subsequently another body, the Association of National Accountants of Nigeria (ANAN) developed. The Nigerian Accounting Standards Board (NASB) formed in 1982 as a private initiative has worked closely with the professional bodies to issue Statements of Accounting Standards (SAS) to be applied in preparation and presentation of financial statements and accounts in Nigeria. These among others, such as the Federation Accounts Allocation Committee (FAAC) and Financial Reporting Council of Nigeria (FRCN) have championed accounting reforms in the country since then, and have afterwards, carved out an autonomous and special identity of the accounting practice in Nigeria making it to be as robust as any around the world.

5.1 IPSAS and Nigeria

Accounting standards are standards for financial reporting (in the form of General Purpose Financial Statements) by entities in the public and private sector. Parry (2011) says that initially and still continuing to a large extent, financial reporting standards were developed by national accounting bodies. Today the IFRSB is an international body created by national accounting bodies to establish the IFRS as international financial reporting standards. He further says, IPSAS have been developed from IFRS specifically to be applicable to public sector entities. The International Federation of Accountants promulgates IPSAS and though there is much common membership of IFRSB

and IFAC, they are two separate institutions and both are private sector organisations. Nonetheless input also came from multilateral development organisations and some national development agencies into the process of formulating IPSAS, (Parry, 2011).

Since 1997, when the IPSAS Board started issuing their developed standards, it has issued a suite of 32 accrual standards, and a cash basis standard for all levels of governments moving toward full accrual accounting, (McFie, 2013). These standards at the international level preceded by the IFRS comprehensive standards made the IPSASB to concentrate on providing standards for areas not covered by IFRS. About thirty (30) countries are adopting accrual basis IPSAS, and while some adopt IPSASs directly (e.g. Switzerland, Slovakia), others adopt them through national standards (e.g. South Africa, Brazil). The entire UN system, OECD, NATO, Interpol and EU are progressing with the adoption. (McFie, 2013) suggested that Nigeria announced in mid-2008 its plan to adopt IPSAS. Nigeria has since constituted a high-powered implementation team, officially known as the 'Federation Account Allocation Committee (FAAC), saddling its sub-committee with the Roadmap for the Adoption of IPSASs. This mandate to FAAC covers virtually everything that is required not only to implement IPSASs but also to ensure long-term sustenance including IT needs, (McFie, 2013). Ibrahim (2010), asserts that Nigeria began producing consolidated statements in 2009, based on cash IPSAS.

A lot has been done by this sub-committee already, including: conducting of sensitisation of political leaders across the country; exposing all stakeholders to IPSASs in addition to conducting workshops for all of them nation-wide; collation of IPSASs gap analysis for all tiers of government; collaboration with the World Bank

and other development partners; adoption of a common Chart of Accounts; procurement and distribution of 'IPSAS Explained' by Thomas Muller. And the agreement on a training manual and timetable of a phased approach of adoption are ready, (McFie, 2013).

Also, there has been a healthy discussion on the media, government and professional groups in Nigeria about the adoption of IPSAS. The effect of such awareness has been that the Office of Accountant-General of the Federation and the Financial Reporting Council of Nigeria in May 2012, declared their resolve to collaborate in promoting the use of accounting standards in the public sector. They say the standards would build confidence of donor agencies, improve service delivery, enhance public-private partnership, and boost peer review mechanism of financial reports among the three layers of government and governments of other countries. The Financial Reporting Council (FRC) of Nigeria has said that the adoption of the International Public Sector Accounting Standards (IPSAS) by the public sector would strengthen Nigeria's economy (Obazee, 2014). They posited that IPSAS was able to help the country build a good tax regime and financial reporting in such a way that accurate data on taxes can be got and used for running the country. This was useful to eliminate the dependence on oil. There was urgent need for the amendment of older legislation as the Financial Management Law by states and the Financial Management Act by the federal government in order to replace them with IPSAS. Nigeria's quest to reposition its economy as one of the top 20 economies of the world by the year 2020 as encapsulated in Vision 20:2020 has given rise to various policies and reforms of government, all targeted at preparing a fertile ground for the actualisation of the vision. So the government decided to commence gradual compliance by ensuring that all general purpose

financial statements of Ministries, Departments and Agencies (MDAs) accede to the provision of an acceptable global accounting system, i.e. the International Public Sector Accounting Standards (IPSASs), which were earlier scheduled to have commenced by 2013, but have been shifted to January, 2015, then to 2016. The three levels of government, namely; federal, state and local governments would have adopted and put these global standards to use in all accounting procedures. IPSAS are a most recent set of accounting standards issued by its board for use by public sector entities around the world in the preparation of financial statements. These standards are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). They are thus vital as a critical institutional infrastructure for a modern government and are now a recognised benchmark for evaluating and improving government accounting in most developing countries like Nigeria. So having decided in 2010 that Nigeria adopts the provisions of the International Financial Reporting Standards (IFRS) and IPSAS for the private and public sectors respectively, "The Federation Account Allocation Committee (FAAC) at its meeting held on 13th June, 2011 set up a sub-committee to provide a roadmap for the adoption of IPSAS in the three levels of government in Nigeria".

Otunla, (2014) has explained that the adoption of IPSAS would undeniably lead to better informed assessment of resource allocation decisions made by the government as well as improve transparency and accountability in the system. In his view, the desire of government is to incorporate the system as an integral element of reforms directed at promoting social and economic development. Otunla, (2014) therefore, further lamented that in many states of the federation, balance sheet audits, when

performed, still routinely revealed major discrepancies, saying the situation was largely to be blamed on the fact that the operation of government business and accounts has been within the general framework of the principles of fund accounting, with financial reporting structure being far from the principles in absolute terms.

The precursor to IPSAS is the application of full accrual accounting standards which is broadly consistent with IPSAS requirement. But as it stands, Nigeria has phased out its implementation over two stages implementation of Cash-basis IPSAS first, then followed by accrual-based IPSASs. The phased approach was made after considering the current state of Nigeria's financial management process, which for the past 40 years, has been using cash accounting in the public sector, albeit not IPSAS-compliant. In order for accrual-based IPSASs to be implemented, adequate processes and systems need to be in place. Implementing Cash-basis IPSASs first would allow the preparations for accrual-based IPSASs to be properly made. The implementation of accrual-based IPSAS is a major undertaking and some countries in advanced economies have estimated that it would take them more than 10 years to implement, (Public consultation, 2012).

The public sector in Nigeria consists of the three levels of Government [Federal, State and Local] and their parastatals. There are 36 States, a Federal Capital Territory (FCT) at Abuja and 774 Local Government Areas (LGAs) in the Federation of Nigeria. All the Governments in the country are required by law to prepare annual budgets and render accounts of their financial operations. The relevant laws in this regard are "The Finance [Control and Management] Ordinance of 1958, the Constitution of the Federal Republic of Nigeria, 1999, and the Civil Service [Re-Organisation] Decree/Act 43 of

1988". By law, the Minister in charge of Finance is required to make a full financial disclosure to the legislature, prepare estimates of revenues and expenditures [that is, the budget] on a yearly basis, while the Accountant-General is enjoined to sign and present to the Director of Federal Audit the financial position of Government on the last day of each financial year. Furthermore, the law demands that "the public accounts of the Federation and of all offices, courts and authorities of the Federation (including all persons and bodies established by law and entrusted with the collection and administration of public moneys and assets) shall be audited and reported by the Auditor-General, and for that purpose, the Auditor-General or any person authorised by him or acting on his behalf shall have access to all books, records, returns and other documents relating to those accounts". For the sake of accountability, the relevant Nigerian laws also direct that: (a) all instructions relating to expenditure of public funds by Accounting Officers shall be in writing. (b) all Ministers and Chief Executive and Accounting Officers shall render annual reports of their ministries in order to ensure accountability and enforce performance ethics. (c) Ministries shall render monthly returns of receipts and expenditures to the Accountant-General with copies to the Budget Department and the Auditor-General not later than three weeks of the following month".

The Nigerian currency the Naira, is not pegged to any European currency and its exchange rate to the Dollar has remained at about \$1 to N165 and meets the optimum currency area better than the CFA. This is because its control is robust and central bank responses to vagaries in the open market are direct.

6. Criticisms

Firstly, what IFRSB and IPSASB are trying to do is to take over the role of national accounting

standard setting bodies all around the worldie a top-down approach. This they have attempted by using world bodies, regional organisations, donor nations and agencies to demand the use of these standards within nations. But the fact still remains that all the nations reforming into IFRS/IPSAS are stuck especially, at the capacity stage. Most local accounting professionals, accounting bodies and nations do not have the knowledge, the personnel and infrastructure needed. The provision of these would there make the cost of adoption scary, (McGee & Galina, 2005). Top-down approaches are not demand driven and so suffer from acceptability problems; most professionals and governments do not feel they need international standards.

Secondly, most of the standards drawn did not take into account local specifics, and the offer by the international bodies as UN and so on, to drop money and consultants to the problems as solution is not enough. National socio-political and cultural factors such as ethnicity do obstruct accounting, financial and management reforms in the public sector. It is because these factors do influence personnel and behavioural controls, budget participation and even the reward systems, (Efferin and Hooper, 2007). It is obvious that the national leaning of a managerial team on political and social matters should influence decisions they make in ministries, departments and government agencies. So at times, for a government previously supportive of reforms, if any lack of sustained political will occurs, the reform process will falter or fail, (Larbi, 2001; and McCourt, 2001).

Thirdly, Tao (2012)views that a key aspect of public sector accounting is the consideration it ought to give to inter-generational fairness; which means that accrual accounting in IPSAS reforms must do more because it only shows differences in assets and liabilities which is not a sufficient indicator of inter-generational fairness. These

indicators may be completely different.

Fourthly, reforming public sector accounting and finance using business accounting approach makes the profession to basically concern itself with retrospective review of how assets and liabilities have changed as a result of past public financial operations. But compelling public financial conditions such as expected perspectives which should help show future cash flows and the resources which should remain in the future are not taken into account. It is necessary that the developers of IPSAS should highlight a forecast perspective to it, showing for example taxation rights to result from future revenue which will help transparency and intergenerational fairness, (David et al, 2006).Afterall, budgets are futuristic.

Fifthly, it is important to note that in public sector accounting and finance, economics and jurisprudence are all involved. Jurisprudence explains and values the relationships between public sector accounting/finance and other systems while the other two are concerned with methods. Propounding business principles for public sector has not been sitting well with the social and political age-long welfarist principles of the public sector. This is now making public sector accounting and finance to be advancing without deep theories!

Sixthly, trying to make same, things that are not same shall always remain a problem between the private and public sectors. Performance in the private sector is maximising the difference between revenues and costs, so it is easily measured in monetary terms. But performance in the public sector concerns maximising administrative performance under constraints of 'resources invested'. Measurements of non-financial information of policies is therefore, key to public sector unlike in the private sector. In other words, institutional and government goals may not always align in the public sector, a

situation that may lead to cross-subsidisation of institutional activities since many public services supply merit goods provided for normative reasons (for which reason these goods must still be provided even at a loss), Stiles,(2002). Therefore, the institutionalisation of purely commercial profits shall never be feasible in the public sector as practiced in the private sector, (Lewis, and Stiles, 2004).

Seventhly, all countries would not have adopted all the international standards at the end of the day in addition to problems of time lag between point of issue of standards and point of application due to translation, assimilation, training and application delays. This means that as long as national standards are mandatory and are the ones needed for tax assessments, the need for IFRS/IPSAS will be alien in domestic economies given that the audience for which they are prepared are invisible, (McGee & Galina, 2005).

Eighthly, the issue of reforming for harmonisation so as to enhance comparability among entities has come under criticisms in that, though numerical values of ministries, government agencies and whole governments, may provide meaning for first time adoptions when they are comparable to those of other entities at their own inception, it will be difficult and wrong to assume comparisons among ministries, department and agencies of the same government entities with different purposes and features. Only whole values can be compared with those of other governments but even then only on condition that they all have adopted IPSAS in full.

7. Conclusion and recommendations

Cameroon and Nigeria have experienced some contextual constraints in implementing reforms to their accounting and financial systems. Practitioners in these countries must therefore,

ensure that there are sufficient resources to train managers in new accounting and financial methods and in the interpretation of accounting information in view of the shortage in this field. Also a participative culture may reduce gaming and other unwanted behaviours. Spend-all cultures need to be phased out by monitoring committees that ensure that unspent government funds are returned to the coffers and that savings are rewarded. The national executives in policy and parliament have to supply the needed will for the reforms. So in all there are implementation problems in public sector accounting and finance in these countries as in any other but they are not intractable.

It is here recommended that structurally, national bodies should be established in the Cameroons in place of the estranged regional bodies so as to address national problems at close range. This will facilitate solutions to country specific problems. Next there should be national standards developed while taking into the latest international context into account by moving them close to IFRS / IPSAS. There should be professional bodies to emphasise the maintenance of quality, training of qualified accountants and sanctioning of erring members. Financial integrity assurance is a critical function of good government accounting systems. Remuneration of accountants in government should be improved to retain qualified personnel for government business. A lot of workshops, seminars, training and retraining programs are needed to build the knowledge and understanding necessary to create acceptability of these reforms so as to help make these governments more efficient and effective. Lastly, IFRS / IPSAS are not an antidote to corruption and their implementation must bring some conflict with those who do not want it and those who want excess of it. Moreso, political elite in parliament and executives may not buy into them so that the reforms will remain in the domain

of technocrats only. This will mean their failure. Hopefully, taking not of all criticisms before engaging in the reform implementation, will improve their chances of success.

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