

An Analysis of the Incidence of Fraud in Cameroon and Prospects

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Abstract

The Cameroonian public and private sectors of the economy have experienced considerable growth, changes and challenges since independence in 1960 for Francophone Cameroon, and 1961 for Anglophone Cameroon. The state institutions are both regulators and controllers of both sectors of the economy but the country still faces endless challenges such as corruption, bribery and fraud, causing adverse economic, social and political consequences. Since independence to date, fraud remains a major problem that is ever increasing both in its frequency and severity. Meanwhile, research evidence has shown that growing number of frauds have undermined the integrity of public / private sector financial reports, contributed to substantial economic losses, and even eroded investors' confidence regardless the usefulness and reliability of financial statements – indeed, the absence of accountability and transparency, increased waves of white-collar crimes in both public and private sectors demand stiff penalties, exemplary punishment, and effective enforcement of the law with the right spirit. An attempt is made to examine and analyze in-depth the fraud challenges and environment using a comparative analysis of its incidence in the cities of Yaoundé and Douala in Cameroon. To achieve the objectives of the study, primary and secondary data were used. Five hundred questionnaires were administered to the study respondents that were purposively selected from the two cities. Going by the findings, the incidence of fraud in the cities vary very significantly with adverse economic, social and political consequences.

Keywords: Analysis, incidence of fraud, Douala, Yaoundé and Cameroon.

1. INTRODUCTION

In Cameroon, like across the globe, the notion of fraud in the public or private sector is as old as the origin of man but as a notion i.e. Cameroon it dates some five decades from independence in 1960.

In the public and private sectors of the economy like in the day-to-day affairs of life (social or business) fraud has become not just a practice by fraudsters but it is more of an industry where people of low conscience exhibit their talents in deceiving, siphoning, misappropriating and carrying out money laundering for self enrichment, Lala .C (1998), ACFE (2004), & FOGAPE (1988).

That notwithstanding, there is ever growing literature in varying perspectives on the subject. Within this backdrop, therefore, this study is very specific on a particular interest area i.e. fraud, its environment and consequences in Cameroon. Indeed fraud (financial or otherwise) committed in the public or private sectors of the economy is a testament to the fact that “the science of conduct is swayed in large by human greed, ambition, and hunger for power, money, fame and glory”. This paper therefore, focuses on identifying the most important forces influencing fraud in the public and private sectors in the economy. Fraud is anti accountability and transparency the fundamental pillars of governance architecture that support state institutions to achieve economic objectives Annan, k. (2000), & CACG (2000). As such, frauds (financial and otherwise) need to be studied for “lessons learnt” and “strategies to follow” to reduce the incidents of such frauds in the future.

Some auditors' failure in detecting fraud in organizations (public or private) have an impact on stakeholders' public such as distrust and adverse public opinion. The auditor by the companies Acts (1862) to date, the Ohada Uniform Acts (1993), the Finance Law of the Republic of Cameroon (2018), the CEMAC Code and the Professional Codes of Conduct, (IFAC, 2010) play a fundamental role in the prevention, detection and deterrence of fraud in client organizations (public or private), and giving credibility to clients' financial reports, UDEAC (1982) & BEAC (1985).

Currently, manipulations in financial reports are difficult to detect, generally, and by distorting the accounting records, for every transaction or misapplication of accounting principles will impact the accounting and financial information results and decisions thereafter, GAO (2003) & ISA (2004).

However, financial scandals are not the only cause of crisis of accountability, transparency and confidence prevailing in the business world or the private or public sectors of the economy as the risk of fraud involves several theories e.g. the Agency theory, stakeholder's theory or the stewardship theory, Donakdson, L, Davis, J. (1991), & ISA (2003).

The government like the public or private sector organizations functions in like manner. Corporate governance is the system of rules and norms of the company or market, which involves several interests such as stakeholders, shareholders, management, public administration, citizens or public, customers, employees etc. These norms provide the strategic direction of the organization assuring confidence of both board, management, auditors, third parties and public – all in common interest in diversity. Institute of Directors (2013) & ACFE (2014)

However, the Board of Commissioners, or the Board of Directors, and Management oversee that the company organization public or private, achieves its goals in the most economic, effective and efficient manner, Wang, T.Y (2011). Most recently, the Global Financial crisis has seen policy makers once again focus attention on the importance of effective use of resources while showing accountability and transparency, NAS (2000), SEC (2000) and Sarbanes Oxley Act (2002) as fundamental basis for protecting investors' and stakeholders' interest in organizations, Institute of Directors (2013), & World Bank (2007).

2. LITERATURE REVIEW

This study has examined the contemporary Cameroonian public service and the private sector of the economy in two principal cities that is Yaoundé (political capital) and Douala (economical capital) for the causes of fraud, its effects and the way forward.

The paper also locates the role of professionals in the public and private sectors such as directors, management, accountants or auditors, treasurers and administrators within the broadest dynamics of professionalism and their pursuit of personal financial gains, and that they are ever more willing to increase their personal financial gains by indulging in anti-professional practices or anti-social practices that show scant regard for social norms, and even legal rules and regulations. Therefore, contrary to their claims to be protecting public interest, these groups maybe party responsible for causing distress, fraud and the seeming collapse of the state institutions, public civil service, and ever failing economy and low level business climate, World Bank (2007), UNECCA (2016) and Transparency International (2017).

In the recent decades in Cameroon, fraud has caused many banks and businesses to collapse with many investors' and depositors' fund trapped and thus preventing them from achieving their objectives with many businesses going into liquidation in recession (economic). Meanwhile, misappropriation of assets is prevalent especially in public service notably in the Ministry of Public Contracts & services, and financial service industry, World Bank (2007), ISA (2003) & BEAC (1985).

In addition, employee's fraud is the most prevalent type of fraud experienced by organizations in the economy. As such, this study seeks to provide an in depth view on the reasons, FOGAPE (1988) and GAO (2003).

Indeed, fraud continues to receive significant attestation from regulators, investors public, press, academia, financial community, governments, NGOs and International Organizations, civil society name them. This may be because of widespread reported world class high-profile fraud scandals of late in corporations in both the developed and developing countries, notably including Enron, Xerox, WorldCom, Tyco, Kimia Fama, Bank of Credit and Commerce International (BCCI), Society General, Adelphia, Satyam, Koss Crop, Koch Industries and Lloyds Bank in Europe etc, have exposed the ever growing greed of human being. UNECCA (2003) & Sarbanes Oxley Act (2002).

Going by the Cameroonian experience, the government for over three decades has continued an endless anti corruption war or crusade through numerous special state organizations with conflicting interests although aimed at achieving governments' objectives "zero fraud" tolerance.

According to studies by scholars, 75% of the global staff will perpetrate workplace fraud at least once and half of those who steal from employers will embezzle constantly, Warfield (2012). ACFE (2011).

Meanwhile among many types of fraud, asset misappropriation is the most common fraud since it contributes 85% among all fraud, cases in 2014 compared to the remaining two fraud types, ACFE (2014) & ISA (2003)

And similar survey of PWE in 2011 among the public sector firms noted that 69% of the reporting economic crime (fraud) is asset misappropriation and concluding that it is the most sever problem.

In addition, according to ACFE (2008) almost 90% of all employee fraud involved asset misappropriation, and concluding, it is the most common type of fraud. Another survey by ACFE (2014) among different industries, the banking and financial services were the most hit by fraud that is which are related to misappropriation of assets by bank employees.

According to ISA 240 misappropriation of assets means the theft of an entities asset and often perpetrated by employees in relatively small and immaterial amounts. In addition, it also involves the management and directors who are usually more able to disguise or conceal misappropriations in a manner that is difficult to detect. It also shows that misappropriation of assets always affects the books of accounts in order to hide the discrepancies or shortages i.e. "cooking the books", IFAC (2007), ISA(2004) & HMSO (1976).

Generally, fraud may be defined as an intentional act to gain an advantage by an unfair or unlawful gain. It may include fraudulent financial reporting, misappropriation of assets i.e. (inside or outside the system, such as embezzlement, payroll fraud and theft); revenue or assets acquired from illegal or unethical activities e.g. excessive customer billing or fraudulent sales practices; costs for illicit purposes e.g. commercial and public bribery as well as other improper payment systems and income received fraudulently or intentionally avoided costs, that is, systems in which an entity commits fraud against its employees or to third parties, or when an

entity intentionally avoids costs e.g. income taxes, sales taxes etc ; against the entity e.g. counterfeit producers knowingly violates intellectual property rights, Rubin, G.A(2007) & ACFE (2010).

However, the Department of Institutional Integrity, which investigates corruption fraud allegations within the World Bank Group, describe fraud to include: auction fraud, that is understanding among participants in the auction fraud during the execution of the contract, audit avoidance, setting inappropriate prices and partnerships, miscalculation of costs and work, acceptance of gifts, soliciting or receiving bribes, incorrectly using the World Bank funds or its positions, or financial aids, fraud in the case of movements e.g. mission orders, theft and deception. All types of fraud are major and worthy to be debated, World Bank (2014) & UDEAC (1970).

According to the Report of the National Commission on Fraudster Financial Reporting (USA) in the majority of the studied cases, the company's management such as e chief executive, president and chief finance officer were the most fraudulent perpetrators. In some cases, it was found that there were made intentional false disclosures from the accountant throughout falsified documents and records, Alexander .D (2007), ACFE (2012) & FOGAPE (1988).

The committee furthermore, showed that while the authors of fraudulent financial reporting have used different means, the effects of their actions are always consistent i.e. over estimating or smoothing earnings in order to exaggerate the company or its assets. In most cases, fraudulent financial reporting is the peak point of a number of acts intended to address operational difficulties. Initially, the activities may not be fraudulent, but with time they become probable especially when management encourages such activities to have fraudulent reports. Therefore, potential criminals involved in fraudulent reporting can be both top or senior management, among mid-level employees or directors. i.e. on organized criminal organizations for this purpose, IFRS (2007) US GAAP, Nguyen.K. (2008) & BEAC (1985)

However, managerial fraud involves those in leadership posts another form of fraud common is called "big-bath behavior". It occurs when management manipulates the profit and loss account, make the years with very good results to seem worse than it really is. Therefore, taking into account the significant losses, they hope to consolidate and wipe them all at once. As a result of this action, future costs are reduced and natural profits implicitly increase. In other words, it shows that profit will be increasing in future-and handling causes either an increase in prices of stocks or an increase in performance bonus for management, Alexander, D. (2007), ACFE (2012) & UDEAC (1982).

From the above, fraud is generally a global phenomenon affecting all continents and all sectors of the economy (public or private). Fraud includes a wide –range of illicit practices and illegal acts involving intentional deception, or misrepresentation: fraud is "a deception or misrepresentation that an individual or entity makes knowing that misrepresentation could result in some unauthorized benefits to the individual or the entity or some other party", ACFE (2010). In fraud, groups of unscrupulous individuals manipulate or influence the activities of a target business with the intention of making money or gaining goods through illegal or unfair means. Fraud cheats the target organization of its legitimate income and result in a loss of goods, money and even goodwill and reputation. Fraud often uses illegal and immoral, or unfair means. Therefore, it is important that organizations build processes, procedures and controls that do not needlessly put employees in a position to commit fraud and that effectively detect and prevent fraudulent practices, Krishnan, J. (2005), UDEAC (1982) & FOGAPE (1988).

2.1 FRAUD TECHNIQUES IN ORGANISATIONS

Fraud if committed includes the misappropriation of assets and the misrepresentation of financial statements.

i. Misappropriation of Assets

Misappropriation of assets occurs when an employee steals company assets, whether those assets are of monetary or physical nature. Physical assets of the company include everything from office furniture to expensive items in inventory, such as cars or large machinery. With lack of supervision or security, employees could take inventory right out of a facility. However, misappropriation of physical assets includes not only taking items, but also the unauthorized use of company assets, for example, an employee driving a company car for personal use.

Monetary assets susceptible to fraud typically include cash or cash equivalents because these items are highly liquid and often easily accessible. With poor internal controls, a company employee could steal checks and cash them for themselves. Another example of fraud includes causing the company to pay for goods or services that were not actually received or utilized by the company, ACFE (2012), Sarbanes Oxley Act (2002).

ii. Misrepresentation of Financial Statements or Reports

Misrepresentation of financial statements, often referred to as "cooking the books", occurs when the financial statements are intentionally misstated in order to make the financial position of the company look better than it actually is. This often involves increasing reported revenues and/or decreasing reported expenses. It could also involve misrepresenting balance sheet accounts in order to make ratios, such as the current or debt to equity ratios, look more favorable. Reporting amounts different from what would have been reported under GAAP is

also considered a misrepresentation of financial statements (IFAC 2010), ACFE (2012) & BEAC (1985).

2.2 FRAUD LOSSES OR COSTS IN BUSINESS AND ORGANISATIONS

All organizations (public or private) and of all types are subject to fraud. However, over the past decades, major public companies have experienced fraud (reporting) of alarming proportion and with devastating consequences such as bankruptcy and outright recession etc. Today greater investors', stakeholders' and shareholders' interest are assured globally, thanks to improved governance culture that has reduced the incidence of fraud, Sarbanes – Oxley Act (USA) (2002) & HMSO (1976).

The Securities and Exchange Commission (SEC), and the Committee of Sponsoring Organization –COSO of the Trade Way Commission's Fraud Report (2010) concluded that fraud was ever increasing in entities and companies in the U.S.A between 1999 and 2010 and predicting potential financial crisis in effect, UDEAC (1970), FOGAPE (1988) & BEAC (1985).

In U.K, the National Fraud Authority in its "Annual Fraud Indicator (2012)" i.e. "The Scale of Fraud Losses in 2012" concluded that fraud harms all areas of the economy and was continuous with threatening recession if unchecked, AFCE (2014) & Krishnan, J. (2005).

Furthermore, fraud significantly increases uncertainty in business and entire economy, shaking investors' confidence, results in mismanagement seen in financial misstatement or economic recession at the worst, Won, G.B (2004) & ACFE (2014).

2.3 SOME CAUSES OF FRAUD IN AN ORGANISATION:

All organizations are victims of fraud, corruption or bribery of one form or the other...

- Collusion between employees and third parties;
- Collusion between employees and management, directors, board committees;
- Inadequate or poor internal controls; lack of governance culture;
- Management or board or committees override of internal controls;
- Lack of control over management, staff, committees and directors;
- Board of directors lack of board controllers;
- Ineffective or nonexistent ethics or compliance programs.
- Lack of separation between cash-handling and accounting;
- Strained relationship between employees and their superiors;
- Unrealistic expectations of staff, e.g. unreasonably high sales targets;
- Too much responsibility and authority in the hands of one person;
- Employees working in isolation without supervision;
- An organizational culture that appears to overlook small lapses;
- Lack of security for IT and computer networks. (ACFE 2011), BEAC (1985) & HMSO (1976).

2.4. (i) Some Causes of Corruption or Fraud in the Cameroonian Society(Public & Private)

The causes of fraud or corruption in organizations (public or private) are similar in all respects to the causes of corruption in the business enterprise. Corruption/fraud is either perpetrated by staff, by outsiders or between outsiders with the connivance of the staff notwithstanding their ranks or files, As fraud, Institute of Directors (2005) could also be master minded by the organization, its heads, such as directors, top management or minister etc.. The causes of fraud in an organization or ministry or ministerial department or parastatal, could therefore, be classified according to two main classes: (a) *organization (Institutional)* and (b) *environmental factors*.

- (i) Organizational or Institutional factors. The most important organizational factors that support corruption/fraud in the (public/private) sectors are;
 - (i) Non existing and or poor management control systems, for example, existing but ineffective operational procedures, operational systems' lapses, weak and or poor systems of controls.
 - (ii) Human capital i.e. unqualified, poor or inexperienced management and staff.
 - (iii) Security risk (high) i.e. poor security provisions for files and documents especially in situations where poorly designed for security documents, and poorly secured financial instruments; fraudsters exploit these weakness and perpetrate fraud or corruption; and
 - (iv) Organization organizational structure is poorly designed, with delegation of directives to subordinates. All factors listed above are within the control of management and directors of the organizations. Therefore, they are controllable to a large extent, and managed through effective and efficient control strategies, ACFE (2014) & Won G.B (2004)
- (v) Decentralization, (vi) Lack of Democratization (vii) Corruption or Fraud.
- (vi) Tribalism, (ix) Corrupted Judiciary & Legal System.
- (vii) Environmental and Cultural Factors

These factors are uncontrollable, beyond the possible manipulation of management, directors or controllers of state ministerial departments. The cultural societal values in Cameroon which emphasize materialism including the insatiable list by staff and society in general for material gains, CACG (2000). This behavior sustains fraudulent practices at all organizational levels. More so, absence of or ineffective controls, evaluation and monitoring of procedures or operations in line with authority encourage/sustain fraudulent culture. Ineffective systems necessary for detecting/preventing or prosecuting fraudsters in time especially with the prevalence of an inefficient and corrupt legal system, and above all, lack of effective deterrent punishment mechanism. The legal process is too slow and sustain fraudsters who are most often not adequately punished for their actions and crimes, Transparency International's Report on Corruption in Cameroon (2017-2016) and Institute of Directors (2004).

2.5 MANAGING FRAUD OR CORRUPTION IN OPERATIONS OF ORGANISATIONS.

The process of managing corruption or fraud over the operations of organizations (public or private) is fundamentally based on the internal control system in use in the organization by management and directors to achieve organizational goals. In summary, it includes functions of planning, organizing, directing, controlling, supervising, motivating, and co-ordinating over all organization's objectives. It makes use of both internal checks and internal audits, CACG (2000) and Sarbanes-Oxley Acts (2002).

Internal control systems are made up of internal checks and internal audits, thus they are the whole systems of control put in place by management in order to carry out the affairs of the organizations in the most orderly manner i.e. (economic, effective and efficient) and in so doing, assuring adherence to organization's strategies, policies and mission, safeguards assets and ensures that records and information are accurate and reliable. IFAC (2007).

The internal control system is also viewed as the day-to-day transactions which take place continuously as part of the daily routine function whereby the work done by one man is seen separately or as linked to the work of another person; the objective there is preventing or detecting early fraud and errors, Millicham (1987) and IFAC (2007). In addition, it involves approaches like division of labor, task, work, delegation of authority and power of command, the manner of recording transactions and collecting separately produced totals from large number of different items for reports, information and decisions.

Any internal control system in use should target maximizing financial goals e.g. profits at minimum risk, IFAC (2007) and assuming performance, according to laid down strategies (road - map) and policies, adequacy, availability, timeliness, and credibility of financial information used for reporting and decision making on the organizational health is in order of acceptable standards, rules and regulations while preventing mismanagement, irregularities or frauds, IFAC (2007) and Institute of Directors (2004).

Reflections on the recent past decades, there have been many alarming cases of high profile fraud with business failures in organizations (private and public) and in governments. Most notably is the Enron and Bernie Madoff scandals, others include the World Com, Tyco International Ltd, and Adelphia Communications Corporation, others include Polly Peck, Coloroll, Maxwell Communications on the global scale, Sarbanes-Oxley Act(2002).

In order to manage and prevent future fraud scandals, it's important to understand how past fraud was perpetrated and how it went undetected for so long. In serious summary note, the consequences of fraud are bankruptcy and resultant economic crises or recession.

In response to the huge business failures and crisis notably of Enron in 2002, etc the US congress issued new legislation to regulate business and investment climate, in the USA, Sarbanes-Oxley Act(2002) and CACG(200)

This legislation called for the efficient organizational structure (from board to management) and down the hierarchy with responsibilities and duties outlined. In addition, channels of communication, reporting, and delegation of authority are clear. This means authorization and approval by an appropriate person or officer of actions, expenses, credit, decisions etc. Furthermore, it means complete compliance with policies, rules, procedures with any exception duly authorized with awareness by all of risks of potential fraud and sanctions. Appropriate supervision of all levels of staff, functions, operations, procedures etc means assuring internal control systems within organizational (public or private) culture, philosophy and practices, Sarbanes -Oxley Act (2002).

This concept also sustains staff motivation to enable them improve output. As such, this includes-health, education career pay, fringe benefits, allowances, managerial styles, policies and physical working environment. Motivations (staff) includes, achievement, advancement, recognition, responsibility and the work itself, CACG(2000) and Institute of Directors(2005). To them, this concept involves appreciating what motivates a worker and enhances productivity, reduces inefficiency and fraud. The satisfied worker willingly seeks attaining group goals and encourages efficiency, therefore, the possibility of managing fraud at all levels in organizations. The above notwithstanding, the masses blame the government for persistent electoral fraud at every consultation (pools) which is responsible for bad governance, leadership and corruption. The conclusion

by them tagges an average Cameroonian as corrupt, dishonest, nepotic, lazy and all the time, seeking for an opportunity to cheat his employer. It is also reported that causes of fraud also centre on over inflation of contracts, miss-use of mission order for travelling, sex advances from female applicants for jobs and misuse of security votes. The citizenry is poor, have little or no access to housing ,three-square means daily, good Health care, or education, the basic necessities of life. And the level of unemployment and inflation is on the increase, making conditions of living unsecured and unbearable, CACG (2000), and Institute of Directors (2005) & Won G.B (2004).

The cry of corruption is a Kancker-worm in every sector of the economy. History will hardly forgive the Cameroonian government over scandalous mismanagement of public funds and corrupt practices of most civil servants almost of all ministerial departments of government. There is a second government of the Republic in the prisons nation-wide with a former Prime Minister and Head of government inclusive, all on corruption scandals of billions of US dollars without any serious effort for recovery. This administration is responsible for unemployment and socialization of criminals in the society. In the state parastatals, the story is not different as billions of dollars are also squandered and siphoned to private accounts from organizations' budgets. Indeed, corruption in Cameroon today is unstoppable-it's just like wild fire, Transparency, International (2017), and CACG (2000) and ACFE (2014).

3.0 METHODOLOGY

(i) SAMPLE SIZE

The population considered for the study is 500 sample size from the two cities that is Yaoundé (political capital) and Douala (economic capital) of Cameroon. The sample size of 125 each was purposively selected including directors, administrators, secretaries and accountants or auditors as they have the nucleus of information to determine the incidence of corruption or fraud in the cities. Corruption assessment is through statistical group means and standard deviation test at 1% level of significance.

(ii) SAMPLING TECHNIQUE

Purposive sampling techniques were used in selecting the respondents. This is based on their rich background with data bank of information that assisted in fraud investigation, detection and deterrence among civil servants who are custodians of government resources whether financial or otherwise.

Few organizations and ministries were selected for investigation on cases of bribery and fraudulent practices. These Organizations and Ministries were selected because they from the nucleus of the public sector operations and they are usually allocated large percentage of the budget share. The failure in performance of the selected Organizations (parastatals) and Ministries can cripple the whole economy.

The technique the researcher used in gathering data in the study is simple random sampling method.

(iii) SOURCES OF DATA COLLECTION

Like most research, two sources of data collections were used in the study- the primary and secondary data which are collected for the purpose for which they are needed.

1) The primary Data:

2) The use of primary data means data collected specially for the research work and it involves data which was generated through administered questionnaires. The questions were structured and respondents' opinions were gathered and recorded.

3) The secondary Data:

This refers to existing published information useful for the purpose of the specific survey. Records from selected target ministries and departments in the two cities (Yaoundé and Douala).

(iv) RESEARCH INSTRUMENTS

The research instruments of the study are questionnaires designed to solicit for the relevant information for the research. The questionnaire was more appropriate as it covers functional groups of respondents i.e. staff, top administrative, management, treasury, accounting and directors.

(v). METHOD OF DATA ANALYSIS AND DISCUSSION OF FINDINGS

The study employed tools such as descriptive statistics, namely, mean and standard deviation tested at 1% level of significance. The distribution of the respondents by functions were gathered and presented in Table (1) for respondents in Yaoundé and Table (2) for respondents in Douala, viz:

Table (1): Presentation of distribution of respondents in the city of Yaoundé, Cameroon.

Functions	Sample size	Completed & returned	Rejected	Response Rate %
Directors	125	103	22	82%
Administrators	125	108	17	86%
Secretaries	125	115	10	92%
Accountants	125	120	05	96%

Source: Field Survey, (2017)

Table2: Presentation of distribution of respondents in the city of Douala, Cameroon.

Functions	Sample size	Completed & returned	Rejected	Response rate %
Directors	125	70	55	56%
Administrators	125	46	79	37%
Secretaries	125	50	75	40%
Accountants	125	59	66	47%

Source: Field Survey, (2017)

Total of 500 sets of structural questionnaire were administered in Yaoundé and the distribution to respondents by functions. Out of the 500 sets of questionnaires issued, 446 were returned showing a response rate of 89%. In addition, another 500 set of questionnaires were distributed to respondents by functions in the city of Douala, Cameroon, out of which 225 were returned, thus giving a response rate of 45%. This low response rate is possibly owing to non understanding of questions or fear of being investigated. Details are:

Table 3: Presenting Indications of fraud in the city of Yaoundé, Cameroon

Response	scaling	frequency
Strongly agree	5	195
Agree	4	191
Undecided	3	17
Disagree	2	29
Strongly disagree	1	14

Source: Field Survey, (2017)

Table 4: Presenting Reports of bribery and corruption in the city of Yaoundé, Cameroon

Response	Scaling	frequency
Strongly agree	5	60
Agree	4	150
Undecided	3	100
Disagree	2	86
Strongly disagree	1	50

Source: Field survey, (2017)

Table 5: Presenting Poor service delivery in the city of Yaoundé, Cameroon

Response	scaling	frequency
Strongly agree	5	250
Agree	4	100
Undecided	3	16
Disagree	2	50
Strongly disagree	1	30

Source: Field Survey, (2017)

Table 9: Presenting Indications of fraud in the city of Douala, Cameroon

Response	scaling	frequency
Strongly agree	5	106
Agree	4	71
Undecided	3	12
Disagree	2	22
Strongly disagree	1	14

Source: Field Survey, (2017)

Table 10: Presenting reports of bribery and corruption in the city of Douala, Cameroon

Response	scaling	Frequency
Strongly agree	5	199
Agree	4	65
Undecided	3	15
Disagree	2	19
Strongly disagree	1	07

Source: Field survey (2017)

Table 11: Presenting poor service delivery in the city of Douala, Cameroon

Response	Scaling	Frequency
Strongly agree	5	109
Agree	4	81
Undecided	3	16
Disagree	2	09
Strongly disagree	1	10

Source: Field Survey, (2017)

Table 6: Presenting Accountability epileptic in the city of Yaoundé, Cameroon

Response	Scaling	Frequency
Strongly agree	5	55
Agree	4	300
Undecided	3	36
Disagree	2	30
Strongly disagree	1	25

Source: Field Survey, (2017)

Table 7: Presenting responses on no sign in development in the city of Yaoundé, Cameroon

Response	Scaling	Frequency
Strongly agree	5	12
Agree	4	53
Undecided	3	27
Disagree	2	100
Strongly disagree	1	254

Source: Field Survey, (2017)

Table 8: Presenting due process on budget implementation in the city of Yaoundé, Cameroon

Response	Scaling	Frequency
Strongly agree	5	05
Agree	4	35
Undecided	3	36
Disagree	2	46
Strongly disagree	1	324

Source: Field Survey, (2017)

Table 15: Presentation of the mean frequency and correlation of corruption and fraud in the City of Yaoundé, Cameroon.

Responses:	BC	SA	A	UD	D	SD
Mean	444.01	96.17	138.17	38.67	56.83	116.17
Std. DEV	397.32	101.81	98.46	31.29	29.57	136.19
Pearson r	0.27	0.36	0.44	0.17	0.14	0.23
Signify	0.01	0.01	0.01	0.01	0.01	0.01

Source: Survey Questionnaire (2017)

Note: BC=Bribery and corruption in fraud. SA= strongly agree that there are indications of frauds, reports of corruption, poor service delivery, epileptic accountability and no sign of development: A= agree with the statement above; UD= undecided with the statement above; D=disagree with the statement above; and SD= strongly disagree with the statement above.

Table 16: Presentation of the mean frequency of bribery and corruption in the city of Douala, Cameroon.

Responses: BC	SA	A	UD	D	SD
Mean	224.99	107.33	65.50	65.50	12.33
Std.dev	78.12	13.98	30.24	30.05	6.44
Pearson r	0.28	0.027	0.067	0.76	0.186
Sign p	0.01	0.01	0.01	0.01	0.01

Source: Survey Questionnaire (2017)

Table 12: Presenting Accountability epileptic in the city of Douala, Cameroon

Response	Scaling	Frequency
Strongly agree	5	119
Agree	4	18
Undecided	3	57
Disagree	2	09
Strongly disagree	1	22

Source: Field Survey, (2017)

Table 13: Presenting responses on no sign in Development in the city of Douala, Cameroon

Response	Scaling	Frequency
Strongly agree	5	81
Agree	4	108
Undecided	3	27
Disagree	2	08
Strongly disagree	1	01

Source: Field Survey, (2017)

Table 14: Presenting the due process in place in budget implementation in the city of Douala, Cameroon

Response	Scaling	Frequency
Strongly agree	5	110
Agree	4	50
Undecided	3	53
Disagree	2	07
Strongly disagree	1	05

Source: Field Survey, (2017)

Table 17: Presenting the ranking of corruption by group response in the city of Yaoundé, Cameroon:

Responses	Sample size	Mean	Std dev	rank
Strongly agree	125	96.17	101.81	3 rd
Agree	125	138.17	98.46	1 st
Undecided	125	38.67	31.29	5 th
Disagree	125	56.83	29.57	4 th
Strongly disagree	125	116.17	136.19	2 nd

Source: Survey Questionnaire (2017)

Table 18: Presenting the ranking of corruption by group response in the city of Douala, Cameroon:

Responses	Sample size	mean	Std dev	rank
Strongly agree	125	107.33	13.98	1 ST
Agree	125	65.50	30.24	2 nd
Undecided	125	30.00	20.05	4 th
Disagree	125	12.33	6.44	3 rd
Strongly disagree	125	9.83	7.41	5 th

Source: Survey Questionnaire (2017)

An analysis of the responses showed that 96 % of the respondents in the city of Yaoundé, Cameroon, come from Accountants who are the custodians of the financial records. 56% of the respondents in the city of Douala, Cameroon come from Directors who are at the helm of affairs of the government (as civil servants). From the frequency tables, it can be agreed that there is good participation in the study.

Comparatively, the findings showed that the city of Yaoundé, Cameroon has a higher rate of corruption or fraud, than her counterpart, the city of Douala, Cameroon. This claim is supported by group mean of 446.01 and standard deviation of 397.32 tested at 1% level of significance. In the city of Douala by ranking of responses on corruption, it was found that there is a strong indication that fraud or corruption has been committed. This is supported by group mean of 224.99 with a standard deviation of 78.12 tested at 1% level of significance

Referring to the review of literature on corruption in both cities in Cameroon and the analysis of participants' responses, it can be deduced that the quantum and magnitude of corruption in Yaoundé exceeds that of the city of Douala by far.

CONCLUSION

Policy implications for both cities of Yaoundé and Douala, Cameroon.

This study revealed that unless the government changes gear and the instruments of tackling corruption, this menace will undermine and usurp the democratic structures already put in place. The state should handle the following fundamental issues that support economic infrastructure, poverty, unemployment, level of education (for human capital), legal system, security, governance, health, and telecommunication to encourage economic well being of the nation.

Fraud or Corruption has been investigated in the cities of Yaoundé and Douala in Cameroon. The study found that the level of fraud, bribery and corruption in the city of Yaoundé is higher than that in the city of Douala in Cameroon. The normal decay in the civil service or public sector in Cameroon is manifested via fraudulent practices of public servants.

Greater public awareness of the impact of fraud or corruption in the economy could be encouraged. In addition, fraud results in large financial and economic losses, while the role of government in fighting fraud is invaluable.

Findings also identify Fraud problems to include:

- It is generally agreed that fraud is a serious problem for businesses, entities, government and economy costing trillions of dollars in losses yearly.
- Effects of fraud on the population, society, economy and nation are difficult to measure as they are catastrophic in summary, COSO (2010).
- Governance includes-boards of directors changed with decision-making, strategic decision making by management; and board compensation is costly.
- The structure of the civil service seeks to reinforce the position that strong ethical culture creates an expectation to "do the right thing" and counteracts pressure and incentives to commit fraud within the organisation.
- It also supports effective controls to reduce opportunities to commit fraud and increase the likelihood that fraud will be detected, prevented and deterred.

RECOMMENDATIONS

Therefore, the following recommendations are suggested for the early detection and prevention of fraud or corruption.

- (i) Independent special cadre : the government could consider an independent specialized cadre of officers in line with the civil service of Cameroon. They should have all support of government and public, the know-how and state institutions e.g. judiciary etc.
- (ii) Use of latest technology: if all state civil service operations have electronic data framework service data base, manipulation of transactions, documents etc would be greatly reduced.
- (iii) Strong punitive measures and laws to properly sanction fraudsters: the government could also examine the role of 3rd parties to fraud e.g. auditors, lawyers, judges, contractors, etc, and put in place punitive measures for future deterrence.
- (iv) Dedicated state departments with strong institutional framework based at regional divisional and local levels can facilitate easy access to relevant documents.
- (v) To this end, the board, directors, management and employees collectively play the most critical role in building a strong ethical tone at the top and reinforced it through the organization e.g. right management team, audit committee, finance committee and governance committee of the board.
- (vi) For both internal and external auditors, skepticism is important in the conduct of their professional duties, and should include consideration of the risk of management oversight and override of controls. Communications enables the sharing of information on perspectives and concerns that provide a view into the organization that is “greater than the sum of its parts”.
- (vii) Reporting and communication relationships with board, committees, directors, management etc characterized by bottleneck i.e. time wasting, etc.
- (viii) Supporting governance decision from strategic planning through management and governance bodies to management on strategic matters are ever changing, conflicting, and as such challenges organizational independence.
- (ix) And State Institutions e.g. Judiciary and the courts, etc or agencies and regulatory bodies need to be more accountable and transparent in reporting on state affairs.
- (x) Democracy decentralization and governance could assure socioeconomic development of the nation.

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