

LAW N° 2018/012
OF 11 JUIL 2018 RELATING TO

THE FISCAL REGIME OF THE STATE AND OTHER PUBLIC ENTITIES



MINISTRY OF FINANCE

REPUBLIC OF CAMEROON

Peace – Work – Fatherland

Ministry of Finance

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THE PARLIAMENT
DELIBERATED AND
ADOPTED, THE PRESIDENT
OF REPUBLIC HEREBY
ENACTS THE LAW SET
OUT BELOW:

PART I GENERAL PROVISIONS

Chapter I Purpose and scope of implementation

SECTION 1

(1) This law lays down the conditions under which the entire public finance medium-term budget policy shall be established.

It lays down rules relating to the nature, content, presentation, preparation and adoption of finance laws as well as the execution and control of the budget.

It states principles relating to State budget management, public accounting and the responsibilities of public employees involved in the implementation of the said principles.

SECTION 2

This law shall be applicable to the State and other corporate bodies governed by public law, subject to their specificities, such as public establishments, local and regional authorities.

SECTION 3

The following shall be considered as public funds under the rules laid down in this law, irrespective of their purpose and nature: resources of the State and any other government service, as well as funds granted them by national and international donors, foreign States or international financial institutions.

Chapter II Budgetary and fiscal principles

SECTION 4

(1) The budget shall outline State revenue and expenditure authorized under the finance law, in terms of revenue and expenditure within the context of a financial year.

(2) The financial year shall cover a calendar year.

(3) Aggregate revenue shall correspond to aggregate expenditure.

(4) The integral amount of proceeds shall be included in the State budget, without making any distinction between revenue and expenditure.

(5) All revenue and expenditure shall be recorded in a single document titled the State budget.

(6) No tax shall be issued, collected or exempted, and no expenditure committed or passed for payment on behalf of the State, except where they are authorized under the finance law.

(7) The State budget shall comprise the general budget, annex budgets and special accounts.



(8) Budgets of government services shall present accurately all their revenue and expenditure. Their accuracy shall be judged based on information available at the time they are prepared and reasonable forecasts thereof.

(9) For purposes of transparency and objectivity, the public shall be regularly informed of the major stages of budget procedures, as well as their economic, social and financial stakes.

SECTION 5

(1) Only a finance law may establish, cancel or modify the basis of assessment, rates, collection methods and compulsory levies.

(2) Their validity period shall be unlimited and may have no ex post facto effect, except by express contrary provision.

SECTION 6

(1) The proceeds of compulsory levies shall be remitted to the State.

(2) However, a finance law may, exceptionally, directly remit all or part of the proceeds to another corporate body governed by public law. In such case, the finance law may also delegate to the beneficiary public entities the possibility to fix the rate of these taxes within limits that it shall determine.

SECTION 7

(1) The budgetary nature and cost of tax exemptions and waivers shall be presented in detail during the adoption of each annual budget.

(2) An annex finance law shall provide information on such exemptions and waivers.

SECTION 8

(1) Government services and international donors must inform the minister in charge of finance of all funds granted to public entities or for the execution of projects and activities of public interest.

(2) The allocation of such funds shall be subject to prior approval by the minister in charge of finance. When granted to the State, external funds, including those for specific investment projects or programmes, shall be included in the general budget as income and expenditure.

(3) An annex finance law shall provide details on the origin and use of such funds.

Chapter III Budgetary policy

SECTION 9

(1) The budgets of government services, particularly those of the State and other corporate bodies governed by public law, shall be drawn up and financed under conditions which guarantee sustainability of the entire public finance.

(2) The budgetary policy must avoid all excessive deficits. It shall be based on deficit objectives which, in the long and medium terms, guarantee the sustainability of public finance provided for in sub-section (1) above. It must take into account the convergence requirements of economic and financial policies resulting from the international and regional agreements to which the Republic of Cameroon adheres.

(3) In this regard, the Government shall define a medium-term budgetary policy which conforms to the criteria set by the sub-regional agreements governing the Economic and Monetary Community of Central Africa, ensure its proper implementation and undertake to comply with the obligations of multilateral supervision.

SECTION 10

(1) Each year, the Government shall establish a medium-term budget framework which, depending on the realistic economic assumptions, specifies the trend of the following over a minimum period of 3 (three) years:

- all the expenditure and revenue of government services, including contributions from international donors;
- the ensuing financing need or capacity of government services;
- financing elements and the overall financial indebtedness level of government services.

(2) On the basis of this medium-term budget framework and within the timeframe set by it, the Government shall draw up Medium-Term Expenditure Frameworks (MTEFs), breaking down, over a minimum period of 3 (three) years, the major public expenditure categories, by nature, function and ministry.

(3) These medium-term framework documents shall be made public.

SECTION 11

(1) Each year, before the 1st of July, Government shall forward to Parliament the medium-term framework documents provided for in Section 10 above, alongside a report on the macroeconomic situation and another on the execution of the budget of the current financial year.

(2) On the basis of these documents and reports, Parliament shall organize a budget orientation debate in an open sitting, but without voting.

(3) Annual finance laws must comply with the first year of the State budget medium-term framework, which shall be finalized after the budget orientation debate.

PART II FINANCE LAWS

SECTION 12

(1) The purpose of finance laws shall be to outline State income and expenditure, lay down conditions of budgetary and financial balance, adopt the State budget and render account of its execution. Finance laws shall take into account a well-defined economic balance as well as the objectives and outcomes of the programmes that they determine.

(2) In addition, finance laws may comprise any legislative provision on the determination of State income and expenditure as well as on the terms and conditions of their execution and control.

(3) The following shall have the status of finance law:

- initial finance law;
- amendments to the finance law;
- settlement law.

(4) Under the authority of the President of the Republic, the Prime Minister, Head of Government, shall co-ordinate the drafting of finance bills by the Minister in charge of finance in consultation with constitutional bodies, Ministers or heads of the relevant services.

(5) The Prime Minister, Head of Government, shall notify the arbitrations to Ministers or officials of institutions and other relevant services.



Chapter I

Initial finance law

SECTION 13

The initial finance law shall provide for and authorize, for each calendar year, all State resources and expenses. The initial finance bill which must be voted before the beginning of the year to which it relates, shall comprise 2 (two) distinct parts.

Part I shall:

- a. include provisions relating to State resources which impact the budgetary balance of the year;
- b. include an assessment of each budgetary income;
- c. include all provisions relating to revenue allocations within the State budget;
- d. fix ceilings of expenditures of the general budget and each annex budget, the ceilings of each category of special accounts as well as those of authorization of charges paid for by the State;
- e. fix the general data of the balance, presented in the form of an equilibrium table highlighting the following:
 - overall budgetary balance resulting from the difference between budgetary revenue and expenditure as provided for respectively in Sections 25 and 28 of this law;
 - State financing need or capacity, in accordance with international public finance statistics standards;
 - basic budgetary balance as defined within the framework of treaties and agreements governing the Economic and Monetary Community of Central Africa;

- f. comprise authorizations relating to asset disposal, State loans and cash situation as well as assess financing and cash resources and charges presented in the form of a cash flow forecast chart;
- g. fix the ceiling of the State's financial debts.

Part II:

- a. shall fix, for the general budget, by programme or by allocation, the detailed amount of votes under commitment authorizations and payment appropriations;
- b. shall fix the amount of revenue and expenditure for each annex budget and special account and, where necessary, the amount of authorized overdrafts;
- c. shall authorize the granting of State guarantees and lay down their regimes;
- d. shall approve all loan agreements with multilateral, bilateral and international donors;
- e. shall approve loans and guarantees granted by the State, pursuant to Section 55 of this law;
- f. may:
 - include provisions on the basis of assessment, rates and conditions for collection of compulsory levies which do not affect the budgetary balance of the year, on condition that such provisions do not lead to a drop in the overall volume of tax revenue below the level set by the medium-term budget framework;
 - include provisions with a direct impact on the budgetary expenditure of the year;
 - lay down the terms and conditions for distributing State support to local and regional authorities;
 - include all measures relating to Parliament information and control of public finance management;

- include all provisions relating to the terms and conditions of execution of the State budget, government accounting and the accountability and penalties system of State employees in financial, accounting and budgetary matters.

SECTION 14

(1) The initial finance bill shall be presented alongside a report on the economic, social and financial situation and prospects of the nation.

(2) It shall comprise notably the presentation of assumptions, methods and the outcomes of forecasts on the basis of which the initial finance bill is drafted.

(3) It shall also present the final medium-term budget framework documents provided for in Section 10 of this law.

SECTION 15

(1) The following shall be appended to the initial finance bill:

- an analysis of changes in the presentation of the budget compared to the previous financial year, highlighting their effects on revenue, expenditure and budgetary balance of the year concerned;
- an analysis of budgetary revenue forecasts of the year under review and the amounts expected for the next two years, for information, alongside an assessment of the impact of fiscal derogations on the budget;
- a complete and detailed statement of the indebtedness forecast at the end of the financial year alongside the indebtedness strategy;
- a State financial flow chart showing all financial flows of government services;
- an annual cash plan with a monthly breakdown comprising notably a commitment plan;

- explanatory appendices, showing for each programme, the amount of appropriations presented by heading for the year under review, as well as for information, during the next two years. These appendices shall be accompanied by the annual performance project of each programme;
- a schedule of payment appropriations together with commitment authorizations;
- a distribution of charges paid by the State per ministry;
- explanatory appendices showing in detail the content of annex budgets and special accounts;
- a detailed summary of all external funds provided for in the subsequent financial year, stipulating their amounts, purpose and method of inclusion into the national budget and its management procedures; copies of the relevant financing agreements shall be attached thereto;
- an appendix, showing State financial contributions to enterprises;
- a main budgetary risks identification and evaluation report;
- a note showing the main revenue and expenditure measures, stating their contributions to economic policy objectives and their consistency with major public policies;
- an appendix showing the major investment projects trend.

(2) The list of appendices mentioned in sub-section (1) above may be modified by finance laws.

SECTION 16

(1) Annual performance projects appended to the initial finance law shall present, for each programme, the set objectives and expected outcomes, measured using activity and outcome indicators.



(2) They shall be prepared by programme managers under the authority of ministers or persons ranking as such.

Chapter II Amending finance laws

SECTION 17

(1) Without prejudice to the provisions of Sections 36 to 41 of this law, amending finance laws may amend the provisions of the initial finance law in the course of the year. Where necessary, they shall ratify amendments made previously by ordinance to appropriations opened by the last finance law.

(2) They shall be presented in the same form as the initial finance law as spelt out in Section 13 of this law, and must reflect the impact of the amendments made on the balance of the current financial year and the balance of the finance law.

SECTION 18

In the course of the financial year, an amending finance bill must be tabled by Government:

- where the major heads of the budgetary balance set by the initial finance law are disrupted, particularly as a result of changes in the economic situation, introduction of ordinances or orders to cancel appropriations;
- where recorded revenue reasonably exceeds the forecasts of the initial finance law;
- where legislative or regulatory measures which substantially affect the execution of the budget set in.

SECTION 19

(1) The following shall be appended to all amending finance bills:

- a report showing the trends of the economic and budgetary situation, justifying the provisions included in the amending finance bill;

- an explanatory appendix showing in detail and justifying the proposed amendments of votes;
- an updated execution report of the initial finance law;
- a table showing the movements of appropriations since the initial finance law, in accordance with Sections 36 to 41 of this law.

(2) The list of documents mentioned in sub-section (1) above may be modified by finance laws.

Chapter III Settlement law

SECTION 20

(1) The settlement law shall be the law that acknowledges the last executed finance law. As such, it shall:

- a. establish the results of budgetary and financial accounts of the year under review and give the Government final discharge;
- b. amend appropriations which would have proved necessary, if need be, notably by:
 - ratifying appropriations opened by decree after the last finance law relating to that year;
 - opening, for each programme concerned, appropriations necessary to regularize excesses noticed on the evaluative appropriations;
 - cancelling unconsumed appropriations;
 - increasing the amount of the authorized overdraft to the level of the overdraft noticed in an annex budget or a trade account.

(2) The settlement law may also comprise all provisions relating to public finance management control, as well as State accounting and the regimes of responsibility of employees responsible for budget execution.

SECTION 21

(1) The following shall be appended to the settlement bill:

- a. a statement showing and justifying all movements of votes in the course of the year;
- b. explanatory appendices, developing for each Ministry or institution by programme or allocation, the final amount of votes opened and expenditure effected as well as the final distribution of votes by head compared to their initial distribution. The appendices shall also bring out the disparity between projections and executions of support funds;
- c. annual performance reports by programme;
- d. explanatory appendices developing, for each annex budget and each special account, the final amount of realized revenue and expenditure, opened votes or authorized overdrafts, as well as requested overdraft amendments;
- e. explanatory appendices on the transactions carried out for each loan and guarantee account;
- f. State accounts comprising:
 - results of budgetary accounts with the explanation of budgetary revenue and expenditure of the general budget, annex budgets and special accounts;
 - the general account of the State comprising the trial balance of the year and financial statements: balance sheet, performance statement, cash flow chart and annex statement under the conditions spelt out by the General Regulation of Public Accounting;

g. developed statement of outstanding payments and outstanding collections alongside a report showing measures earmarked to master these outstanding payments and collections;

h. State financial flows chart;

i. audit bench report on the execution of the finance law alongside a certification of the regularity, accuracy and true image of State accounts;

j. a statement on the execution of all investment projects, justifying discrepancies noticed in the course of the year under review between forecasts and executions, by government service and by region.

(2) With the exception of the provisions of items f and i above, relating to State accounts and the report of the Audit Bench on the execution of the finance law, the list of documents mentioned in this section may be modified by finance laws.

SECTION 22

(1) Annual performance reports appended to the settlement law shall present, for each programme, the results obtained compared to the set objectives, actions developed and resources used, alongside activities and results indicators, as well as a projection of the costs of activities or services rendered.

(2) Annual performance reports shall be produced by programme managers under the authority of Ministers or persons ranking as such.



PART III STATE BUDGET

SECTION 23

The State budget shall determine, for a financial year, the nature, amount and assignment of revenue and expenditure as well as the resulting budgetary balance and the terms and conditions of its financing. It shall be adopted into a finance law.

SECTION 24

State revenue and expenditure shall comprise budgetary revenue and expenditure as well as cash and financing resources and expenses.

Chapter I Budgetary revenue and expenditure

SECTION 25

State budgetary revenue shall be presented in heads as follows:

- a. **Head I:** fiscal revenue comprising taxes, levies, duties and other compulsory transfers other than social welfare contributions, notably:
 - dues and taxes on income, profit and assets;
 - dues and taxes on goods and services;
 - customs duties;
 - registration fees and stamp duties;
 - other tax revenue.
- b. **Head II:** Grants and bequests as well as support funds, in the following order:
 - grants from international cooperation;
 - support funds
 - bequests.
- c. **Head III:** Pension and social insurance contributions.

- d. **Head IV:** Other revenue, including property income, sale of goods and services, fines, pecuniary judgements and seizure, voluntary transfers other than grants and sundry revenue.

SECTION 26

Remuneration for services rendered by the State may be established and collected through advance decrees signed on the basis of the report of the Minister in charge of finance and the relevant Minister. Such decrees shall be null and void where they are not ratified in the very next finance law relating to the year under review.

SECTION 27

Budget expenditure may be authorized only by a finance law. Where a law, an ordinance, a decree or a contract contains provisions that may create or increase State expenditure, such expenditure shall become certain and final only when the corresponding appropriations have been opened in a finance law.

SECTION 28

State budget expenditure shall be presented in heads as follows:

- a. **Head I:** Financial costs of debt
 - interests and financial expenses,
 - other interests and bank charges.
- b. **Head II:** Personnel expenditure;
 - wages and salaries
 - bonuses and allowances
 - social insurance contributions
 - other personnel expenditure
- c. **Head III:** Expenditure on goods and services:
 - purchase of goods;
 - procurement of services;
 - repayment of revenue collected;
 - routine maintenance of buildings, roads and equipment.

- d. **Head IV:** Transfer expenditure:

- subsidies;
- transfers.

- e. **Head V:** Capital expenditure:

- intangible assets;
- non-produced assets;;
- procurement, construction and major renovation of buildings;
- procurement of and major repairs on equipment and furniture;
- military equipment,
- equity investments

- f. **Head VI:** Other expenditure:

- Exceptional costs:
 - Cancellation of proceeds recognized over previous years;
 - sentences and settlements;
 - rents- non-produced assets;
 - collateral values;
- Other exceptional costs.

Chapter 2 Nature and scope of budget authorizations

SECTION 29

(1) Budgetary appropriation refers to the maximum amount of expenditure which Parliament authorizes the Government to commit and pay, for a specific purpose, during a financial year.

(2) Budgetary appropriations shall be fixed in the budget adopted as finance law and placed at the disposal of Ministers and other duly accredited public authorizing officers, with the exception of the appropriations of constitutional bodies which are placed at the disposal of the senior authorities of such bodies.

SECTION 30

(1) Appropriations opened in the State budget for each expenditure shall be grouped by programme of a Ministry, except the appropriations mentioned in Section 31 of this law.

(2) Only a provision of a finance law may create a programme.

(3) A programme shall comprise the appropriations intended to implement an action or a coherent set of actions of the same Ministry, with specific objective defined in line with the general interest as well as expected results. The objectives of each programme shall have results indicators.

(4) As an operational public policy steering framework, a programme may comprise the appropriations of a department, a service, a set of departments or services under the same Ministry.

(5) Under the responsibility of a programme manager appointed in accordance with Section 69 of this law, the effectiveness, economy and efficiency of programmes shall be assessed by control bodies and institutions as well as by the Audit Bench;

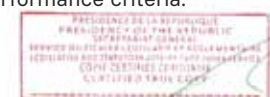
(6) The programmes of a specific Ministry shall be outlined in a sector-based or Ministerial strategy paper that is consistent with the medium-term framework documents set forth in Section 10 of this law.

(7) These documents shall be made public.

SECTION 31

(1) Budgetary appropriations not broken down into programmes shall be broken down into allocations.

(2) Each allocation shall comprise a set of globalized appropriations intended to cover specific expenditures which, owing to their nature, may not be directly associated with public policy objectives or performance criteria.



(3) The following shall be broken down into allocations:

- appropriations intended for public authorities with respect to each of the constitutional institutions. Such appropriations shall cover expenditure on personnel, goods and services, transfers and investments directly required for the discharge of constitutional duties;
- overall appropriations for incidental and contingency expenses;
- appropriations intended to cover repayment defaults, guarantees by the State or calls for guarantee on imprest, loans and guarantee accounts

SECTION 32

(1) Appropriations shall be specialized by programme or by allocation.

(2) Within each programme or allocation, allocations shall be fungible. Their presentation by head shall be for information purposes and not compulsory for the budget execution operations of authorizing officers or accountants.

(3) However, appropriations opened within a programme:

- for personnel expenditure may not be increased;
- for capital expenditure may not be reduced.

SECTION 33

Appropriations opened under the personnel expenditure head shall have authorization ceilings for expenditures paid by the State. Such ceilings shall be specialized by Ministry. The number and breakdown of authorized expenditures for each Ministry may only be modified by a finance law.

SECTION 34

(1) Appropriations opened in the State budget to cover each expenditure shall comprise commitment authorizations and payment appropriations.

(2) Commitment authorizations shall constitute the upper limit of expenditure that may be committed during a financial year and whose payment may spread over several years, as appropriate.

(3) Payment appropriations shall constitute the upper limit of expenditure that may be paid during the year to cover commitments made under commitment authorizations;

(4) For recurrent expenditure, the amount of commitment authorizations opened shall be equal to the amount of payment appropriations opened.

(5) For an investment operation directly carried out by the State, the commitment authorization shall cover a firm tranche, that is, an individualized unit forming a coherent set which can be put to use or executed without any addition.

(6) Commitment authorizations relating to activities carried out under public-private partnership contracts by which the State entrusts to a third party the financing, construction, maintenance or operation of public service interest facilities shall cover:

- from the year in which the contract is signed, the complete cost of the investments provided for in the contract as well as cancellation or idleness allowances, as appropriate;
- each financial year, the annual operating and financing payment.

SECTION 35

Subject to the provisions of Section 36 of this law, all commitment authorizations and all payment appropriations as well as authorization ceilings for expenditures paid by the State shall be restrictive.

SECTION 36

(1) Appropriations relating to State debt expenses shall be evaluative. They shall be opened on a specific programme. The expenditure to which these evaluative appropriations are applicable shall be charged, as appropriate, beyond the appropriations opened.

(2) Parliament shall be immediately informed of the excess evaluative appropriations. These excesses shall be the subject of proposals for the opening of appropriations in the next finance bill relating to the year under review.

(3) The evaluative appropriations may not be the subject of any of the appropriation movements in Sections 37 to 41 of this law.

SECTION 37

As and when necessary, appropriations opened on the allocation for incidental expenditure shall be distributed among the other programmes by decree issued on the basis of the report of the Minister in charge of Finance.

SECTION 38

(1) In the course of the financial year, appropriation transfers may modify the distribution of budgetary appropriations between programmes or allocations.

(2) Transfers may modify the distribution of appropriations between programmes of the same Ministry or allocations. The cumulative amount of appropriations transferred within the same year may not exceed 2% of appropriations opened by the initial finance law for each of the programmes or allocations concerned. Transfers of payment appropriations for capital expenditure may not lead to an increase in commitment authorizations. They shall be carried out by order of the Minister in charge of finance following the opinion of the Ministers concerned.

(3) Transfers may modify the distribution of appropriations between programmes of different Ministries or amongst allocations insofar as the use of the appropriations thus transferred, for a set purpose, corresponds to the actions of the original programme or allocation. They shall be carried out by decree of the Prime Minister, Head of Government, on the basis of the report of the Minister in charge of finance, on the recommendation of the Ministers concerned.

(4) The transfer orders and decrees shall be communicated to Parliament for information purposes.

SECTION 39

(1) In the event of an emergency, decrees issued by the Prime Minister, Head of Government, on the basis of the report of the Minister of Finance, following the opinion of the Minister(s) concerned, may open additional appropriations without negatively affecting the budget balance adopted in the last finance law, by cancelling appropriations or recognizing new revenue.

(2) These advance decrees shall be issued within a cumulative ceiling of credits opened which may not exceed 1% of the appropriations opened by the finance law of the year.

(3) Parliament shall, in the very next finance bill of the year under review, ratify the modifications thus made in the appropriations opened in the finance law.

(4) In the event of an emergency and overriding national interest, additional appropriations which may modify the budget balance set in the finance law, may be opened by an advance decree. A finance bill to ratify these appropriations shall be tabled immediately before Parliament.



SECTION 40

(1) An appropriation must be cancelled once it becomes irrelevant. The cumulative amount of appropriations thus cancelled may not exceed 1.5% of the appropriations opened by the finance law relating to the current year.

(2) In addition, an appropriation may be cancelled in pursuance of the provisions of Section 63 of this law on budget regulation.

(3) The cancelation of an appropriation shall be decided by decree of the Prime Minister, on the recommendation of the Minister in charge of finance. The decree shall be immediately communicated to Parliament.

SECTION 41

(1) Subject to the provisions on commitment authorizations, appropriations opened and authorization ceilings adopted for a given year shall not create entitlements for subsequent years.

(2) Commitment authorizations not used at the end of the year shall not be carried forward.

(3) Payment appropriations available for a programme at the end of the year may be carried forward to the same programme or the same allocation, within the limit of commitment authorizations effectively used but which have not yet given rise to payment.

(4) These carry forwards shall be made by decree of the Prime Minister, Head of Government, by increasing the payment appropriations of the following year, subject to the availability of corresponding financing. This decree, which can only be signed after closing the accounts of the previous financial year, shall be based on the report of the Minister in charge of finance who shall evaluate and justify the revenue that will cover the financing of the carry forwards, without negatively affecting the balance of the authorized budget for the current year.

(5) The decree shall be immediately communicated to Parliament for information purposes.

Chapter III Assignment of revenue

SECTION 42

(1) Certain incomes may be assigned directly to certain expenditures, notably where there is a real economic link between the given revenue and the expenditure that it finances or where a donor wishes to allocate financing to a specific objective.

(2) Such assignments shall take the form of annex budgets, special accounts or specific procedures within the general budget, an annex budget or special account.

SECTION 43

(1) Annex budgets may, under the conditions provided for in a finance law, show the transactions of State services not endowed with a legal personality resulting from their goods production or service provision activity giving rise to payment of royalties, where such services are the main producers and providers.

(2) The creation of an annex budget and the assignment of revenue to an annex budget may result only from a provision of the finance law.

(3) Subject to specific rules set forth in this Section, annex budget transactions shall be provided for, authorized and executed under the same conditions as those of the general budget.

(4) Revenue estimates and expenditure forecasts in an annex budget shall be for information purposes.

(5) Annex budgets shall be presented and executed in a balanced form. However, the finance law may authorize an overdraft on an annex budget for a limited period, under the conditions and limits laid down by the finance law. Except otherwise provided for in a finance law, the balance of each annex budget shall be carried forward to the next financial year.

(6) Annex budgets shall be presented in two sections:

- the section on recurrent transactions shall show current management of revenue and expenditure;
- the section on capital transactions shows revenue and expenditure relating to investment transactions and debt variations.

(7) Their budgetary nomenclature shall be based on the general chart of accounts.

(8) Annex budgets may comprise one or several programmes.

(9) None of the movements of appropriations provided for in Sections 37 to 41 of this law may be carried out between the general budget and an annex budget.

SECTION 44

(1) Special accounts may only be opened by a finance law. Special accounts shall comprise special appropriation funds and trade accounts.

(2) The assignment of revenue to a special account may only result from a provision of a finance law.

(3) All special accounts contribute to achieving the objectives of one or several programmes.

SECTION 45

Except for the case referred to in Section 50 of this law, it shall be forbidden to directly charge to a special account expenditure relating to salaries, wages, allowances and benefits of all kinds to personnel.

SECTION 46

(1) Subject to the specific rules laid down in Sections 47 and 48 of this law, special account transactions shall be provided for, authorized and executed under the same conditions as those of the general budget. Except otherwise provided for in the finance law, the balance of each special account shall be carried forward to the following year.

(2) None of the movements of appropriations provided for in Sections 37 to 41 in this law may be carried out between the general budget and a special account.

SECTION 47

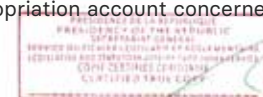
(1) Special appropriation accounts shall, under conditions provided for by a finance law, show budgetary transactions financed with specific revenues which, by nature, have a direct link with the expenditure concerned.

(2) The revenue of a special appropriation account may be supplemented with transfers from the general budget not exceeding 10% of the initial appropriations of each account.

(3) Unless otherwise stated in a finance law, no transfer may be made into the general budget, an annex budget or a special account from a special appropriation account.

(4) During a financial year, total expenditure paid under a special appropriation account shall not exceed total revenue recognized. Where, in the course of the year, effective revenue exceeds finance law estimates, additional appropriations may be opened by order of the Minister in charge of finance within the limit of this surplus.

(5) Payment appropriations available under a special appropriation account at the end of the year may be carried forward to the following year within the limits of the cash surplus established, where applicable, at the end of the financial year under the special appropriation account concerned.



SECTION 48

(1) Trade accounts shall show industrial and commercial transactions carried out as a subsidiary activity by State services not endowed with legal personality. Trade account revenue estimates and expenditure forecasts shall be for information purposes.

(2) Trade accounts shall be presented and executed in a balanced form. However, the finance law may authorize a trade account overdraft for a limited period under conditions and limits laid down by the finance law.

SECTION 49

(1) Specific procedures to ensure the direct assignment of revenue to an expenditure shall be grants-in-aid, the allocation of proceeds and the reinstatement of appropriations.

(2) Support funds shall be built through non-tax revenue paid by natural or legal persons, notably international donors, to help in financing public interest expenditures and through the proceeds of legacies and donations to the State.

(3) Support funds shall be directly included as revenue in the general budget, the annex budget or the special account concerned. An additional appropriation of the same amount shall be opened by order of the Minister in charge of finance on the programme or allocation concerned. Support fund revenues shall be provided for, assessed and authorized by a finance law. The use of such funds must conform to the intention of the paying party. To this end, a decree issued at the behest of the Minister in charge of finance shall spell out the rules of use of support fund appropriations.

(4) Revenue generated from the remuneration of services duly rendered by a State entity may, by decree issued at the behest of the Minister in charge of finance, be subject to proceeds allocation procedure. The rules relating to support funds shall be applicable thereto. Credits budgeted within the framework of this procedure shall be assigned to the entity concerned.

(5) The following may give rise to the reinstatement of appropriations under the conditions laid down by order of the Minister in charge of finance:

- revenue from the restitution to the State of sums paid unduly or provisionally on budgetary votes;
- revenue from sales between State services which give rise to payments on budget appropriations.

SECTION 50

Funds provided by international donors in the form of grants which, as an exception to Section 3 of this law and as a transitional measure, cannot be included in the revenue of the general budget, shall be managed:

- a. either, for regular financing, in special appropriations accounts opened per group of investment projects, pooling together funding from one or, where necessary, several international donors. As an exception to the provisions of:
 - Section 45 of this law, expenditure on personnel salaries, wages, bonuses and sundry allowances may be charged to these special appropriations accounts;
 - Section 47 of this law, these special appropriations accounts may be increased without limits by a budgetary appropriation inscribed in the State budget as national contribution.

Each of these special appropriations accounts shall be under the responsibility of the Minister in charge of implementing the programme to which such funds are related.

- b. or, for ad hoc transactions, by attachment to support funds.

Chapter IV Cash and financing income and expenses

SECTION 51

Cash and financing income and expenses of the State shall come from the following operations:

- State cash flows;
- discount and redemption of sundry bills issued to the benefit of the State;
- management of funds deposited by Treasury correspondents;
- issuance, conversion, management and repayment of loans and other debts of the State including Treasury bills and bonds. Cash resources and expenses related to these operations may comprise neither emoluments nor discounts of the issuance;
- collection of proceeds from the disposal of assets;
- management of loans and advances granted by the State.

SECTION 52

With the exception of the management of loans and advances granted by the State, operations provided for in Section 51 above shall be carried out in accordance with the following provisions:

- State funds shall be invested following the annual authorizations provided for under the finance law of the year;
- no overdraft may be granted to Treasury correspondents;

- save where expressly provided for by a finance law, public establishments of the State, regional and local authorities and their public establishments shall be bound to deposit all their funds with the public Treasury;
- issuance, conversion and management of loans shall be done pursuant to annual authorizations by the finance law of the year. Save where expressly provided for by a finance law, loans issued by the State shall be denominated in CFA francs. Payment of loans shall be executed in accordance with the issuance contract;
- disposal of assets shall be done following the annual authorizations provided for by the initial finance law.

SECTION 53

Operations relating to the management of State loans and advances shall be carried out in accordance with the following provisions:

- a. Loans and advances may be granted by the Minister in charge of finance to communities or persons governed by Public Law within the limit of the authorization given each year to this effect in the finance law and for a fixed period which shall not exceed five (5) years;
- b. These operations shall be recorded in a loan account. A separate account should be opened for each debtor or category of debtors;
- c. Loans and advances shall be granted with an interest rate which may not be lower than that paid by the State for borrowings and securities on the bond market with the same maturity or, failing that, with a shorter maturity. The amortization amount in capital of loans and advances shall be included as revenue in the account concerned. Interest collected shall be included as revenue in the general budget.



- d. Any loan maturity which is missed on the due date shall be subject, depending on the situation of the debtor, to:
- either a decision of immediate recovery or, failing which, legal action should be commenced no later than a period of six months;
 - or a rescheduling decision which shall be published in the Official Gazette;
 - or the acknowledgement of probable loss, subject to a specific provision of the finance law and charged to the result of the financial year. Any payments made subsequently shall be included as revenue in the general budget.

SECTION 54

(1) Within a limit and under the conditions laid down in a finance law, the State may provide its financial guarantee or cover to loans of less than five years issued by a public or corporate body governed by public law. This five-year limit shall not be applicable to State guarantees on loans granted by international donors.

(2) These guarantee and coverage operations shall be recorded in a guarantee account. A separate account shall be opened for each beneficiary or category of beneficiaries.

(3) Once a serious risk of triggering the guarantee or cover appears, appropriations shall be made to the tune of such risk within the allocation provided for in Section 31 of this law. Expenses relating to the triggering of State guarantee and cover shall be budgetary operations.

(4) Guarantees and covers shall be provided by decree at the behest of the Minister in charge of finance.

PART IV STATE BUDGET PREPARATION AND ADOPTION

Chapter I Preparation of the draft budget

SECTION 55

(1) Under the authority of the President of the Republic and co-ordinated by the Prime Minister, Head of Government, the Minister in charge of finance shall oversee the preparation of the State annual budget and finance bills which shall be adopted in a Cabinet meeting.

(2) Finance bills shall be drafted following a schedule and under conditions laid down by regulation.

SECTION 56

(1) Each year, the initial finance bill shall be prepared pursuant to the presidential circular which, on the proposal of the Minister in charge of finance:

- fixes the macroeconomic framework based on prudent and credible assumptions and within the overall amount of revenue and expenditure fixed in the medium term budgetary framework defined in Section 10 of this law;
- determines budget priorities and expenditure standards for requests of appropriations by Ministries in accordance with the medium term expenditure framework provided for in Section 10 of this law;

- lays down the procedure for the presentation and arbitration of requests for appropriations as well as their timing.

(2) At the behest of the Minister in charge of finance, the Prime Minister, Head of Government shall carry out arbitration on the expenditure and revenue upon which Ministers have not reached an agreement.

Chapter II Adoption of the budget

SECTION 57

(1) The initial finance bill, including the report and explanatory appendices provided for in Sections 14 and 15 of this law, shall be tabled before Parliament latest fifteen (15) days to the opening of the budget session.

(2) The finance bill shall be defended by the Minister in charge of finance.

(3) The finance bill may be considered in a house of Parliament only after the vote by such a house, at first reading, of the settlement bill relating to the fiscal year preceding that of discussion of the said finance bill.

SECTION 58

Private members' bills or amendments which, if adopted, could lead to either a reduction of State resources or an increase in public expenditure without a corresponding reduction of other expenditures or the creation of new revenues of equal proportion in accordance with the provisions of Section 13 above, shall not be admissible.

SECTION 59

(1) The finance law shall be debated and voted per section in its first and second parts.

(2) The second part of the initial finance law and, where necessary, of revised finance bills may be debated in Parliament only after the passing of the first part.

SECTION 60

(1) Revenue allocations shall be voted jointly for the general budget, annex budgets and special accounts.

(2) Cash and financing income and expenses shall be subject to a single vote. However, each loan or guarantee account shall be subject to a separate vote.

(3) Deliberations on general budget appropriations shall be voted by programme or by allocation. Voting shall, where necessary, be on commitment authorizations and payment appropriations.

(4) Expenditure authorization ceilings shall be voted by Ministry.

(5) Appropriations of annex budgets and special accounts shall be voted by annex budget or by special account.

SECTION 61

(1) Revised finance bills shall be tabled before Parliament upon approval by a Cabinet meeting.

(2) The settlement bill and its appendices shall be tabled no later than the 30th day of September of the year following the fiscal year to which it relates.

(3) Parliament shall scrutinize the settlement bill at the very first session following its tabling.



PART V PRINCIPLES RELATING TO THE EXECUTION OF THE STATE BUDGET

Chapter I Execution

SECTION 62

(1) Once the initial finance bill is enacted into law, the budget appropriations voted shall, by order of the Minister in charge of finance, be placed at the disposal of heads of institutions provided for by the constitution and line Ministers.

(2) The closure dates for commitments and authorizations on the State budget shall be fixed by the Minister in charge of finance.

SECTION 63

(1) The Minister in charge of finance, in conjunction with line Ministers, shall see to the proper execution of the finance law and compliance with budget balances set in pursuance of Section 13 of this law. As such, in order to avoid a deterioration of such balances, the Minister in charge of finance shall have budget regulation powers, which enable him to determine the pace of consumption of votes, depending on the cash position of the State.

(2) Where the cash position or prospects so require, he may, in the course of the financial year:

- temporarily suspend the use of certain appropriations by issuing instructions to the financial controller with a copy to the authorizing officer;
- cancel certain appropriations by order, a copy of which shall be immediately forwarded to Parliament.

SECTION 64

(1) State budget execution operations shall devolve on authorizing officers, financial controllers and public accounting officers.

(2) The functions of authorizing officer and those of public accounting officers shall be and shall remain separate and incompatible in matters of revenue and expenditure execution.

SECTION 65

The authorizing officer shall be any person appointed by the State to ensure the execution of revenue and expenditure inscribed in the State budget.

SECTION 66

(1) With respect to expenditure, there are three categories of authorizing officers:

- Principal authorizing officers;
- Secondary authorizing officers;
- Delegated authorizing officers.

(2) Principal authorizing officers of the State budget shall be Ministers or persons ranking as such and heads of institutions provided for by the Constitution.

(3) Secondary authorizing officers shall be heads of devolved State services who receive expenditure authorizations from principal authorizing officers.

(4) Delegated authorizing officers shall be officials appointed by principal or secondary authorizing officers for the execution of specific budget expenditure items. Such delegation shall be in the form of an administrative decision issued by the principal or secondary authorizing officer.

SECTION 67

With respect to revenue, the Minister in charge of finance shall be the sole principal authorizing officer of revenue. He may delegate the power to other Ministers or persons ranking as such as well as staff of the tax administration.

SECTION 68

The Minister in charge of finance shall be responsible for the centralization of the budgetary operations of authorizing officers with a view to producing accounts relating to the execution of finance laws.

SECTION 69

(1) The programme manager shall be appointed by the relevant line Minister. The appointment instrument shall specify the conditions under which the powers of the authorizing officer shall be delegated to the programme manager, as well as the terms and conditions for managing the programme. The appointment instrument shall be forwarded to the Minister in charge of finance for information.

(2) On the basis of the general objectives set by the Minister, the programme manager shall determine specific objectives, assign the necessary means and control the performance of services in charge of implementation of the programme, under his responsibility. He shall ensure compliance with internal control and management control mechanisms.

(3) The programme manager may modify the distribution of votes within his programme pursuant to the provisions of Section 32 of this law. In such case, his line Minister shall inform the Minister in charge of finance upon an opinion of the financial controller.

SECTION 70

(1) A financial controller shall be assigned to principal and secondary authorizing officers placed at the head of devolved services.

(2) The financial controller shall be responsible for prior controls by affixing the budget operations endorsement stamp on expenditure requests forwarded to him by the Minister or his delegated authorizing officers following the procedures laid down by the minister in charge of finance.

(3) Refusal of the endorsement stamp may be overruled only by a written authorization of the Minister in charge of finance. In such case, the minister in charge of finance assumes responsibility in lieu of the financial controller.

(4) The financial controller shall, on behalf of the Minister in charge of finance, centralize the budget operations of authorizing officers to whom they are assigned.

(5) The financial controller shall give an opinion on the sincere and sustainable nature of expenditure commitment plans.

SECTION 71

(1) Public accounting officers shall be public employees exclusively responsible for the collection, custody and handling of funds and securities, as well as the keeping of accounts of the State and other public entities.

(2) The payment of State expenses shall be the exclusive responsibility of the public accountant or any staff personally appointed by him, and acting under his control and direct responsibility.

(3) Prior to each payment, the public accountant shall crosscheck the validity of the claim and the definitive nature of the payment. Otherwise, he may not make the payment.

(4) All State revenues shall be collected by a public accountant, who is bound to take all necessary steps to redeem duly established revenue vouchers.

(5) The categories, responsibilities and duties of public accountants shall be defined by the General Public Accounting Regulations.

SECTION 72

(1) For low-risk expenditures, checks carried out by financial controllers and public accountants may be modulated, under the conditions laid down for each Ministry, by the Minister in charge of finance.



(2) The functions of financial controller and public accounting officer may be held concurrently.

Chapter II Accounting

SECTION 73

(1) The State shall keep budgetary accounts meant to ensure Government's compliance with Parliamentary authorization, and financial accounts meant to measure the evolution of the State's assets.

(2) In addition, the State shall keep accounts meant to analyse the costs of various activities undertaken or services rendered within the framework of programmes as well as accounts of stores, values and securities.

(3) Government accounts shall comprise results of budgetary accounts and those of financial accounts. They must be regular, genuine and give a true image of the budget execution and the evolution of the State's patrimony and its financial standing.

SECTION 74

(1) Budgetary accounting shall show the budget execution operations from the commitment to the payment phases. It shall be kept in a single entry by the authorizing officer and the accountant, each in his own sphere, in accordance with the budgetary nomenclature of the finance law for the year concerned.

(2) The recording of budgetary revenue and expenditure shall respect the following principles:

- revenues shall be included in the budget of the year in which they are collected by a public accounting officer;

- expenditures shall be included, both at the time of their commitment and payment, in the budget of the year of commitment by authorizing officers then paid by public accounting officers;
- all expenditures shall be charged to the votes of the year concerned irrespective of the date of the claim.

(3) The authorizing officer shall keep an auxiliary budgetary account of revenue clearances and issuances on the one hand and an auxiliary budgetary account of expenditure clearances and authorizations on the other.

(4) The public accountant shall keep an auxiliary budget account of income collected, on the revenue side, and payments made, on the expenditure side. This helps to show outstanding receivables and payables.

(5) However, budgetary expenditure committed and executed during the financial year may be paid after the end of the financial year, within a supplementary period which may not exceed 30 (thirty) days. Moreover, where an amended finance law is enacted during the last month of the calendar year, the revenue and expenditure operations thereto provided for may be executed during this supplementary period.

SECTION 75

(1) General accounting shall be based on the principle of acknowledgement of rights and obligations. Transactions shall be considered in the year to which they relate, independently of their date of payment or collection. It shall be kept in double entry on the basis of a general accounting plan.

(2) Rules applicable to the general state accounting shall be drawn from established international accounting standards. They shall be aimed at drawing up the general state account comprising:

- the trial balance;
- the net position or balance sheet or a statement showing the State's financial assets and liabilities;
- the profit and loss account;
- the cash flow statement;
- the table of government's financial operations;
- the annex to the financial statements.

(3) The Minister in charge of finance shall avail sector Ministers with all relevant accounting information in order to help them control their budget and improve management.

SECTION 76

Public accounting officers shall be responsible for the keeping of State accounts in accordance with accounting principles and rules. They shall notably ensure the accuracy of accounting entries and compliance with procedures.

SECTION 77

(1) Cost accounting shall be aimed at highlighting the cost elements of actions committed within the framework of programmes for the implementation of public policies.

(2) It shall be instituted at the level of authorizing officers.

(3) The terms and conditions for its implementation shall be laid down by regulation.

SECTION 78

(1) Stores, values and securities accounting shall involve permanent inventory of accounts in order to describe existing movable and immovable property, stocks and inactive values other than funds and administrative archives belonging to the State.

(2) It shall be for authorizing officers.

(3) The terms and conditions for its implementation shall be laid down by regulation.

Chapter III Treasury operations

SECTION 79

(1) Public resources shall be, irrespective of their nature and source, collected and managed by public accounting officers. They shall be placed and kept in a single account opened in the name of the Treasury at the Bank of Central African States.

(2) This single account, which can comprise sub-accounts, may not show a debit balance.

(3) Public expenditure shall be paid from the single account, on the order of public accounting officers.

(4) No account may be opened by a public entity in commercial banks, except with the express authorization of the Minister in charge of finance, under the circumstances and conditions determined by a decree.

(5) Funds kept by public accounting officers shall be managed in accordance with the single account principle.

SECTION 80

(1) A yearly cash plan, established on a monthly basis, comprising notably a commitment plan shall be drawn up and appended to the finance law of the year.

(2) It shall be regularly updated by the Minister in charge of finance who shall publish, after every three months, the cash position and the budget implementation status.



Chapter IV Management of development partners resources

SECTION 81

This law shall set out rules governing the execution, accounting, cash management and control of donors' resources, be they international organizations or foreign States, as well as the responsibilities and sanctions regime applicable to employees in charge thereof.

SECTION 82

(1) However, where as an exception to Section 3 of this law and, as a transitional measure, a finance law provides for a special appropriations account or institutes a support fund for the management of donors resources, the said finance law may provide for the following derogations:

- expenditure commitment and authorization under these resources may be assigned to one or several persons specifically appointed by agreement between the Minister to whom the special appropriations account is related, the Minister in charge of finance and the relevant donor(s). These persons shall be bound by the same periodic financial reporting obligations as employees in charge of the execution of the State budget;
- collection and payment transactions made by public accountants may be subjected to counter signing by representatives of the relevant donor(s);

- donors' resources may be managed in a sub-account of the Treasury single account at the Bank of Central African States opened in the name of the above-mentioned public accountant. The conditions for operating the sub-account shall be fixed by a decision of the Minister in charge of finance as agreed with the relevant donor(s);
- operations, activities and accounts under these resources may be subjected to a specific audit ordered by the relevant donor(s) and conducted jointly with the control bodies referred to in Part VI of this law.

(2) Modalities for the implementation of Section 82(1) of this law shall be specified in the financing agreements negotiated and signed with international donors and appended to the finance law.

PART VI CONTROL

SECTION 83

(1) Transactions relating to the execution of the finance law shall be controlled at three levels: parliamentary, administrative and judicial.

(2) These controls may, depending on their design or circumstances be consistency or performance controls.

(3) They may be done *a priori*, during implementation or *a posteriori* and shall be instituted for authorizing officers, public accountants and all managers of public resources.

Chapter I Administrative control

SECTION 84

(1) Administrative controls shall comprise:

- control of employees by management, which, if need be, may be exercised within a disciplinary context;
- internal control, which involves all procedures and methods enabling management to ensure the proper functioning of services, notably proper risk management;
- control as carried out by control institutions and organs;
- financial and accounting control as set out in Sections 70 to 72 of this law.

(2) A consistency and performance control as well as the audit missions of the management of public administration, public enterprises, public establishments, as well as private bodies which have received State subsidy, support or guarantee or any other corporate body governed by public law, shall be conducted by the relevant specialized services of the Executive.

(3) The terms and conditions for organizing administrative controls shall be laid down by regulation.

Chapter II Parliamentary control

SECTION 85

(1) Without prejudice to overall parliamentary control duties, parliamentary control shall be exercised during the consideration of the finance bill, in accordance with the provisions of Sections 57 to 61 of this law and shall also seek to ensure the proper execution of the finance law.

(2) Parliamentary commissions in charge of finance shall designate each year, at the opening of the first ordinary session of the legislative year, a general rapporteur for revenue and special rapporteurs in charge of expenditure and control of the use of public funds, including the use of funds from donors.

(3) Notwithstanding their other duties, the special rapporteurs referred to in Section 85(2) above shall be empowered to conduct on-the-spot control of documents. They shall have access to all documents, excluding those involving national defence, investigation and medical secret.

(4) Parliament may designate commissions of inquiry on an issue concerning public finances, for a period not exceeding six months. This period may be renewed as and when necessary.

(5) Such commissions shall be vested with the powers referred to in the Section 85 (3), and under the conditions provided for by the law, they may be assisted by persons of their choice and may conduct hearings. With the exception of the President of the Republic, the persons summoned for cross-examination shall be bound to appear before the commissions. Any impediment to the functioning of a commission shall be deemed to be an obstruction to the execution of a public service duty.

(6) The commissions shall be bound to forward to the judicial authorities, any offence likely to entail a criminal penalty which they are aware of. They may refer to the body in charge of budgetary discipline.

(7) They shall draw up a report at the end of their deliberations. This report may be debated upon but not voted in Parliament.



(8) Government shall table before Parliament for information and control, quarterly reports on the execution of the budget in revenue and in expenditure, as well as on the implementation of the finance law. These reports shall be made available to the public.

(9) Parliament may rely on the Audit Bench for Parliamentary control. In this regard, Parliamentary commissions in charge of finance may request the Audit Bench to conduct enquiries on the management of the services or entities they control.

Chapter III Judicial control

SECTION 86

(1) Judicial control of the budgetary and accounting transaction of public administrations shall be conducted by an Audit court.

(2) Members of this court shall have the status of magistrates. It shall be independent vis-à-vis the Government and Parliament and autonomous in the discharge of its duties. It shall alone decide on the publication of its recommendations, decisions and reports.

(3) Its missions shall be as follows:

- assist Parliament in controlling the execution of the finance law;
- certify the consistency, sincerity and faithfulness of the general State account;
- judge authorizing officers, financial controllers and public accountants in accordance with the provisions of sections 87 and 88 of this law;

- control the financial legality and budgetary compliance of all State revenue and expenditure operations. In that regard, it shall acknowledge irregularities and management errors committed by public employees and shall determine, if need be, the amount of the resulting prejudice to the State. It may also pronounce sanctions;
- assess the economy, efficiency and effectiveness of the use of public funds with regard to set objectives, resources used and results obtained as well as the relevance and reliability of methods, indicators and data which help to measure the performance of policies and public services.

(4) It may also, at the request of Government or Parliament, conduct enquiries and analyses on any budgetary, accounting and financial matter.

(5) In the performance of its missions, the Audit Bench may solicit the assistance of the Audit Bench of the Economic and Monetary Community of Central Africa in accordance with sub regional treaties and conventions.

PART VII RESPONSIBILITIES AND PENALTIES

Chapter I Responsibilities

SECTION 87

(1) In case of mismanagement stipulated in Section 88 of this law, all authorizing officers, in the exercise of their duties, shall be liable to the penalties set out in the laws and regulations in force, notwithstanding the sanctions pronounced by the Audit Bench.

(2) Financial controllers may also be prosecuted and sanctioned, like authorizing officers, if the offences committed by the authorizing officers they were supposed to control were as a result of weak control on their part.

(3) Any official of a public body, representative, administrator or employee of an entity subject to any such control by the Audit court as well as any person liable for either of the offences mentioned in section 88 of this law may be sanctioned for a management error.

SECTION 88

(1) Mismanagement shall be any act, omission or negligence committed by any employee of the State, local and regional authority or public body, by any representative, administrator or employee of an entity, expressly contrary to the general interest.

(2) Management errors shall notably comprise:

- breach of rules relating to the execution of revenue and expenditure of the State and other public entities;
- serious and repeated breach of the rules for recording the proceeds and charges applicable to the State and other public entities;
- breach of the rules relating to the management of property belonging to the State and other public entities;
- the act, by any person in the exercise of his functions or duties, of infringing national regulatory or legislative provisions intended to guarantee free and equal access of bidders in public contracts;
- the act, of causing sanction of a corporate body governed by public law or private law in charge of the management of a public service due to the total, partial or late execution of a court judgment;

- the act, for any person in the conduct of his functions or duties, of causing prejudice to the State or public entity by actions expressly incompatible with the interests of the State or entity by serious lapses in controls incumbent on him or repeated omissions or negligence in his management;
- negligence in the management of the budget, follow-up of votes, implementation of expenditure as well as clearance of revenue;
- downright lack of foresight as a result of the consumption of votes for expenditure whose interest is secondary, at the detriment of expenditure which is indispensable and of priority to the service;
- pursuit of objectives which are obviously remote from the missions and attributions of the service;
- implementation of means which are obviously disproportionate or unsuitable for the objectives of the service.

Chapter II Penalties

SECTION 89

(1) Notwithstanding the penalties meted out by other courts, mismanagement shall be punished notably by fines of the Audit Bench.

(2) Any sanction pronounced by the Audit Bench shall be reasoned, otherwise it shall be deemed to be null and void.

(3) The amount of fines shall be determined depending on the prejudice caused to the State or other public bodies as well as the gravity of the error committed and possible reiteration of proscribed practices. It shall not exceed the equivalence of one year of the salary of the person concerned.



(4) The regime of sanctions other than fines shall be defined by the laws and regulations in force.

(5) All sanctions pronounced by the Audit Bench shall be determined individually for each of the persons mentioned in section 86 above, in respect of the rights to defence. All sanctions shall be reasoned.

(6) Mismanagement shall be prescribed at the end of the fifth year following the offence.

SECTION 90

(1) Public accountants shall be personally responsible for the management of funds and securities placed under their charge.

(2) Each year, they shall render account to the Audit Bench of the proper keeping of their books as well as proper custody of funds and values.

(3) In case where the accounts rendered show inconsistencies or cash shortages, the Audit Bench, after having heard the accounting officer concerned, shall give an order which shall fix the amount to be paid by the accounting officer to the State or public entity concerned, taking into account the prejudice suffered by the community, as well as the circumstances of the offence.

(4) In addition, depending on the gravity of the offence committed, it may impose a fine on the defaulting accounting officer in the double limit of the amount mentioned above and a year of the accounting officer's salary.

(5) Inconsistencies and inadequacies noticed in the management of funds and securities mentioned in Section 90 (1) above shall be prescribed at the end of the fifth year following the commission of the offence.

SECTION 91

(1) Decisions of the Audit Bench taken in pursuance of Sections 86 to 89 of this law shall, subject to the exhaustion of means of redress, automatically be enforceable.

(2) No authority may bar an action thereto.

**PART VIII
TRANSITIONAL AND
FINAL PROVISIONS**

SECTION 92

(1) Regulatory instruments shall supplement and specify, if need be, the terms and conditions of implementation of this law, notably:

- General Regulation on Public Accounting;
- State Chart of Accounts;
- State Budgetary nomenclature;
- State Financial Flows Chart.

(2) Provisions concerning the following shall take effect as from 1st January 2022:

- management of external financings (Sections 81 and 82);
- budgeting of expenses (Section 33);
- cost accounting (Section 77);
- the modulation of control (Section 72);
- patrimonial accounting (Section 75).

(3) During the above-mentioned deadlines, the rules in force shall continue to apply on issues relating to the above-mentioned provisions whose application shall be deferred.

SECTION 93

This law shall be registered, published according to the procedure of urgency and inserted in the Official Gazette in English and French.

YAOUNDE, 11 JULY 2018

