

## Internal Audit and Securisation of Public Funds: A Study in the Cameroonian Context



Aboubakari<sup>1</sup>, Henri Wamba<sup>2</sup>

<sup>1</sup>Ph.D. Student in Management Science, University of Douala-Cameroon,

<sup>2</sup>Professor, University of Dschang-Cameroon

**ABSTRACT:** The objective of this research work is to show the influence of internal audit on the security of public funds within public companies. Thus, the data were collected with the help of a questionnaire from 35 public companies. At the end of the field investigations, the results show that internal auditing through factors such as the qualifications of internal auditors, the size of the audit department, the experience and independence of auditors influences the security of public funds in Cameroon. In view of these results, it is suggested that the Cameroonian government make information available to all staff of public companies on the texts regulating the audit profession, and then provide training that will allow auditors to update themselves with respect to advances and changes in procedures in their function.

**KEYWORDS:** Internal Audit, Securing public funds, Qualifications, Experience, Independence

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### INTRODUCTION

Globalization has directly or indirectly facilitated the rise of the phenomenon of embezzlement of public funds and its corollaries, namely corruption and influence peddling (Djalili, 2000; Snviti, 2013) ;. Thus, out of the forty-eight (48) countries in Sub-Saharan Africa, it is almost impossible to point the finger at a single one that has not experienced at least one case of misappropriation of public funds.

Thus, in Senegal, we still remember the "Karim Wade affair" on illicit enrichment, or the case of former South African President Jacob Zuma, prosecuted and convicted for corruption. The State of Cameroon was looted between 2012 and 2017, to the tune of six trillion CFA francs (6,000 billion FCFA) in embezzlement of public funds. And just recently, the alleged embezzlement of funds intended to cover the construction of sports infrastructure for the 2021 Africa Cup of Nations and the fight against the corona virus have made headlines in Cameroon. Rarely in Africa and in the world has there been such a relentless attack on state coffers.

Among the causes of this phenomenon is undoubtedly the ineffectiveness of the control mechanisms used until now to secure the State's assets (in this case its financial resources), which occupy a predominant place (Boulerne & Sahut, 2010)). Despite the existence and perfect knowledge of the bodies in charge of control, the fight against corruption and the misappropriation of public funds, unscrupulous managers continue to engage in this unsavoury practice. To remedy such a situation, the State of Cameroon has set up new control mechanisms, notably the internal audit to guarantee the protection of its assets in the face of the predominance of personal satisfaction to the detriment of the collective well-being. In other words, the internal audit must contribute to ensuring that the state's money is spent essentially to achieve the objectives set without resorting to additional budgetary appropriations or waiting for subsidies and any other form of complementary financing, by proceeding with a better organization and distribution of resources. Such a measure will undoubtedly have a positive impact on the safeguarding of state funds.

In Africa, public finances in general, and those of public enterprises in particular, suffer from many ills inflicted by those who are responsible for their management. Numerous studies describe how corruption has a very negative impact on them and on the development of the continent (Lavallee, 2006; Elgowari & Razafindrakoto, 2018; Roubaud, 2010). Concerns about misappropriation of public funds and financial scandals can be explained by the weak capacity of politicians to define and implement mechanisms that are no longer static but organic and can be adjusted as changes occur in the socio-economic sphere (Médard, 2006; Merchant, 1984; Muchiri, 2017; Mbasya, 2012).

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However, at a time when Cameroon is in search of financial resources to effectively fight the Covid-19 pandemic, to complete major infrastructure projects that are stalled due to lack of funding, and at a time when the country is experiencing cash flow tensions due to the numerous consequences of certain international events, the urgency of protecting financial resources in public enterprises is clear. Given this urgency and the absence of factors that could explain the security of public funds in the Cameroonian context, this study asks the following questions What is the influence of internal audit on the security of public funds in public enterprises in Cameroon?

The objective of this study is to show the influence of internal audit on the security of public funds.

The present research is articulated around four parts: the first part presents the conceptual and theoretical foundations of the study, the second part reports on the methodological approach chosen for this study; in the third part, we present the results which are discussed in the fourth part.

### 1. CONCEPTUAL AND THEORETICAL FOUNDATIONS

A critical review of the literature on internal auditing and securing public funds provides the theoretical framework and associated hypotheses to guide empirical research on the influence of internal auditing on securing public funds.

#### 1.1. Internal audit: towards a better conceptualization

Internal auditing is a function whose purpose is to identify the main weaknesses in the management of risks, control as well as governance of the company, determine the causes, assess the consequences, make recommendations and convince those responsible to act, thus achieving the objectives of the company (Barnia, 2015). The internal audit activity is a relatively recent function since its appearance or reappearance dates back to the economic crisis of 1929 in the United States (Renard, 2006). At that time, companies were suffering the full force of the economic recession, and to reduce their expenses, large American companies used the services of external audit firms, independent organizations whose mission was to certify accounts, balance sheets and financial statements (Bania, 2006).

According to the Institute of Internal Auditors (IIA), which governs the activity for the private sector, internal auditing is defined as: "an independent, objective activity that provides assurance to an organization about the degree of control over its operations, advises on improvements, and helps add value. It helps the organization achieve its objectives by evaluating, through a systematic and methodical approach, its risk management, control, and governance processes and by making proposals to enhance its effectiveness" (IIA, June 1999, cited by Boulangère, 2013).

In Cameroon, Decree No. 2013/159 of May 15, 2013, on the special regime of administrative control of public finances defines audit as: "An independent and objective activity that provides an organization with assurance on the degree of control of its operations, provides it with advice on how to improve them, and contributes to creating added value. It assists the organization in achieving its objectives by assessing, through a systematic and disciplined approach, its risk management, control and governance processes and by making proposals to improve their effectiveness.

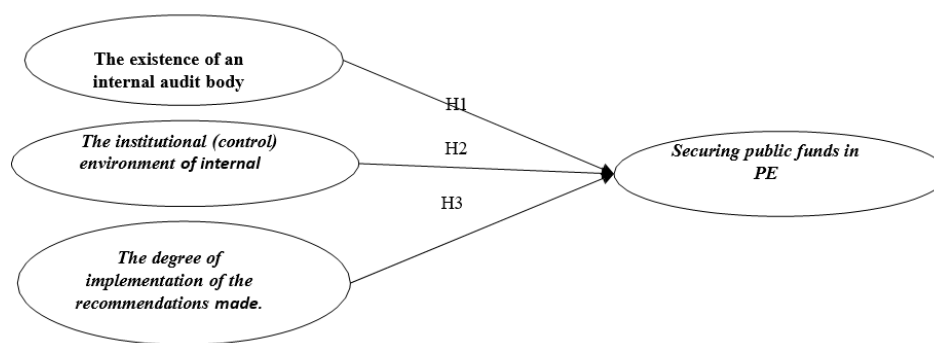
#### 1.2. Public funds: towards greater security

Public funds are physical assets that belong to a public body. They are therefore subject to the rules of public accounting (Cappelletti, 2006). In other words, public funds are the sum of money owned by the public administration. The interest in identifying the concept of public funds lies in the fact that its legal regime is particular. As a result, they cannot be seized and can only be handled by a public accountant. With this definition, we understand that public funds are the exclusive property of the State. According to Pardini (2010), securitization is the set of management strategies, processes and policies aimed at protecting, detecting, and countering threats to a specific entity.

Securing public funds in public enterprises also requires better control of asset management. Indeed, Public Enterprises must take steps to better protect their financial resources, freeing themselves from traditional and inefficient methodologies such as spreadsheets, and implement access control strategies to protect themselves from vulnerabilities. Centralized and automated financial resource management can address these recommendations, as it allows for automated tracking of the movement of Public Enterprises' funds Chanhoun et al. (2016).

### 2. CONCEPTUAL MODEL AND RESEARCH HYPOTHESES

The conceptual model below is suggested in previous research. The model highlights the different relationships between internal audit and securing public funds. Figure 1 below presents the conceptual model.



**Figure 1: Conceptual model of the research**

Source: Literature review

### 2.1 The existence of an internal audit body and SDP

The task of the internal audit bodies is to ensure the adequacy of the actual internal control, the control techniques and means used and the results of the audit. Seen from this perspective, the impact of internal auditing therefore depends on the internal organizational characteristics of the audit bodies (Dahmani, 2010; Clikeman, 2003; Cohen, 2001). It aims to secure public funds throughout its mission. The importance of the existence of internal audit bodies in Public Enterprises is thus justified by the fact that they are considered as deterrent measures to protect public funds.

In this respect, it is interesting to note that according to the theory of transaction costs founded by Coase in 1937 and developed by Williamson in 1975, hierarchical organization constitutes an alternative solution to the market by making it possible to reduce the operating costs of the exchange system in a market economy, i.e., the costs of information, negotiation and behaviour, even if other costs, such as organizational costs, appear. For the proponents of this theory, the market can only be replaced by the organization if the savings on transaction costs remain higher than the organizational costs. Thus, creating an internal audit department in public companies, in order to internalize the essential part of the legal audit work, will make it possible, for example, to reduce the fees of the legal auditor, which are considered to be high in the context of the reduction of transaction costs. This allows us to put forward the following first research hypothesis:

**H1: The existence of an internal audit body in PEs has a positive impact on the security of public funds**

### 2.2 The institutional (control) environment for internal audit and PLS

According to Van Gils et al. (2008), the institutional and cultural environment in which internal audit departments operate has an impact on securing public funds in PEs. In the same vein, Usang and Salim (2018) showed the relationship between institutional environment, internal auditing and performance of public organizations in Nigeria. The results of their studies showed that the contribution of internal audit quality and internal controls to performance is consistently influenced by the institutional environment, which determines how both contribute to the performance of public enterprises.

Therefore, the Public Enterprise can be understood as a system. A system is a model, a representation of reality, composed of a set of interacting elements that constitute a coherent, organized and finalized whole that contribute to the achievement of a single objective (Plane, 2019). The theory of the systems reveals the importance of the procedures of regulation leading to decisions and to the implementation of actions led by the organization to achieve finalized objectives (Fiedler & Mahar, 1979; Hutchinson & ZAIN, 2009; Hughes, Sander, & Cullinan, 2009).

The first component of the 1992 COSO framework (the "Committee Of Sponsoring Organisations"), the internal control environment is based on a corporate culture that is conducive to risk control (Valoxy-Experise Accounting Blog, May 17, 2016).

The presumption of the value-added role of internal audit is based on the premise that the function is well supported and equipped to operate in an environment that promotes a culture of ethics Usang and Salim (2018). The presence of these institutional variables will either enhance or limit the contribution of the internal audit function to securing public funds. This allows us to stipulate the following second research hypothesis:

**H2: The institutional (control) environment for internal auditing has a positive influence on the security of public funds in PEs.**

### 2.3 Degree of implementation of internal audit recommendations

The Harvard model of systems theory states that within a firm, the decision is likened to the reasoning of an actor who seeks to maximize his ends with the means at his disposal. A firm is considered as a system that acts as a perfectly rational actor who seeks to have better information about its environment and the consequences of its choice in order to make the best decisions

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(Learned, Christensen, Andrew and Gut, 1969). Consequently, internal auditing appears as a function that provides decision-makers with the information they need to make the right decisions.

With regard to the treatment of recommendations made by internal audit, good practice dictates that (20%) of recommendations should be implemented within six months, 50% after 12 months, and 75% within two years (Kono Abé & Medang, 2019). The role of internal audit is not to sanction. That is the role of management. The internal auditor rather proposes recommendations. In this case, it is necessary to discover the original cause and propose recommendations to correct this cause.

Also, the internal auditor must get the auditees to adhere to the recommendations in order to drive value creation. When the auditees adhere to the recommendations, they will easily implement them (Kanté, 2018). These analyses lead us to formulate the following final hypothesis:

**H3: The degree of implementation of internal audit recommendations has a positive impact on the security of public funds in PEs.**

### 3. RESEARCH METHODOLOGY

#### 3.1 Data Collection and Sample

It discusses the measurement of the variables, the collection of the data in our study, the characteristics of the sample in our study, the results of the factorial operationalization of the dimensions of the study, and finally the analysis of the causal relationships through linear regression.

A questionnaire was administered to thirty-five (35) individuals/actors with access to strategic information on internal auditing within the public companies encountered in the various cities of Cameroon. Table 2 below presents the characteristics of the sample.

**Table 1. Sample characteristics**

<b>Gender of respondent</b>	<b>Workforce</b>	<b>Percentage</b>
Male	30	85,7
Female	5	14,3
Total	35	100,0
<b>Age of the respondent</b>	<b>Workforce</b>	<b>Percentage</b>
Less than 40	13	37,1
Between 40 and 60	22	62,9
Total	35	100,0
<b>The size of the company's internal audit body</b>	<b>Workforce</b>	<b>Percentage</b>
Less than 5 people	27	77,1
Between 5 and 15 people	8	22,9
Total	35	100,0
<b>Level of experience and qualification of the company's internal auditors</b>	<b>Workforce</b>	<b>Percentage</b>
Less than 5 years	4	11,4
Between 5 and 10 years	26	74,3
More than 10 years	5	14,3
Total	35	100,0
<b>Position held in the company</b>	<b>Workforce</b>	<b>Percentage</b>
Director	13	37,1
Deputy Director	1	2,9
Internal Audit Manager	16	45,7
Other	5	14,3
Total	35	100,0
<b>Number of time spent in the position in the company</b>	<b>Workforce</b>	<b>Percentage</b>
Less than 3 years old	22	62,9
Between 3 and 6 years old	8	22,9

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Over 6 years old	5	14,3
Total	35	100,0

Source: Author based on survey data.

### 3.2 Operationalization of variables

All of these items are rated on a 5-point likert scale ranging from "1 = strongly disagree" to "5 = strongly agree".

Table 2. Operationalization of variables

Construction	Authors	
<b>The existence of an internal audit body in PEs (EOAI 100-EOAI 111)</b>		
Your organization has a department in charge of internal audit.	Gramling, Maletta, Schneider, and Church (2004), (Ebondo, 2007), (Togodo, 2020), (Dalton and Kelley, 1997; Reckerset al., 1997).	
Has internal auditing been implemented in your organization for a long time?		
The main reason for introducing an internal audit department in your organization is the desire to strengthen internal control.		
The increase in the volume of activities, turnover and staff are the main reasons that led you to introduce an internal audit department within your organization		
The main reasons for introducing an internal audit department in your organization are to strengthen internal control and reduce financial malfeasance.		
In your company, the internal audit department reports to the Board of Directors.		
In your company, the internal audit department reports to the audit committee.		
In your company, the internal audit department reports to the General Management.		
The roles of the internal audit department within your organization are to process market information and to control the information before it is released		
The role of the internal audit department within your structure is to control compliance with the requirements of the company's reference system (standards, regulatory texts, specifications, customer specifications, etc.).		
The role of the internal audit department within your organization is to identify areas for improvement to lead the company towards progress		
The role of the internal audit department within your organization is to monitor the implementation of recommendations on an ongoing basis.		
<b>Institutional (Control) Environment for Internal Audit (EIAI 200-EIAI 207)</b>		
Your internal audit organization has a certification from an international audit institute.	Van Gils et al (2008; Usang and Salim (2018); Baltaci and Yilmaz 2006)	
Your organization has an internal audit charter		
There is a code of ethics for internal auditors in your organization.		
The internal audit charter and the code of ethics within your organization have been validated by the audit committee.		
Within your structure, the internal audit missions are carried out according to a schedule.		
Internal audit assignments within your organization are approved by the audit committee.		
Within your structure, internal audit missions are based on a risk-based approach.		
The conduct of audit missions within your structure is carried out according to an approach that is both participatory and directive.	Yapi, (2006), Kono and Medang (2019) and Kanté (2018)	
<b>The degree of implementation variable (VADI 300-VADI 308)</b>		
There is a specialized body within your organization to follow up on the recommendations.		
The recommendations issued by the internal auditors are consistent with the objectives of the audit engagement.		
The internal audit department always meets its annual objectives (planning = achievement) within your company		
The internal audit service provides added value to your company.		
The recommendations made by your company's internal auditors are very relevant.		

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The recommendations issued by your company's internal auditors reduce the difficulties encountered.	
The recommendations made by the internal auditors during previous missions are repeated during future missions.	
75% of the recommendations made by internal audit over the past two years have been fully implemented.	
The quality of the recommendations issued by your company's internal auditors is very good.	
<b>Securing the public purse (SDP400 - SDP412)</b>	Pardini (2010),
The rate of achievement of your organization's objectives over the last three years is greater than 75%.	Jackson (1993), (Wlazlak, 1993)
The results achieved within your structures are linked to the number of audit missions carried	
Your organization participates in international meetings on Internal Audit.	
Proposals to improve the performance of Internal Audit within your organization are recurrent.	
Within your organization, the internal audit system contains enough relevant information.	
Within your organization, the internal audit system is able to detect a situation that may lead to non-compliance with expenditure	
In your organization, internal auditors have the ability to assist management in implementing disciplinary measures	
Within your organization, internal auditors have the ability to reduce the level of misconduct due to non-compliant spending.	
Within your organization, internal auditors have the ability to reduce the level of fault due to the expression of requirements.	
Within your organization, internal auditors have the ability to reduce the level of misconduct due to the imprest account control that occurs at the end of the budget year.	
Within your organization, internal auditors have the ability to reduce the level of misconduct due to the mid-term monitoring and evaluation of imprest fund	
In your organization, internal auditors may formulate an opinion on the internal control system in relation to the lack of supporting documentation for certain expenses incurred.	

Source. From the literature.

### 4. ANALYSIS AND RESULTS OF THE STUDY

#### 4.1. Results of the confirmatory factor analysis of the latent variables

The dimension of the existence of an internal audit body in the PEs was studied through 12 items. Of these, we performed an internal consistency analysis which allowed us to retain 4 items. The Cronbach's alpha coefficient is  $0.739 > 0.7$ , it being understood that 0.7 is considered the "acceptable" threshold. The dimension "The institutional (control) environment of the internal audit" was studied through 08 items. At the end of the AFE, only 02 items were retained. The cronbach's alpha coefficient is  $0.886 > 0.7$ , where 0.7 is considered the "acceptable" threshold. The dimension "The degree of implementation of recommendations made by the internal audit" was studied through 09 items. On these items we performed an internal consistency analysis which showed a satisfactory result. The cronbach's alpha coefficient has a value of  $0.795 > 0.7$ , it being understood that 0.7 is considered as the "acceptable" threshold. The explained dimension "securing public funds in PE" was studied through 13 items. On these items we performed an internal consistency analysis which showed a satisfactory result. The cronbach's alpha coefficient has a value of  $0.731 > 0.7$ , it being understood that 0.7 is considered the "acceptable" threshold.

Table 3. Results of the CFA within the explanatory variable

Rotation of the component matrix <sup>a</sup>			
	Components		
	1	2	3
EOAI 100	,774	,223	-,035
EOAI 101	,742	,252	,142
EOAI 102	,711	,269	,115
EOAI 103	,694	,181	,054
EIAI 200	-,163	,834	,115
EIAI 201	-,106	,728	,054
VADI 300	-,163	,116	,737

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VADI 301	-,106	-,001	,726
VADI 302	,259	,038	,537
Explained variance	30,430	17,626	14,998
Cronbach's Alpha	0,739	0,886	0,795
KMO Index	0.862		
Bartlett Sphericity Test	Approximate chi-square		0.526
	ddl		253,938
	Meaning of Barlett		66
Extraction method: Principal component analysis.			
Rotation method: Varimax with Kaiser normalization.			
a. Convergence of the rotation in 10 iterations.			

Source: From SPSS 23.

Table 4: Results of the CFA within the explained variable

Rotation of the component matrix <sup>a</sup>			
	Components		
	1	2	3
EOAI 100	,774	,223	-,035
EOAI 101	,742	,252	,142
EOAI 102	,711	,269	,115
EOAI 103	,694	,181	,054
EOAI 104	-,163	,834	,115
EOAI 105	-,106	,728	,054
EOAI 106	-,163	,116	,737
EOAI 107	-,106	-,001	,726
EOAI 108	,259	,038	,537
EOAI 109			
EOAI 110			
EOAI 111			
EIAI 200			
Explained variance	33,527	25,587	15,679
Cronbach's Alpha	0,639	0,786	0,595
KMO Index	0.762		
Bartlett Sphericity Test	Approximate chi-square		0.526
	ddl		253,938
	Meaning of Barlett		66
Extraction method: Principal component analysis.			
Rotation method: Varimax with Kaiser normalization.			
a. Convergence of the rotation in 9 iterations.			

Source: From SPSS 23.

### 4.2. The structural model

As in our SPSS output we have Sig (F)=0.000<0.05 then overall the statistical relationship between the independent variables and the Dependent variable "securing public funds in PE" is said to be significant.



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Table 5. Analysis of variance (ANOVA).

ANOVA					
	Sum of squares	d.o.b.	Average of squares	D	Significance of the Fisher statistic ( F ) (Sig)
Regression	158,047	9	17,561	92,173	0,000
Residue	4,953	26	0,191		
Total	163,000	35			
DDL= degree of freedom			D=decision		

Source: Author based on survey data

Table 6. Model coefficients

Variables		Parameter	Coefficients	Standard	Student's t-	Significance of the Student's statistic (sig)
The existence of an internal audit body	Department in charge of internal audit.	$\Lambda_1$	+0,927	0,143	6,486	0,000
	Implementation time of the internal audit within the structure	$\Lambda_2$	+0,315	0,197	1,598	0,122
	The main reason for introducing an internal audit department within the structure was the desire to strengthen internal control.	$\Lambda_3$	-1,461	0,260	-5,619	0,000
	The increase in the volume of activities, turnover, and the number of employees were the main reasons that led you to introduce an internal audit department within the structure	$\Lambda_4$	+0,350	0,111	3,143	0,004
The institutional environment of	Existence of an ethical and/or transparency code within the structure					
	The top management of the structure has a profile that fits the position it holds.	$\Lambda_6$	+0,099	0,088	1,123	0,272
The degree of implementation of the recommendation made by the internal audit	Existence of a specialized body to follow up on recommendations within the structure.	$\Lambda_7$	+0,463	0,175	2,653	0,013
	The recommendations issued by the internal auditors are consistent with the objectives of the audit engagement.	$\Lambda_8$	+0,378	0,152	2,484	0,020



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The internal audit department always meets its annual objectives within the company	β <sub>9</sub>	-0,003	0,160	-0,018	0,986
Number of observations n=35	Coefficient of correlation and determination	r=0,985	R <sup>2</sup> adjusted =0.959		
Dependent variable: securing public funds in PE					

**Source:** Author based on survey data.

Regarding the relevance and explained variability of our model, we can say that the statistical relationship between the independent variables and the dependent variable "securing public funds in PE" is as follows

### ➤ First set of results (HR1).

According to the results we obtained in the table above, we note that the dependent variable of the model "securing public funds in PE" is more explained by the variables of dimension 1 which is "The existence of an internal audit body in PE" following: The coefficient associated with this variable is positive and is worth ( $\lambda=+0.927$ ); Time of implementation of Internal Audit within the structure because the coefficient associated with this variable is positive and is worth ( $\lambda=+0.315$ ); The increase in the volume of activities, turnover, and staff as the main reasons that led you to introduce an internal audit department within the structure because the coefficient associated with this variable is positive and is worth ( $\lambda=+0.350$ ) for a significance level of 5%; **This confirms our research hypothesis H1, according to which, The existence of an internal audit body in the PE has a positive influence on the security of public funds.**

From the results we had obtained in the table above, we find that the dependent variable of the model "securing public funds in PE" is less explained by the variable of dimension 1 "The existence of an internal audit body in PE" which is: The main reason that led to the introduction of an internal audit department within the structure and the desire to strengthen internal control because the coefficient associated with this variable is negative and is worth ( $\lambda = -1.461$ ) for a significance level of 5%, **which qualifies our research hypothesis H1.**

### ➤ Second set of results (HR2).

According to the results we obtained in the table above, we note that the dependent variable of the model "securing public funds in PE" is more explained by the variables of dimension 4 which is "The institutional (control) environment of internal audit" following The existence of a code of ethics and / or transparency within the company because the coefficient associated with this variable is positive and is worth ( $\lambda = + 0.033$ ) and The top management of the structure has a profile that fits the position it occupies because the coefficient associated with this variable is positive and is worth ( $\lambda = + 0.099$ ) for a significance level of 5%; **This confirms our research hypothesis H2, according to which, The institutional environment (control) of internal auditing positively influences the securing of public funds in the EP.**

### ➤ Third set of results (HR3).

According to the results we obtained in the table above, we note that the dependent variable of the model "securing public funds in PEs" is more explained by the variables of dimension 3 "The degree of implementation of recommendations made by the internal audit" which are The existence of a body specialized in the follow-up of recommendations within the structure because the coefficient associated with this variable is positive and is worth ( $\lambda=+0.463$ ); The recommendations issued by the internal auditors are in line with the objectives of the audit mission because the coefficient associated with this variable is positive and is worth ( $\lambda=+0.378$ ) for a significance level of 5%. **This confirms our research hypothesis 3, according to which the degree of implementation of the recommendations made by the internal auditor has a positive influence on the security of public funds in PEs.**

According to the results we obtained in the table above, we note that the dependent variable of the model "securing public funds in PE" is less explained by the variable of dimension 3 "The internal audit department always achieves its annual

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objectives (planning = achievement) within the company" which is: the nature of the clientele of the financing bank because the coefficient associated with this variable is negative and is worth ( $\lambda = -0.0300$ ) for a significance level of 5%, **which qualifies our research hypothesis H6.**

As  $R^2$ -adjusted = 0.959 > 0.75 the percentage of relationship between the dependent variable "securing public funds in PE" and the set of independent variables is said to be strong, which is verified by the correlation coefficient  $r = 0.985$ , i.e. (93.80%) and which translates a strong correlation between these variables

### 5. DISCUSSION OF THE RESULTS

The results previously established generally confirm our intuitions through the postulates that we established a priori and that were confirmed through the estimation of the data. However, it is important to qualify this overall result, since not all items in each group of variables are significant. On the other hand, these results make sense in terms of the specialized literature.

More specifically, the study confirms that the existence of an internal audit body in PEs has a positive impact on the security of public funds. This result is confirmed through the first four axes that explained 75.573% of the total variance. This means that the securing of public funds by internal auditing is subject to four conditions, namely The prior existence of the said service, i.e. its establishment; Perseverance in its implementation, i.e. capitalization in terms of accumulated experience; The real desire of the management to strengthen its internal control system; And the decision to create an audit service is justified by a sustained growth in the activities of the EP.

It is possible to affirm that internal auditing is one of the best mechanisms for controlling and monitoring the behavior of PE managers and thus contributes to reducing agency relationships within them. It is in this sense that Gramling, Maletta and Church (2004) have argued that: "among the components of the governance of organizations, internal audit appears as a resource function, particularly in the evaluation and evolution of the internal control system". It is also with this in mind that the State of Cameroon, in order to deal with the phenomenon of embezzlement of public funds, has put in place several control bodies, including the internal audit, in order to reduce information asymmetry and improve the governance of public structures (Togodo, 2020). Introduced as a tool for administrative control of public finances in Cameroon by Law No. 2007/006 of December 30, 2007 on the financial regime of the State, which repealed Ordinance No. 62/OF/4 of February 7, 1962 as of January 1, 2013, it is clear that Cameroon's public authorities want to limit the plundering of its public funds, in this case its financial resources. It is therefore necessary to consider that the implementation of internal audit in the internal control system of the CFE reached its nodal point on June 19, 2019 by Decree No. 2019/320 specifying the modalities of application of certain provisions of Laws No. 2017/010 and 2017/011 on the general status of public establishments and public enterprises. However, it should be noted that the provisions relating to administrative control and certain provisions of the 2007 law on the financial regime of the State (which was supposed to be fully implemented before January 1, 2013), despite the fact that this law was supplemented by law n°2018/012 of July 11, 2018 on the financial regime of the State and public entities, are still awaiting the finalization of their application texts.

#### 5.1 Theoretical implications

The results show that the effectiveness of internal auditing is enhanced if there is an excellent complementary relationship between internal and external auditing (Kono Abe & Medang, 2019). This complementarity is manifested in CFEs through the mechanism of internal audit internalizing several external audit tasks. This not only allows internal audit to gain efficiency, but also to achieve substantial cost savings. It allows us to support the assertion made by the theory of transaction costs since Coase was founded in 1937.

Observation in the field has also enabled us to observe that in some companies it is the inspectors who act as internal auditors. It could therefore be interesting for the public authorities to require all EPCs, through technical and financial supervision, to have an internal audit department attached to an internal audit committee in accordance with the provisions of Decree 2019/320 of 19 June 2019 specifying the terms of application of certain provisions of Laws n°2017/010 and 2017/011 of 12 July on the general statute of public establishments and public companies.

This research also demonstrates that the institutional environment of internal auditing through the existence of a code of ethics and professional conduct and the adequacy of the profile and position of top managers positively influences the security of public funds in PEs. The control environment is the first pillar, if not one of the most fundamental of the five COSO pillars. It essentially measures the level of buy-in and support from an entity's top management for the implementation of an internal control system. Without it, any hope for good internal control is compromised.

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In this research, this statement is confirmed by the first two axes of the study which support 76.459% of the total variance. This support from the hierarchy of the PE is reflected in the fact that the profiles of the managers are appropriate for the positions they hold and that there is a code of ethics and transparency within the PE.

Confirmation of this assertion suggests the results of studies conducted by Bhimani (2009) and Buys (2012), which reveal that ineffective risk mitigation often indicates a weakness in corporate governance and an inappropriate tone set by management. In the same vein, Van Gils et al (2008) point out that the institutional and cultural environment in which internal audit departments operate has an impact on the security of public funds in PEs. In Nigeria, for example, studies conducted by Usang and Salim (2018) establish the existence of a positive relationship between the institutional environment, internal auditing and organizational performance.

However, one criterion that may strengthen this support deserves special attention, namely the contact between the CEO and the internal auditors. This contact will reassure the auditors, and thus foster in them a desire to work harder to produce high quality work Kono Abe & Medang (2019). This result also contrasts with Mihret and Yismaw (2007) who, reasoning in the Ethiopian context, show that management's response to internal audit findings and recommendations is generally evasive and weak. With specific reference to the geographical area of this paper (Cameroon), it is worth noting the difficulty PEs have in having a favorable institutional environment given the manner in which almost all PE leaders attain this responsibility, i.e., through political appointment. In general, it can be observed that the profiles of these leaders do not fit with the social purpose of the PE. Given the financial pressures they face as part of their political activities, any possibility of accepting an institutional environment favorable to the implementation of a good internal control system is compromised. All of this raises the need to revisit the modalities of access to top management functions in PEs in this context.

The final research hypothesis, also tested in this study, is that the degree of implementation of internal audit recommendations has a positive impact on the security of public funds in PEs. The analysis highlights three fundamental parameters. The first parameter is the existence of a body to implement the recommendations. The second relates to the adequacy of the recommendations issued by the internal auditors and the objectives of the audit missions. The third concerns the achievement of the annual objectives assigned to the internal audit department. This triad alone accounts for 81.398% of the total variance.

It is interesting to recall that internal auditing is an evaluation function of an organization's readiness to examine and assess the proper functioning, consistency and effectiveness of its internal control. The internal auditors therefore examine the different activities of the organization, evaluate the risks and the system put in place to control them, ensure the performance in the accomplishment of the responsibilities entrusted to them and make any recommendations to improve its security and increase its efficiency ( Young, Worchel, & Woehr, 1998).

### 5.2 Managerial implications

At the end of this research work, the descriptive statistics results revealed are multidimensional. All of the CFEs in our sample have an internal audit body. The majority (42.9%) of respondents consider the degree of independence of the internal audit to be "average" within their organization. 65% of the respondent's state that the main mission of the audit within their organization is "consulting". In addition, 77% of the companies surveyed have an internal audit body of less than 5 people. 74.5% of the internal auditors in the FPCs have between 5- and 10-years' experience. The sample consisted of 35 respondents, 86% of whom were men and 14% women. 63% were between 40 and 60 years old and 37% were under 40. These results are interesting from the point of view of public decision making, in this case in terms of optimizing the performance of the EPs, given the tool that the internal audit constitutes in relation to the ideal of securing public funds. This is particularly true of the requirement for the internal audit departments of the CFEs and the internal auditors to have international audit certifications, an internal audit charter and a code of ethics for internal auditors. In addition, there is a need for such departments to ensure a good fit between the profile and the position when appointing the heads of the FPCs and to ensure that the recommendations of the audit reports are properly implemented. With regard to the treatment of recommendations made by internal audit, good practice calls for 20% of recommendations to be implemented within six months, 50% after 12 months, and 75% within two years ( Kono Abe & Medang, 2019). The role of the internal auditor, on the other hand, is not to sanction; this function is rather devolved to the management. The internal auditor proposes recommendations to management. It tries to discover the cause and proposes recommendations to correct it. In addition, the internal auditor must obtain the support of the auditees for the recommendations in order to create added value; when the auditees support the recommendations, they will easily implement them ( Gimzauskiene & Kloviene, 2011).

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### CONCLUSION

Public sector organizations around the world face organizational challenges due to endogenous and environmental factors that contribute to making their performance a constant epistemological concern in academia. Despite the density of academic work dedicated to this topic, the alchemy useful to ensure this performance at the operational level remains an ideal both in the context of developed countries and in the population of many developing economies. This research work highlights the influence of internal audit through the existence of an internal body, the control environment and the degree of implementation of recommendations on securing public funds.

However, there are some limitations to this research. The first is related to the context of the study, which is Cameroon. Consequently, the results cannot be generalized. Another limitation is related to the sector of activity. Indeed, the results of this research do not include other sectors of activity, particularly the private sector. Future research can look at the private sector and possibly conduct a comparative study. Future research can also integrate the cultural variable as a moderator of the influence relationship between internal audit and the securing of public funds.

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