BOOK OF ABSTRACTS

African Accounting and Finance Association Conference 2016

AAFA 2016

30th August - 2nd Sept, 2016
Strathmore University, Nairobi, Kenya
6th Annual conference African Accounting and Finance Conference

BOOK OF ABSTRACTS

30th August - 2nd September, 2016; Weston Hotel, Nairobi- Kenya
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Welcome Note

Dear Delegates

It gives us a great pleasure to welcome you to the 6th African Accounting and Finance Association (AAFA) Conference organized by Strathmore University and AAFA at Weston hotel. It is our privilege to host delegates from a variety of countries from within, and beyond, Africa. The papers and presentations cover topics ranging from accounting, governance, financial markets, and corporate social responsibility. Such a diversity of individuals and topics should guarantee an interesting and stimulating few days.

We wish to express our gratitude to Professor Teerooven Soobaroyen, and Dr. Ibrahim Bedi for their great support in organizing the AAFA 2016 conference. We are also pleased to welcome you to the AAFA 2016 Annual Emerging Scholars Colloquium which will take place on Tuesday 30th August in Strathmore University. The colloquium will bring young researchers (Doctoral Students) together to present their work-in-progress and receive feedback from leading researchers in the field.

We would also want to express our sincere gratitude to the international scientific committee members for their reviews and comments, and for enabling the preparation of an excellent programme. The keynote speech will be delivered by esteemed scholar Professor Dr. Holger Daske, University of Mannheim (Germany) on: “Reflections on the IFRS experiment and unchartered territories of accounting harmonization: Lessons learned and future research opportunities”. This year’s plenary discussions will be delivered by Ms. Alta Prinsloo (IFAC), represented by Mr Vincent Tophoff of IFAC as well. Panel discussants include among others the Auditor General, Kenya, Mr. Edward Ouko. In addition, there will be more than 80 contributed papers presented on a large variety of topic focused on African or other national/cross-national setting.

We are grateful to host members of professional Accounting organizations such as CIMA amongst this year conference delegates, and we hope to bridge the gap between the academic and practitioners’ perspectives. On behalf of Strathmore University, we wish to gratefully acknowledge our sponsors, Chartered Institute of Management Accountants (CIMA), International Association for Accounting Education and Research, Emerald Publishing, Makerere University, Association of National Accountants of Nigeria and Strathmore University.

We shall have a social forum for networking as part of the conference programme which will include a gala dinner at Weston hotel and also a long excursion (Crescent Island Naivasha) and a short excursion (Nairobi National Park).

On behalf of AAFA Conference organizers we wish you all a productive and interactive conference.

Dr. David Wangombe
Dean, School of Management & Commerce

Professor Jane Ande
AAFA President
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Purpose: This paper discusses the social and economic construction of public goods in the context of International Financial Reporting Standards (IFRS) and argues that unless developing countries are able to contribute both financially and participation through expert feedback in the standard setting areas, limitations on the suitability of the final outcome of that standard to their local economies will persist. This in turn is likely to have an adverse effect on the final outcome of the standards that has little or no recognition of the socio-economic features peculiar to developing countries.

Design/methodology/approach: The paper takes an analytic yet explorative approach relying on publicly available data to set up the framework of analysis. Drawing on funding data of the International Accounting Standards Board (IASB) it explores the contributions of developing countries especially African countries vis-à-vis their participation structure in the overall standard setting structure of the IASB.

Findings: The paper concludes that, developing countries most especially those from Africa are becoming users of the IASBs standards without contributing to the development of the standards. This limits their ability to contribute the development of the standards culminating in the final output of the standards diverging from the socio-economic needs of these countries in term of accounting standards.

Practical Implementation: It draws the attention of policy makers and standard setters to issues bordering around the mismatch between standards designed from the contributions of developed countries with little or no consideration of developing countries driven by the lack of contribution both financially and through technical participation in the development of the standards.

Originality: This paper is one of the only papers to the best of our knowledge to construct and discuss accounting standard setting as public goods that requires contributions not only financially but also participation and recursive feedback to ensure objective continuity in the development of the standards.
Corporate Governance has become a global phenomenon over the past two decades. A variety of pressures have given rise to most nation states introducing corporate governance regulation and quassi-regulation. Given the costs involved in developing new regulation it may be tempting for developing nation states to adopt regulation from developed nations. There are dangers with adopting a one-size-fits-all approach to corporate governance. The case of Nigeria is considered and linked to theoretical models of corporate governance which have been ‘polarised’ between, on the one hand, the shareholding paradigm and, on the other hand, the stakeholding paradigm with one or other of the paradigms rising to the fore as economic fortunes ebb and flow. However, underpinning the main theories are hidden paradoxical assumptions that leads to concerns over the credibility and validity of this dichotomised approach. Both camps of the debate rely on a homeostatic and entitative conception of the corporation and its governance structures. Both camps suffer from an inadequate attention to the underlying philosophical presuppositions in which the static approach is rooted. To avoid the traditional trap in theorising, an alternative processual approach is proposed for a better understanding of the inherent overflow and heterogeneity of corporate governance practice and the paper proposes moving from a static view of corporate ‘governance’ to a more dynamic view of corporate ‘governing’. This approach allows for a better understanding of the process and ongoing decision making by Boards and suggests that African nation states may be better drawing on lived experience and traditional approaches than adopting regulation developed specifically for mature Western nation states.

**Keywords:** Corporate Governance, Processual approach, Shareholding versus Stake holding
Value, Relevance and Ethical Sensitivity of Students in Ken Saro Wiwa Polytechnic, Nigeria.

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Purpose
This study investigated the relationship between value, relevance and ethical sensitivity of students in a sample of 350 Business, Science and Engineering students from Ken Saro Wiwa Polytechnic, Bori. It examined the association between personal benefit and ethical sensitivity of Ken Saro Wiwa students in Nigeria.

Design/Methodology/Approach
This is an exploratory study that adopted the qualitative research approach in investigating the assumed relationship between personal benefit, value, relevance and ethical sensitivity of students in Ken Saro Wiwa Polytechnic, Bori.

Findings
Personal benefits, value, and relevance are positively associated with the ethical sensitivity of students in Nigeria. This study indicates that the ethical sensitivity of students will increase with the level of personal benefit identified in a particular circumstance.

Originality/Value
To the best of our knowledge, we do not know of any study that has investigated the relationship between personal benefit, value, relevance and ethical sensitivity of students in Nigeria. Thus, this study fills the gap in existing literature and provides a guide for formulating ethical policy for students in Nigeria.

Keywords: Value, Relevance, Ethical sensitivity.
Investigating the Real Triggers of Loan Default in Nigeria.

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The problem of non-performing loans is widespread. Loan defaults come with dire consequences for banks, the economy and the defaulting customers. In Nigeria, banks loan portfolio hit =N13tr in April 2015. Out of this amount, over =N546.02b was classified as non-performing debts in March 2015. This represents over 4.2% of the total debt stock in Nigerian banks. This study sought to order environmental factors responsible for loan default; determine prevalence of loan default in sectors and recommend loan management strategies. In a survey of 120 bank borrowing customers cutting across 13 sectors of the economy, the study applied logistic regression to determine the significance of each of 10 identified environmental factors responsible for loan default. The results showed the following order of significance of loan default factors: Term of Loan (Short); Nature and Time of Disbursement; Excessive Obligations; Undue Government Intervention; Borrowers’ Income and Transaction Cost; Interest Rate; Loan Shortages; Poor Supervision; Poor Credit History; and Delay in Time of Loan Disbursement. Also applying the list of loan defaulters released by Central Bank of Nigeria in 2015, the study analysed the list according to sectors covering banks which account for about 50% of loans to the economy, and determined the prevalence of loan default as a ratio of loan default to total loans advanced to each sector. At 3% loan default prevalence, the Service sector emerged as the sector where loan default is most prevalent, closely followed by Conglomerates sector and Information & Communication Technology sector both at 2% prevalence, and also a tie of 1% prevalence with both Oil & Gas sector and Construction/Real Estate sector. It is recommended that Banks should be more critical of the Service sector in their lending decisions and there should be more focus on long term intermediation to enable the consideration of more long term finance which is shown in this study to be less risky and may be more beneficial to the economy.

Keywords: Loan, Default, Factors, Prevalence
The purpose of this paper is to describe the use of Facebook and Twitter in a first year accounting course at a South African university and provide evidence on whether students found these social networking sites useful. The study uses survey research to determine students’ usage of Facebook and Twitter and students’ perceptions of these social media platforms’ usefulness in three areas: communication, teaching and learning, and career guidance.

The study found that time spent on Facebook and Twitter does not detract from time spent on preparation for the first year accounting course. Students’ perceptions on the usefulness of Facebook/Twitter showed some support for these platforms as a communication channel, as a motivating factor and for their ability to enable discussion and debates in teaching and learning. Overall, there was strong support by all students for using Facebook and Twitter to provide career information. While no statistically significant differences were found in the students’ responses based on gender, a number of statistically significant differences were found when the results were analyzed according to language. Students whose home language was not English found Facebook and Twitter more useful for communication, teaching and learning purposes and for career guidance than English-speaking students.

The study shows that social media platforms have positive benefits for communication, for some teaching and learning aspects, and for career guidance in a first year accounting course. The results are particularly important with regards to language, as students whose home language is not English, found these platforms more useful. This may be helpful to other accounting teachers faced with either student disruptions, large classes or high numbers of international students whose first language is not English, and who need to communicate with their students for teaching and learning purposes.

**Keywords:** Accounting Education, Facebook, Twitter, Social media, Social networking sites.
The Reporting Needs of Small and Medium-Sized Enterprises (including Micro-Enterprises).

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The purpose of this paper is to review published research studies on differential reporting in general and more particularly, on IFRS for SMEs. The review presents a detailed account of the different research studies carried out at different times and in different jurisdictions prior to, during and post the development of the IASB’s first standard on IFRS for SMEs.

This qualitative research follows the review guidelines set by Creswell (2014) and is a critical analysis of accumulated research on differential reporting, highlighting questions or issues that are unresolved. The review is organized into five major sections: (1) literature prior to the issue of IFRS for SMEs; (2) literature on the IASB’s due process; (3) literature subsequent to the issue of IFRS for SMEs; (4) SMEs access to finance; and (5) micro-enterprises and the need for a simplified framework.

The analysis shows firstly that there are differences in how countries perceive the benefits of and obstacles to the adoption of IFRS for SMEs. These differences in countries’ perceptions lead them to either adopt or reject IFRS for SMEs. Secondly, with regards to access to finance, the study shows that some evidence that access to finance is facilitated by better quality financial statements, but the studies examined did not focus on IFRS for SMEs as the reporting framework under consideration. Finally, with regards to micro-enterprise accounting and reporting, studies indicate that there is a need for a more simplified framework.

Originality / value – The paper adds to current literature by providing a coherent themed overview of published research.

Keywords – Differential reporting, IFRS for SMEs, developing countries

Type Research paper

Keywords: Differential reporting, IFRS for SMEs, Micro-enterprises, developing countries
Effect of Forensic Accounting Techniques on Fraud Detection in Nigerian Banks

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The study critically considers the effect of forensic accounting techniques on fraud detection in Nigerian banks. The objective of this study was to predispose if forensic accounting techniques has any significant effect on fraud detection in Nigerian banks. In order to actualize this objective, data were sourced through secondary sources from the financial statement of Nigeria deposit Insurance Corporation (NDIC) for a period of 15 years (2000 – 2014). The data collected was statistically analyzed with the aid of statistical package for social science (SPSS) software using the ordinary least square and analysis of variance (ANOVA). The study reveals that there is significant relationship in the use of forensic accounting techniques on the detection and recovery of amounts involved in fraud in Nigerian Banks. It was recommended that Perpetrators of fraud should be sanctioned properly as this would help to discourage others who have the thought of engaging in fraudulent activities and that forensic accountants should be employed in Nigeria Banks, this could be done by creating forensic accounting department in these Banks just like we have internal control department.
Some prior researchers indicate that corporate governance (CG) can reduce or even eliminate the extent of earnings management (EM) by providing a monitoring mechanism which reduces management capacity to manage earnings. However, recent studies have questioned the ability of CG to deter EM, as they argue that although strong CG has the ability to align managerial and shareholder objectives, it may also generate an unintended and counterproductive side effect. Another stream of literature also believes that the ability of CG to impact positively on the agency problems and align shareholder-management interest depends on the context under research. Most importantly, studies that seek to investigate the relationship between EM and CG have focused on EM that results from the use of accruals by using discretionary accrual as proxy for EM. Very few research have focused on how corporate governance characteristics impact on EM arising from real activities or decisions by management. This paper adds to prior literature by investigating the impact of corporate governance on real earnings management (REM) and on accrual earnings management (AEM) and does a comparative analysis of the two in a single study to ascertain whether similar CG mechanisms impact on real and AEM equally or whether some differences exist employing sample firms from an emerging economy where the capital market is under developed. REM is measured by abnormal cash flow from operations (ACFO), abnormal discretionary expenses (ADisExp) and abnormal level of production (Aprod). The modified Jones model is employed to measure AEM, which is measured by the difference between total accrual (TAC) and normal accrual (NAC). Corporate governance is measured by an unweighted index based on the corporate governance characteristics by Javed and Iqbal (2006). By implication, the paper should provide information on the presence of both accrual earnings management and real earnings management in the context of an emerging economy. Insights from the paper should inform policy makers on how persistent both REM and AEM are as well as the extent to which corporate governance mechanisms affect REM and AEM. Thus shareholders and regulators of the capital markets can formulate policies that can best work to restrain both REM and AEM.
Keywords: Corporate governance, Accrual earnings management, Real earnings management, Agency theory
The Effect of Internal Audit Quality and Audit Fees on Accounting Information Quality

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This study examines the implications of the relationship between the quality of internal audit function and the size of audit fees on accounting information quality. Employing a sample of fifteen non-financial listed firms (firms with internal audit function) from a country where there are no mandatory laws on instituting internal audit function, the study examines two related hypothesis. First, there exists a negative relationship between quality internal audit function and audit fees. Second, the interaction between internal audit function and audit fees has an overall positive relationship on reporting quality. The study adopts the crosssectional modified Jones model to measure discretionary accruals (the proxy for accounting information quality), measures internal audit function quality based on a composite measure used by Prawitt et al. (2009) which is further based on ISA 610 and measures size of audit fees using the natural logarithm of total audit fees (Gul et al., 2003). The findings indicate that increased reliance of external auditors on internal audit function which is of high quality reduces the cost of thorough audit and therefore reduces audit fees. Internal audit function serves as an extra monitoring mechanism and hence improves accounting information quality. Our sensitivity analysis indicates that increased audit fees absent internal audit function quality, reduces accounting information quality. Reduced audit fees due to increased reliance on internal audit function results in an improvement in accounting information quality. These results reiterate the importance of internal audit function to the external audit process and the role it plays in ensuring improvement in reporting quality. By implication, this study provides useful information to policy makers and serves as a good advocacy towards the instituting and strengthening internal audit policies.

Keywords: Internal audit quality, Audit fees, accounting information quality
The Effects of Internal Audit Function on Tax Avoidance and Earnings Quality

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This paper examines the implications of the quality of internal audit function (IAF) on the relationship between earnings management (EM) and corporate tax avoidance (CTA). It employs a sample of listed firm from an emerging economy characterised as having weak capital market to test three related hypothesis: First, there is a positive relationship between EM and CTA; second, Internal audit employed as a monitoring mechanism has a negative relationship with EM; third, due to the deterring impact of IAF on EM, managers have less incentive to manage earnings and hence reduce CTA leading to a negative relationship between IAF and CTA. The cross-sectional modified Jones model is used to measure discretionary accruals (the proxy for EM), the difference between statutory tax rate and effective tax rate is used to measure CTA. To assess the quality of IAF, the study adopts the composite measure used by Prawitt et al. (2009) which is further based on ISA 610. The panel regression results indicate a positive relationship between EM and CTA giving credence to the agency theory that, self-interested managers will avoid taxes once private benefits accrue to them in the form of rent diversion through earnings manipulations. The result also shows a negative relationship between IAF and EM and IAF and CTA. These suggest that internal audit function reduces EM. Given that CTA mechanism are bundled with EM such that higher CTA leads to greater EM activities, a mechanism such as IAF put in place to reduce EM results in a reduction in CTA as well. By implication, in an effective corporate governance environment, shareholders cannot benefit from CTA whiles working to reduce EM. Hence, shareholders will experience a trade-off between CTA and EM such that any move to reduce EM will also impact on CTA due to the complementary relationship between the two. This provides useful information to shareholders and boards on how to view managerial efforts purposed to reduce EM. It also provides additional information useful to shareholders in assessing the cost and benefit of putting in place measures to reduce managerial opportunistic behaviour.

Keywords: Corporate Tax Avoidance, Earnings Management, Internal Audit Function, Corporate Governance
This paper examines the impact of corporate governance mechanism on financial disclosure quality of firms listed on the Nigerian Stock Exchange (NSE) during the period of 2006 to 2015. We model financial disclosure quality measurement through the studies of McNichols (2002) and Collin and Kothari (1989). We use board independence, board size, institutional ownership and gender diversity as corporate governance attributes. Our main findings reveal that the regression model is not significant at 1 percent level with the adjusted R-Squared of 23% and 45% respectively. The result of regression coefficient shows that BRDIND (-0.144 and -0.7211), INTOWN (-0.032 and -0.122), GENDIV (-0.751 and -1.831) are not statistically significant with the exception of BRDSIZE (0.245 and 0.278) which shows a positive relationship with financial disclosure quality. Our findings reveal that there is no significant relationship between corporate governance mechanisms including board independence, institutional ownership and gender diversity. Only board size shows a positive relationship with financial disclosure quality. This study recommends that the regulatory authorities should ensure that listed firms in Nigeria comply strictly with corporate governance code and sanctions should be meted to erring companies.

**Keywords:** Corporate Governance Mechanism, Financial Disclosure Quality, Gender Diversity, Listed Firms in Nigeria.
Enterprise Risk Management and Firm Performance: Evidence from the Financial Sector in Nigeria

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This study examines the impact of Enterprise Risk Management (ERM) on firm performance in the Nigerian financial sector. The study investigates 40 companies for the period 2011 to 2015 resulting into 200 observations. The method employed is to model firm performance (TOBIN’S Q) as a function of ERM and other determinant variables: Leverage (LEV), Profitability (ROA), size (SIZE), Institutional Ownership (INTOWN) and International Diversification (INTDIV). Our main findings reveal that the regression model is significant at 1 percent level with the adjusted R-Squared of 0.664. The result of regression coefficient shows that ROA (0.210), SIZE (0.021), INTOWN (0.000) and INTDIV (0.032) are statistically significant with the exception of LEV (-0.042) which shows an inverse relationship with firm performance. The empirical findings show that ERM is positively and significantly related to firm performance. The results support the hypothesis that firm which practice ERM would have a higher Tobin’s Q than firm which are not. We recommend that the regulatory authorities in charge of financial sector should ensure that all firms in the sector adopt ERM implementation has a matter of urgency and continue to ensure strict compliance to the ERM framework.

Keywords: Enterprise Risk Management, Firm Performance, Nigerian Financial Sector, Tobin’s Q, Profitability
Integrated Reporting: Development of Corporate Reporting and Stakeholder Perception in Kenya

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Corporate reporting is an area that has received a lot of attention from many stakeholders, especially investors, regulators, accounting profession and academicians. Until the 1980s, global corporate reporting was dominated by the provision of financial information in the company’s annual reports. Corporate reports dominated by financial information have been criticised for lacking value relevance. As a result, steps towards non-financial information commenced in the 1980s. First we have an environmental report, proceeded by a Corporate Social Responsibility report and towards the end of the 1990s, came the concept of the Triple Bottom Line or ‘The Three Ps’, being Profit, People and Planet. Triple bottom line measures the economic value (profit), the degree of social responsibility (people) and the impact of a company’s activities on the environment (planet), also called a sustainability report. However these reports are presented separately. The International Integrated Reporting Council argues that these reports need to be integrated in order to determine how organizations add value in the short term, intermediate and long term (Integrated Reporting).

In Kenya, preparers, users and regulators have tried to improve on corporate reporting especially for listed companies. The main objective of this study is to investigate the development of corporate reporting in Kenya in order to understand feasibility of implementing Integrated Reporting in Kenya by listed companies. More specifically, the study aims at evaluating corporate reporting practices in Kenya and how these contribute towards implementing integrated reporting. In addition the study aims at establishing the views of various stakeholders (preparers, regulators and users) on integrated reporting and how feasible is integrated reporting. Is this the way forward for corporate reporting?

Keywords: Integrated Reporting, Corporate Reporting, Sustainability Reporting
This working paper investigates the potential contributing factors to the sluggish price movement in ten African stock markets comprising Botswana, BRVM, Egypt, Ghana, Kenya, Mauritius, Morocco, Nigeria, South Africa and Tunisia. Using data from the year 2000 to 2012, the paper empirically analyses the sensitivity of stock price delay to such trading factors among others as high stock illiquidity levels, lack of trades and low impact of traded volumes. It uses quantile regression model to show that prolonged periods of no-trades and low impact of traded volumes significantly contribute to stock price delays as observed in these exchanges. Further consideration of factor attenuation over the study period shows that price delay is on the decline due to improved stock trading although increased presence of no-trades and listing of small firms that infrequently trade considerably propagate price delays in these markets.

**Keywords:** African stock markets, Stock price delay, Stock illiquidity level, Stock trading trend.
This paper examines environmental accounting and sustainability reporting practices. The empirical focus of the study is on four gold mining companies in Ghana. The study draws extensively on publicly available official documents and interview data. The study employs qualitative and case study research methods to empirically examine the financial statements of four environmentally sensitive companies covering a period of six years, from 2009 to 2014. Based on the responses from the interview respondents and information from the publicly available official documents, it develops a case report based on the key questions and other themes that emerge from the literature and from the empirical material. The study reveals that environmental accounting and sustainability reporting are now critical strategies that environmentally sensitive industries like the mining companies are seriously tackling. The findings show that although the conventional accounting system was used in the recognition and measurement of sustainability transactions, the nature of sustainability reports, presentation and disclosure varies across the companies. Some reports were stand-alone while others were integrated in the main annual reports. The findings, thus, reinforce the proposition that the need for decoupling environmental accounting within the broader sustainability reporting framework is due.

Keywords: Environmental accounting, sustainability reporting, mining industry
Ethics guides a person’s conduct with respect to that which is right or wrong, and as a discipline, deals with the methodological examination of matters of right and wrong, good and evil, virtue and vice (Brinkmann, 2002). Several studies, national and transnational, with student samples, including (Ameen, Guffey, & McMillan, 1996) (Cohen & Sharp, 1998) (Shaub, 1994) (Sweeney, 1995) suggest that men and women vary in their levels of ethical perceptions and practices. This study investigates and provides the Nigerian experience of gender variation in the ethical reasoning abilities of university students. Nigeria, Africa’s largest economy with a GDP of over $500 billion (McKinsey & Company, 2014), and one of the fastgrowing economies in the world, is located in the western part of the African continent. With an economy that is primarily driven by significant investment in public and private investment, particularly in manufacturing, infrastructure, as well as oil and gas industry, (Akanno, Che, Uzodinma, & Radda, 2015) (Knight, 2015) the Nigeria economy is tremendously significant for the economic transformation of the Africa and the Sub-Sahara Africa region. To illustrate the relationship between gender and ethical reasoning ability, we will examine responses to ethical dilemmas from about 850 students drawn four Nigerian universities. The four universities consists of one private and one public university from the Northern region of the country as well as one private and one public university from the Southern region of the country. On the basis of information from this study, suggestions are made towards a framework for ethical training of future Nigeria business professionals.

**Keywords:** Gender variations, Ethical perceptions, Business students, Methodological examination, Virtue, Tran-national practices
Strategic Management Accounting: Role of League Tables in Integration of Theoretical Frameworks and Research Agenda

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Over decades, the business environment has changed dramatically as it has been affected by the changing of environmental needs and demand. Accounting systems, long criticized for relevance lost, have struggled to keep pace with the evolving changes. While the concept of strategic management accounting (SMA) has been proposed as a viable solution, little is understood about the concept and its operationalization for implementation. Surprisingly, research in strategic management accounting (SMA) has been extensive, spanning over 30 years. The concept of SMA has also been quickly adopted by many standard textbooks on management accounting and corporate strategy, and became a major component in MBA curriculums. The literature suggests that many of the techniques often packaged as SMA are little used and that there is little evidence of an external focus imperative. The literature has also featured concerns such as need for improved relevance, concept the definition, development of sound SMA techniques, research methods used and the theoretical foundation of SMA. Moreover, firm managers wishing to implant a strategic management accounting system are at a loss. It is apparent that this is mainly due to the fact that the SMA techniques have not been sufficiently operationalized to the level of specific valueadding activities. This paper does not seek to duplicate existing literature. Rather the paper aims to view SMA a a calculative practice that precedes strategizing. A competitive field has to be rendered visible before the individual players can craft strategy. …This paper argues that as a calculative practice, SMA translates qualities into quantities and consequently facilitates different phenomena can be ranked, ordered and compared in league tables. A methodology adopted critiques the concept of strategic management accounting. …. The argument of this paper is that for SMA practice to move forward it is necessary to profile firms in a manner that renders them open for management intervention. This necessitates benchmarking through the concept of league tables. League tables reduce qualities to quantity, establish a hierarchical relationship between previously separate and unrelated elements, stimulate competition and give room for individual players to strategize. When rankings are repeated over time, dynamic relations and trends can be established and competition between different players is created with important power effects. In developing such an approach this paper first integrates the salient features of league tables in a framework that profiles
prevailing needs of the business environment. It next examines how SMA could be used as the basis for competitive benchmarking. The paper concludes with a way forward by building a research agenda balanced by an understanding of the deficiencies of the SMA.

**Keywords:** Research paper, strategic management accounting, league tables
Our data support many doubts about the sustainability of FNGO’s as providers of financial services within the microfinance sector. Lack of clear mission and organizational deficiencies hinder the financial sustainability of these institutions.
However our data on clients also support the idea that these institutions are likely to be the only hope for the financial education and financial inclusions of many very poor individuals.

**Keywords:** Microfinance, Financial NGO, Financial Inclusion, Entrepreneurship
This paper reports the results of an investigation of the relationship between environmental management and firm’s financial performance. The study is based on a sample of 187 Ghanaian small and medium-sized enterprises (SMEs) manufacturing companies. Through a questionnaire survey, we collected data on the SMEs’ extent of environmental management (energy, water, waste, material, emissions and biodiversity) and the financial performance. The ordinary least squares (OLS) multiple regression results suggest that environment management is associated with the firm’s financial performance. When we relate the individual environmental aspect management to financial performance, the results indicate that only energy efficiency, water usage and material management have a significant influence on environmental management. The results make important contribution to existing literature in that they extend our current understanding of the relationship between environmental management and financial performance in respect of large firms in developed countries with strong environmental management regimes, to SMEs in developing countries with weak environmental management enforcement regimes. More importantly, the study contributes by showing that the relationship between environment management and financial performance dependence on how environmental management is operationalised. This implies that future research needs to use a broad range of environmental management measures at the same time which has not been the case been the case.

Keywords: Environmental management, financial performance, Ghana manufacturing SMEs
Adoption of the Electronic Fiscal Devices (EFDs) by the Business Community in Tanzania.

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This paper emanates from the study of adoption of Electronic Fiscal Devices (EFDs) in Tanzania. In particular, it traces the adoption and implementation of EFDs by business community in Tanzania. Using data from multiple sources including interviews, observations and documents, the paper theorizes the adoption process and subsequent implementation of EFDs in the country. The findings show that adoption of EFDs was coercively imposed by the Government and Tanzania Revenue Authority (TRA) in particular with the overall objective of increasing tax revenue collection. Lack of supporting environment and failure of the Government and TRA to effectively engage business community throughout the process of introduction of EFDs had constrained its effective implementation. The findings further show that effective implementation of EFDs was affected by challenges such as unreliable network, power outage, high cost of the machine, poor quality of paper rolls, unavailability of EFDs suppliers in many parts of the country, poor quality of EFDs machines and batteries as well as incompatibility of the machines. As a result, the EFDs machines were loosely coupled from actual operations and were predominantly used when there is a maximum pressure from the Government and TRA. Drawing from New Institutional Sociology (NIS), the paper argues that the actors are not passive adopters of the institutional pressures (Oliver, 1991). This is even more predominant when adoption, as in the case of EFDs machines, is accompanied by payment of taxes. The paper therefore suggests that in order to ensure effective implementation of the adopted technology, deep understanding of the contextual factors and their related consequences need to be considered and modelled accordingly. At a practical level, this paper advocates existence of continuous dialogue on the implementation of EFDs and these should involve all key stakeholders including business community, approved EFDs suppliers, TRA, Government and general public.

Keywords: Business Community, EFDs, NIS, Tanzania, TRA
IMPACT OF SMALL AND MEDIUM SCALE ENTERPRISE PROGRAMMES ON NIGERIA ENTREPRENEURS’ DEVELOPMENT: A PERCEPTION STUDY

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ABSTRACT
In this study we examine the imperatives of small and medium scale enterprises (SMEs) and the need to reposition them for sustainable development in Nigeria. The method employed in this study is descriptive analysis. Extant literature reveal that SMEs are catalysts for industrial development, employment generation, poverty alleviation and sustainable economic development. In recognition of the role small and medium scale enterprises play in economic development, the government established several schemes and programmes, aimed at supporting SMEs and entrepreneurial pursuit in Nigeria. Notable among these programmes are, Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), National Directorate of Employment, among others. However, in spite of these efforts, the contribution of SMEs to the development of the Nigerian economy is low as they are still faced with the problems that beset them. Our results show that Government Small and Medium Scale Enterprise programmes have not made significant impact on entrepreneurs’ economic development. Some of the problems include inadequate tools for trained entrepreneurs and limited credit facilities to help new start-ups. The trained entrepreneurs on the other hand are faced with systemic poor infrastructural facilities, bad record keeping practice, among others. Recommendations proffered include the need for a sustained collaboration between government and the private sector in strengthening small businesses, as this will go a long way in reducing the burden on government, increase incentives and create an enabling environment where SMEs can develop rapidly.

Keywords: Entrepreneurship, government Intervention support, SMEs
China’s growth miracle achieved under weak legal institutions poses a puzzle to the literature on the law-finance nexus. In this paper, we shed light on the puzzle by identifying an important alternative legal institution, known as xinfang, which is parallel to courts and administrated by the Chinese government to file cases and resolve disputes and complaints. Based on the provincial xinfang code, we construct an index on their regional quality and argue that strong rule of xinfang promotes financial development through protecting property rights, providing checks on government and meeting changing social needs. The results confirm our predictions in that regions with stronger xinfang system are associated with more developed equity and debt markets. We also find that xinfang exerts stronger impact than formal legal institutions and compliment the latter. The results are robust to the control of endogeneity.

Keywords: Alternative institutions, China, Legal institutions, Financial Development.

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This study investigated the effect of firm characteristics on the level of compliance with international financial reporting standards (IFRS) among Nigerian listed financial services companies. It also ascertained whether the level of compliance among the two dominant financial services companies, namely the deposit money banks and insurance companies, is significantly different. The study is inspired by the assertion that Nigeria was ill-prepared in terms of the timing, and technical competencies and capacities of the key stakeholders in the IFRS project to have adopted IFRS through parliamentary fiat with effect from 2012. The sample comprised 14 deposit money banks and 17 insurance companies listed on the NSE in 2014. Data were collected from the annual financial statements and related notes to the accounts of the sample firms. A corporate compliance index (CCI) used in the study was computed based on the dichotomous approach which gives equal weights to the individual items required to be disclosed. An amended compliance checklist prepared by Ernest & Young, and KPMG 2014 was adopted for the study, with 103 items used as proxies for corporate compliance checklist. The descriptive statistics revealed a high level of compliance (85.9%) for the sample firms. This high compliance rate compares favourably with results obtained in other jurisdictions such as the Middle East (69%), Kuwait (82%), and Turkey (79%); it also vitiates the arguments in extant literature that Nigeria would not be able to adequately comply with the demands of IFRS due to ill-preparedness. The results obtained through regression analysis suggest that firm characteristic, namely size, profitability, leverage, internationality, and auditor type are not significant factors in explaining the level of corporate compliance with IFRS among Nigerian financial services companies. They also negate the signaling theory which foresees a positive and significant relationship between profitable firms that would take available opportunities (such as IFRS) to disclosure more information to signal their good performance. Furthermore, the results obtained from the Wilcoxon Rank Sum Tests for independent samples report higher compliance level among deposit money banks than insurance companies, but the difference is not statistically significant. The major conclusion reached in this study is that compliance with IFRS among Nigeria’s financial services companies is related more to legislation than firm attributes.
Keywords: International Financial Reporting Standards Compliance, Financial Services Companies Nigeria
Responsibility and Accountability: Sacred Rituals and the Case of an Ebola Virus Outbreak in Nigeria

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This paper is concerned with how the acceptance or avoidance of responsibility affects accountability in a crisis situation. We study the responses of groups to the Nigerian government’s social campaign to abandon food consumption and religious rituals in order to reduce the risk of Ebola virus transmission during the 2014 outbreak. This study focuses on three collective groups whose rituals were targeted by the Nigerian government. They include the hunters associations, bushmeat market sellers associations, and the Catholic Church. The rituals under scrutiny include the consumption of bats and apes as well as religious rituals. The study illustrates how accountability was affected by whether or not the group accepted responsibility which in turn was associated with the sacredness of the targeted rituals.

Keywords: Accountability, responsibility, rituals

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Purpose: The purpose of this paper is to examine the impact of the Nigerian government’s decision to withdraw the funds of Ministries, Departments and Agencies (MDAs) from commercial banks and place them in government accounts at the Central Bank of Nigeria, through the Treasury Single Account (TSA) policy. Specifically, we examine the impact on the market valuation of the commercial banks affected by the policy.

Design/methodology/approach: This study employed a standard event study methodology, incorporating a two factor market model. We measure the impact of the TSA policy on shareholders’ wealth from the investors’ perspective, by determining the extent to which the market priced this policy, using the returns around the event periods as the benchmark. We include the Nigerian Stock Exchange Banking Index in the two factor model to control for industry effects, as our sample consists of all commercial deposit money banks listed on the Nigerian Stock Exchange.

Findings: The findings suggest that the announcements and subsequent final implementation of the TSA policy caused commercial banks to suffer negative abnormal returns and losses on the wealth of their shareholders in Nigeria. The market valuations of commercial banks in Nigeria began to decline from the period when the
government first made a pronouncement, through to the final implementation date of the TSA policy.

**Research limitation/implications:** The early stage of the policy does not permit a comprehensive impact assessment of the policy on overall profitability and cross sectional variations across commercial banks in Nigeria.

**Practical implications:** Besides general relevance to market participants, this study has practical implications for the Federal Government of Nigeria, the Central Bank of Nigeria and investors in the Nigerian Stock Market in understanding the valuation implications of the TSA policy announcements and implementation.

**Originality/value:** This paper is the first to examine the impact of the Treasury Single Account policy on commercial banks’ valuation in Nigeria using stock returns. It also contributes to the sparse stream of academic literature on stock market reaction to policy announcements in Nigeria and developing economies in general.

**Keywords:** Treasury Single Account (TSA), Event Study, Market Reaction, Nigeria.
Corporate Governance Structures and Corporate Internet Reporting in Africa: The Case of Kenya and Tanzania.

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**Purpose:** The purpose of this study is to investigate corporate internet reporting (CIR) by Kenyan and Tanzanian listed companies and to examine whether the level of CIR is related to corporate governance structures.

**Design/methodology/approach:** CIR is measured using a disclosure index. We collect data for a four-year period from companies listed on the Nairobi Stock Exchange and the Dar es Salam Stock Exchange. The data are analysed using panel data models.

**Findings:** The results indicate that the level of CIR is high, with significant growth in CIR levels over the 4-year period in both countries. We show that CIR increases with audit committee independence and financial expertise. The effects of ownership concentration are country specific, with CIR increasing (decreasing) with ownership concentration in Tanzania and Kenya, respectively.

**Practical implications:** The results demonstrate that effective governance structures matter for CIR on the African continent. Therefore, the current policy initiatives on improving governance and reporting practices in Africa are appropriately directed and need to be intensified to improve corporate governance and reporting quality in order to attract foreign investments.

**Originality:** This paper is the first to employ panel data to examine CIR and to undertake a cross-country comparative analysis of governance effects on CIR. It also contributes to the limited research on governance structures and reporting practices in general, and CIR in particular, in Africa. Finally, the results provide additional evidence to suggest that the effects of certain governance structures on company outcomes depend on the company’s environment.
**Keywords:** Corporate governance, Ownership concentration, Board structures, Corporate internet reporting, Kenya and Tanzania.

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This paper examines changes in the accountability practices in a Microfinance Institution (MFI) from Cameroon. The study has been designed to examine how accountability practices of an MFI change in response to changes in its mission. The study is particularly important as more and more MFIs are moving away from the traditional welfare mission to a more commercialised one (a process referred to as mission drift). Data is gathered through semi-structured interviews, informal discussions and documents. The study traces the evolution of the organisation and its accountability practices. A theoretical framework, which draws on institutional entrepreneurship, is adopted in order to tease out the roles of various actors in the accountability change process. The findings suggest a mission drift over the years from a social to a commercial organisation with the change impacting significantly on the structure of the accountability practices of the MFI.

Keywords: Microfinance, institutional Change accounting and Accountability Practices, Institutional Entrepreneurs, Institutional Entrepreneurship Theory, Cameroon
Regulatory Influences on Compliance to Mandatory Disclosure Requirements: The Case of Savings and Credit Cooperatives in Kenya.

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This study examines the impact of regulatory reforms of 2008-2010 on the level of compliance with mandatory disclosure requirements for 212 savings and credit cooperatives (SACCOs) in Kenya over the period 2008-2013. Data were obtained from audited annual reports of the SACCOs. The results show that regulatory requirements and subsequent regulator-driven disclosure guidelines led to an improvement in the level of disclosure compliance. Further, SACCOs under inquiry by the regulators are associated with lower compliance with mandatory disclosures. The results show that larger and closely monitored SACCOs tend to engage in higher disclosure compliance. SACCOs adopting best practice corporate governance practices also exhibit higher disclosure levels. The findings are useful in demonstrating the need to disclosure regulation in the financial services sector, especially in mutual financial organizations that are usually overlooked regulatory wise. The study highlights the need for SACCO regulators and accounting professional body to devise incentives to improve the level of compliance with required disclosures.

Keywords: Regulatory, Compliance, Mandatory disclosure, Corporate Governance, Savings and Credit Cooperatives.
Purpose: The purpose of this paper is to examine the effect of human capital on the market value of banks in Nigeria.

Design/methodology/approach: Data on four proxies of human capital - overall staff strength, human capital value added, revenue per employee, and number of highly paid employees – were extracted from the annual reports and accounts of fourteen listed banks for the period 2010 to 2014.

Findings: Results of regression of stock price on the human capital indicators show that only one variable – the number of highly paid employees - had a significant effect on the market value of firms

Research limitations/implications: Human capital is difficult to measure directly. This study uses only measures obtained from secondary data. Behavioral research methods, especially the survey method, may produce some indirect measures of human capital. The findings suggest that investors’ confidence increases with the number of valuable stock of human capital in a bank’s payroll.

Practical implications: Banks that are unable to retain the services of highly paid employees in the industry may consider merging with other banks to sustain investors’ confidence

Originality/value: This paper uses a human capital proxy that is based on the highest salary category of a number of banks in Nigeria

Keywords: Human capital, Human capital value added, Number of highly paid employees, Overall staff strength.
Payment system is a very important aspect of any economy and it is a topical issue due to technological advancements and globalization. Focused countries are expected to ensure that they encourage a payment system that is affordable and convenient for its citizens. This study investigated the adoption and usage of POS terminals as a means of payment by hotels in Jos, North-Central Nigeria. Using factor analysis, six variables were identified and tested as factors that have either influenced or impeded the usage of the device namely: acceptability, usage, maintenance, connectivity, profitability and reduced exposure to robbery. Findings revealed low adoption of the device by hotels in Jos. It is recommended that regulatory agencies should carry out rigorous enlightenment programs that will inform both customers and merchants on the benefits of adopting electronic payment systems, especially POS terminals.
The purpose of this paper is to review the research findings on SME access to finance. The various ways in which existing studies have measured ‘access to finance’ means that there is limited understanding of the extent to which SMEs have access to finance. The existing literature is also unclear about whether ‘access to finance’ is confined to bank borrowing, and credit more generally, or includes other burgeoning sources of finance, such as internet based ‘crowd funding’, which includes both debt and equity financing; and thus the extent of the debt and the equity finance ‘gaps’. The paper finds that although some studies have investigated the determinants of access to finance by SMEs, the increased use of information technology and subsequent adoption of the opaque computerised ‘credit scoring’ models by banks in their lending decision making means that there is limited knowledge on what actually determines SME access to finance. It reviews various government initiatives aimed at improving SME access to finance and suggest why such initiatives have not fully resolved the ‘problem’. It also considers the issue of what the appropriate target for SME access to finance should be, in terms of extent and affordability, in light of appropriate risk management by banks and other financiers.

**Keywords:** SMEs, access to finance, credit rationing.
Does the Announcement of Treasury Single Account (TSA) Adoption influence Abnormal Return on Share Prices of Listed Deposit Money Banks in Nigeria?

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This study sought to empirically examine the impact of Treasury Single Account (TSA) announcement of the 9th August 2015 on share prices of Deposit Money Banks (DMBs) in Nigeria. Employing the standard event study methodology on a sample of thirteen out of the sixteen listed DMBs in the Nigerian Stock Exchange that traded on the historic day; the study intended to establish the significance of cumulative abnormal return on the announcement day and fifteen trading days after the announcement became public. The study documented a statistically significant cumulative abnormal return of -0.4479 on the announcement day and -0.36662 on the fifteen trading days after the announcement. The study concluded that the TSA implementation announcement led to negative market reaction by investors of DMBs in Nigeria and the negative trend continued for fifteen trading days succeeding the announcement day. It was recommended that Deposit Money Banks (DMBs) should focus more on their core banking businesses of deposit mobilisation from the private individuals and enterprises rather than depending on government agencies deposit. Also, DMBs should devise new strategies such as increase deposit interest rate and reducing lending rate for the main time; as this would entice private enterprises to willingly deposit their money with the banks and would assist in improving their cash balances and intermediation activities.

Keywords: Abnormal Return, Deposit Money Banks (DMBs), Event Study, Share Prices, Treasury Single Account (TSA)
Corporate social responsibility (CSR) is considered as a key business success factor of most business organization; and a weapon to survive in the global competitive business environment. Prior CSR researches have forwarded inconclusive/mixed results regarding the theoretical relationship between firm characteristics and CSR, in addition to the common methodological loopholes. Therefore; this study examined the relationship between firm characteristics and CSR in conglomerate firms. In trying to achieve this, panel data were extracted and used from the Annual Reports and Accounts of five (5) sampled Conglomerate firms out of six (6) listed Conglomerate firms in the Nigerian Stock Exchange for a period of twelve (12) years (2003-2014) which was arrived using convenience sampling technique. Correlation research design was adopted in collecting data, while the Generalized Least Squares (GLS) multiple regression was employed as technique of data analysis. The study found that firm profitability and size have significant positive impact on the CSR of listed Conglomerate firms in Nigeria. The study also found that firm liquidity has insignificant positive influence on the CSR of listed Conglomerate firms in Nigeria, while Leverage was found to have insignificant negative influence on the CSR of listed Conglomerate firms in Nigeria. In view of the results found, it is therefore recommended that the management of listed Conglomerate firms in Nigeria should intensify efforts to ensure higher profitability and augment their size by acquiring more assets, operate at optimum liquidity level to be able to meet their financial obligations in a timely and effective manner and regulate their gearing ratio, as thus increase their investment in CSR which will in turn improve their company’s value, reputation and customer’s loyalty in the long run.
An Assessment of Bank Concentration and its Influence on Interest Rate Adjustment in the East African Community.

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As the East African Community (EAC) lays the foundation of achieving regional financial integration, the understanding of interest rates adjustment behavior would be very critical. This is because banks in Africa are characterized by relatively wide interest rate spreads which is an indication of lack of proper financial structure and competition failure (Christensen, 2014). As a result, monetary policy mechanisms have not been effective in influencing the adjustment of interest rates despite the dominance of banks in the financial sector. An effective monetary policy promotes bank efficiency and competition which leads to improvement in financial access and inclusion because interest rates are adjusting accordingly to market conditions. However, since the liberalization of prices in EAC, bank concentration and competition has increased over the years yet the adjustment of interest rates is still incomplete. There has been an increasing body of research discussing the influence of market structure in the banking industry and empirical studies have been presenting contradicting findings. Therefore this study tries to assess the influence of market concentration on interest rate adjustment using the two competing theories i.e. Structure Conduct Performance Hypothesis and Efficiency Hypothesis. With the structure conduct performance hypothesis, it presents that there is positive relationship between market concentration and interest rate adjustment while Efficiency hypothesis presumes that the effect of market concentration on interest rate adjustment is merely spurious. The study will utilize a pooled cross-section and time series data by applying various econometric methods like Error Correction Models (ECM) and Mean Adjustment Lags (MALs) to establish the relationship of interest rates adjustment and market concentration.

Keywords: Market concentration, monetary policy, Interest rates, East African Community
We test the impact of banking system opacity on insolvency risks using a large sample of US bank holding companies over the period 1995 to 2013. The existing literature explore the effects of banks’ stock liquidity, derivatives usage, country-level and accounting-based measures. Analysts’ forecasts provide an alternative proxy for information asymmetry that emphasises the precision of both private and public information. Exploiting the informativeness of analysts’ forecasts, we contribute to the emerging interests in the relationship between information asymmetry and risk-taking in banking. First, analysts’ forecast inaccuracy (measured in terms of error and dispersions) increases risk taking in banking. Second, the relationship between forecasts inaccuracy and bank risk-taking is accentuated by the degree of banking market competition. Next, bank business model, moderates the risk-taking incentives of opaque banks. Specifically, dependence on non-deposit funding and credit risk exposure increases the risk taking incentives. Overall, the findings are consistent with the charter value argument of the competition-stability nexus and the monitoring role of wholesale funding.

**Keywords:** Information asymmetry, Market power, Business model, Bank stability
Firm-Level Determinants of Number of Bankers by Listed Nigerian Firms

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It is argued that there is no gain for companies to have multiple bankers (see, for example, Diamond, 1986 and Sharpe, 1990). This paper investigates the impact of firm-level attributes (cash flow from operating activities, sales revenue, profit after tax, firm size, and firm age) on the number of banks firms decide to have. The paper hypothesises a significant positive relationship between the number of banks and firm attributes. We utilise data drawn from online annual reports and financial statements of 38 Nigerian non-financial quoted firms from 2011 to 2013. We model cross-sectional multiple regressions for the paper, and the test results are largely consistent with a priori expectations, except firm age. After controlling for industry membership, our findings suggest that operating cash flow, profit after tax, and firm size significantly increase the number of bankers. We find that firm age significantly reduces the number of bankers, contrary to prior findings. We find no evidence to suggest that sales revenue affects the number of bankers.
Risk disclosure practice and Stability of commercial banks in Kenya

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Following the recurrent occurrence of economic scandals (Enron, Barings bank, Euro bank, Dubai bank, Imperial bank and Chase bank), economic crisis (US financial turmoil 2007-2008, global financial crisis 2008-2010 and the euro debt crisis 2010-to current period) quality of risk related disclosure in the bank’s annual report has become matter of close scrutiny. Policy makers and regulators continue to put pressure on companies to provide more disclosure, especially information on risks and risk management. The study is motivated by the current state of the banking industry in Kenya where ostensibly sound, profitable and stable banks were found to be weak and financially distressed by the central bank of Kenya. The purpose of the study is to identify different regulatory provisions for banks’ risk information disclosure, examine quality of risk disclosure level and practice among commercial banks in Kenya and the subsequent impact on performance and stability of commercial banks. The study seeks to develop framework for analyzing risk in commercial banks in Kenya. Risk disclosure index will be computed from a checklist from Prudential Guidelines’ requirements on risk from CBK, IFRS and Pillar 3 of Basel II. The study will use cross data analysis of commercial banks collected from annual published audited financial statements for the period 2010-2015. The study will help the regulatory authorities to strengthen monitoring process by identifying risk disclosure level and practice for commercial banks and whether existing mandatory information disclosure requirements are adequate. This will give better meaning to the reporting prescriptions and minimize the tendency of regulatory authorities coming up too late only to declare banks as troubled when it would be rather late to rescue such banks.
The goal of this three-part thesis project is to examine the impact of the Extractive Industries Transparency Initiative (EITI) disclosure requirements in mitigating natural resource revenue mismanagement in poor resource-rich countries. Specifically, the study will (i) assess the degree to which the EITI has contributed to reducing opacity and corruption in resource-rich countries, (ii) evaluate the quality of information disclosure in national EITI reports, and (iii) as an illustration of the value of EITI information, examine the market reaction to EITI information on extractive companies’ non-tax payments to the United States government.

The first part of the study examines the degree to which membership of EITI lessens opacity and corruption in the management of natural resources in implementing countries. Besides considering the effect of joining the EITI, this opening part will examine the impact of the timing of the decision to join. The second part of the study analyses the quality of the EITI information published by implementing countries. The second part of the study addresses the degree to which factors such as the level of corruption, governance and resource dependency of countries impact on the quality of disclosures made by implementing countries. An EITI Information Quality Index (EIQI) will be developed to measure the quality of EITI reporting across countries. The third part of the study examines the stock market reaction to the unilateral disclosure of non-tax extractive payments by the United States Department of the Interior (DOI) in pursuance of the United States Extractive Industries Transparency Initiative (USEITI) candidacy implementation process. Standard event study methodology, using a two factor model incorporating an oil and gas industry index, will be used to measure average cumulative abnormal return during the event period around the release of this financial information.

Findings from this study will provide timely information to the EITI on the success of the programme to date and useful indicators on the best next steps in reducing opacity and corruption in extractive revenue management. The study is also expected to offer stakeholders and other users of EITI reports valuable information on the quality of published EITI information by implementing countries. Finally, the study is expected to provide a lead to countries implementing the EITI requirements and/or those contemplating joining the EITI.

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Purpose: The purpose of this study is to expand understanding of the determinants of financial distress in the context of Nigerian deposit money banks by empirically examining the effect of bank-specific management quality variables and macroeconomic factors on financial distress.

Design/methodology/approach: Using annual financial data of 18 banks for a tenyear period from 2005 to 2014, unbalanced panel data analyses are carried out using the Simar and Wilson (2007) two-stage Data Envelopment Analysis (DEA) by first evaluating DEA scores for financial distress ratings and then regressing them on potential bank-specific covariates measuring management quality and macroeconomic variables with the use of a bootstrapped truncated regression.

Findings: The results show that the determinants of financial distress in the Nigerian banking sector include bank-specific management quality variables and macroeconomic factors.

Practical implications: The study establishes that other than bank-specific management quality factors, financial distress is also influenced by macroeconomic variables. This study therefore gives insights to banks’ boards and regulatory agencies on the design of the appropriate metrics to manage banks efficiently.

Originality/value: To the best of the author’s knowledge, this is the first study to examine the extent to which management quality factors predict financial distress in the Nigerian banking sector using Simar and Wilson (2007) two-stage DEA analysis with the use of a bootstrapped truncated regression.

Keywords: Nigerian banking industry, financial distress, Efficiency, Two-stage DEA, Management quality
Investor Sentiment and Growth Expectation on Banks' Stock Performance in Nigeria.

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Purpose: The objective of the study is to examine the effect of investor sentiment and growth expectation on banks’ stock in the Nigerian stock market.

Design/methodology/approach: Using annual financial data of quoted 15 banks for a ten-year period from 2005 to 2014, unbalanced panel data analyses are carried out using generalized linear latent and mixed model (GLLAMM).

Findings: Empirical evidence from the study suggests that investor sentiment and growth expectation are significant factors explaining banks’ stock performance in Nigeria.

Practical implications: The results of the study are helpful in understanding the role of investor sentiment and growth expectation on banks’ stock market in Nigeria.

Originality/value: Research on the role of investor sentiment on banks’ stock market is rare and to the best of our knowledge, this is the first study exploring this area with the use of GLLAMM.

Keywords: Nigerian banks, Investor sentiment, Growth, Behavioral finance, Stock performance
A Case Study on the Effect of Reporting Incentives on IFRS Compliance by Unlisted Companies in South Africa.

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This thesis will investigate whether IFRS compliance by unlisted companies is the effect of factors (or reporting incentives) such as knowing financial reporting needs, reporting environment, expertise, costs and others. In addition, this thesis will also consider, if such factors could be taken into account in the standard setting process, would they lead to improved IFRS compliance.

This thesis will start with an introduction chapter, followed by a review of existing literature and relevant theories. Chapter three will consider a qualitative research design, and it will be followed by a chapter that will present and discuss the findings. The last chapter will conclude and make recommendations for possible future research.

This thesis will contribute by extending on literature regarding factors that influence IFRS compliance of unlisted companies from a developing country’s point of view, other than examining the relevance of IFRS or IFRS for SMEs as compared to Zanzig and Flesher (2006) and Schutte and Buys (2011). The factors that will be identified by this thesis could be considered when accounting policy or standard development process, relating to SMEs or unlisted companies, is initiated. Furthermore, this thesis will propose guidelines for collecting and recording data about IFRS compliance by SMEs or unlisted companies.

This thesis will apply a multiple case study method, because this study will be explanatory in nature (Creswell & Plano Clark, 2011). Therefore, the data will be collected using checklists, reading minutes of meetings, interviews and questionnaires. If the return rate of the questionnaires appears to be low, this process will be followed up with personal interviews with the targeted persons. In addition, selected companies will be asked to predict how likely they would continue or start producing IFRS compliant financial statements, suppose factors that they perceive to influence their IFRS compliance are or would be incorporated in the IFRSs.

This thesis’s analysis will proceed in four stages. In stage 1, the data, which will be obtained via checklists and questionnaires, will be analysed by employing descriptive statistics or percentiles to form an impression of the respondents in terms of the effect
of mandating IFRS on unlisted companies, as well as other relevant information that would be needed. In stage 2, a heuristic analysis will be used to group participants’ responses in accordance with significant variables to be used in comparing the data obtained to IFRSs, and to their IFRS implementation. Patton (2002, p.487) cited Craig (1978), who defined heuristic analysis as “an organisation of the data for oneself, a clarification of patterns for oneself, a conceptualisation of concrete subjective experience for oneself, an integration of generic meanings for oneself, and a refinement of all these results for oneself”. After the follow-up interviews and reading of IASB minutes of meetings in stage 3, on the last stage this thesis will suggest a model that might encourage the use of IFRS by private or unlisted companies.

Keywords: IFRS adoption, Self-prophecy, Unlisted companies, Decision usefulness, IFRS compliance
Exploring Upward Mobility of Women in Accounting Firms in Ghana: Does a Glass Ceiling Exist?

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Purpose: The purpose of this study is to explore the experiences of women in accounting firms in Ghana, their challenges and coping strategies as well as barriers hindering their upward mobility.

Design/Methodology/Approach: To achieve these objectives, qualitative study approach was used, where 15 female accountants in managerial positions in five top accounting firms in Ghana, were interviewed.

Findings: The study reports that the accounting profession is still dominated by men to an extent, though more women are entering the field. Also, experiences of women accountants vary even within and across the accounting firms. The results also show that career progression of women is as a matter of choice that is, making a choice between family and work. This suggests that upward mobility of women in accounting firms rests on the individual.

Practical implications: The paper instigates the need to explore and provide tailored strategies to addressing any glass ceiling effect associated with women in accounting practice in developing countries.

Research limitations/implications: Findings are based on the view of a few women in top accounting firms; so, one cannot make any statistical generalisation. However, some useful analytical generalisation can be made from the findings.

Originality/value: This paper is one of the few studies based on evidences from top accounting firms in a developing country.
Transfer pricing continues to be, and will remain, the most important international tax issue facing multinational corporations. This study examines internal auditors’ prioritization, preventive and corrective controls and challenges associated with transfer pricing in the oil and gas industry in Ghana.

The interpretivism research paradigm and the qualitative research approach was employed. A structure questionnaire and an in-depth interview was used to gather information. The study was based on companies engaged in upstream and downstream petroleum operations in Ghana. They were selected based on relevance to the study and saturation of information. The information was categorized into themes and discussed using prior empirical literature.

The study finds that internal auditors do not prioritise transfer pricing transactions due to the influence of lawyers and tax consultants. Corporate governance structures, transfer pricing guidelines, tax audits, related parties reviews and external implications are essential mechanisms to prevent transfer pricing abuses. Inappropriate control environment is the major challenge to be resolve by internal auditors.

The study requires the board of companies to empower internal auditors to raise questions on transfer pricing transaction irrespective of the existence of guidelines and advice of tax consultants and lawyers. Centralizing and universal application of transfer pricing policies is a necessary condition for avoiding queries from tax authorities.

**Keywords:** Transfer Pricing, Oil & Gas, Internal Auditor, Upstream, Downstream
Inhibitors to Listing on Alternative Markets in Developing Countries: A Qualitative Investigation into the Ghanaian Experience.

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Purpose: The Ghana Stock Exchange (GSE) in 2013 launched the Ghana Alternative Market (GAX), a second tier stock market, to serve as an alternative source of finance to SMEs. As at May 2016, only four firms have listed equities on the GAX. This study investigates problems inhibiting SMEs from listing on the GAX.

Design/methodology/approach: This qualitative study uses a multiple case study approach to investigate problems inhibiting SMEs from listing on the GAX. Semistructured interviews were used to collect data from both listed and unlisted SMEs to enable respondents freely share their experiences and raise the issues militating against realising the potential of GAX as a vibrant equity market for SMEs.

Findings: The findings suggest that, SMEs typically are averse to giving up part ownership and consider the GAX unattractive due in part to its small size and liquidity. The low level of publicity and education as well as the public scrutiny associated with publicly held companies are some of the factors inhibiting firms listing on the GAX.

Research limitations/implications: Most of the responses in the underlying survey data are qualitative in nature and as such the authors are unable to assess the veracity or otherwise of the responses.

Practical implications: The findings show that there are real challenges holding back SMEs from listing on the GAX. Limited market size is a potential reason for failure as the market size has to reach a certain scale for an exchange to be financially sustainable.

Originality/value: First, this study is a qualitative study that has the advantage of reaching richer and more plausible information that cannot be obtained by analyzing the numbers. Second, this study tries to analyze the perceptions of both listed and unlisted SMEs to gain a holistic understanding of the problems at stake for redress. Keywords: SME, Ghana Alternative Market (GAX), Emerging Markets, SME Financing.
This paper investigates the persistence of interest rate volatility and the rate of decay. Variants of Generalized Autoregressive Conditional Heteroscedasticity (GARCH) and GARCH-in-Mean (GARCH-M) models with different distribution densities are used to estimate volatility persistence and risk premium respectively. We further develop a parsimonious model to estimate the rate of decay of interest rate volatility. This study is novel in many respects. First, the study employs data from several countries to the extent which has not been done previously. Second, it employs multiple GARCH models with different densities to study a wide range of interest rate data from several countries for comparison. Third, a simple model is developed to investigate the rate of interest rate volatility decay taking into account international data. The results here have important implications for portfolio allocation, asset pricing and risk management.

**Keywords:** GARCH, interest rate volatility, volatility decay, volatility persistence, conditional heteroscedasticity.
Carbon markets are an essential mechanism for the successful implementation of the international climate change regime. The design of the flexible mechanisms under the Kyoto protocol is the principle driver of the development of such markets, especially in developing countries. However, developing countries, particularly those in sub-Saharan Africa (SSA), remain marginalized in global carbon markets despite significant mitigation opportunities in agriculture and forestry. Moreover, Africa has significant potential for renewable energy, a key driver of the carbon emissions reduction. Still, Africa’s share of the carbon markets remains relatively low. It is puzzling therefore that the proponents of carbon trading continue to tout the benefits it offers to the poor in Africa, in the face of mounting evidence to the contrary.

**Keywords:** Climate change, Carbon markets, renewable energy
Rapid advancement in technology and regulatory environment in stock markets has resulted in many exchanges automating their trading platforms. The move towards fully automated electronic trading and the introduction of direct market access and other forms of trading technology has significantly changed the trading environment in which markets operate. The widespread use of the internet has further increased the speed at which information is widely disseminated, thus enhancing the potential for market abuse. Accordingly, automation of exchanges should be coupled with a vibrant surveillance system. Though Automation of the trading System in Nairobi Securities Exchange (NSE) was expected to speed settlement of trading in securities and to some extent curb malpractices, confidence in the market by investors still waned following malpractices by some stock brokerage firms between 2007 and 2009. This necessitated installation of the Automated Market Surveillance System (AMSS) in 2012 to boost investors’ confidence. This study examined the effect of installation of Automated Market Surveillance System on the market efficiency within the Efficient Market Hypothesis framework. Event study methodology was employed, where daily closing NSE 20-Share indices collected from the Exchange were used. Multiple approach analysis consisting of descriptive analysis, parametric and nonparametric tests were adopted to corroborate the findings. Though the descriptive statistics show an improved mean return following installation of AMSS, the t-test shows that the improved returns are not statistically different from returns before installation of AMSS. The implication of these findings is the rejection of semi strong level of efficiency in the Nairobi Securities Exchange.

**Keywords:** Market Manipulation, Surveillance, Microstructure, Market Efficiency
Influence of Access to Long-Term Funds on Growth of the Mortgage Market.

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As at December 2012, the potential of the mortgage market in Kenya was estimated at KES 800 billion while the actual mortgage loans stood at KES 61 billion, showing a market operating at 8% of its potential. The mortgage market depends on the transfer of funds from savers to borrowers who are in need of funds to purchase a house. Thus, one of the main requirements of the mortgage market is the availability of funds in form of accumulated savings. When the level of savings in an economy is high, the funds available to the mortgage market are high. One of the challenges facing the growth of the mortgage market is the mismatch between the funding sources for the lenders and the tenure of the mortgage loans. Mortgage loans by nature are long term, such that if many financial institutions in the country rely on ordinary savings mobilization as a source of funds for lending, mortgage lending is constrained. Therefore, access to long-term funds by the lenders may increase the amount of money available for long-term lending hence leading to growth in the mortgage market. This study examines the influence of the capital markets deepening indicator: equity market capitalization to GDP, bond market turnover, pension assets, insurance assets and ratio of private credit to GDP on the growth of the mortgage market. Macro-economic factors of inflation, GDP growth rate, GDP per capita, mortgage rate, exchange rate and national savings rate are also included in the analysis. The study collects formal panel data for all the variables for the period 1984 to 2014 which is then subjected to stepwise regression. The arithmetic average of the mortgage rate for Housing Finance Company of Kenya and Savings and Loans Ltd is taken as the proxy for the mortgage rate. It is hypothesized that mortgage lending grows in an environment of low inflation, stable exchange rate, growth in GDP and GDP per capita, and national savings rate, equity market capitalization to GDP, bond market, insurance assets and pension assets. Also, as total lending to the private sector grows, it is expected that mortgage lending will also grow. The factors which enable the financial markets to mobilize long term funds should lead to growth in mortgage
lending because the mortgage lenders will have at their disposal a large amount of long-term funds for mortgage lending.

**Keywords:** Mortgage Market, Capital Markets, Long-Term Funds
The question of how and why do companies engage in Corporate Social responsibility (CSR) practices continues to underpin a prolific body of research in the business, management and accounting fields, and has increasingly been the subject of attention a wider practice- and policy-oriented audience. It is however fair to state that a large proportion of the research investigates CSR practices ‘at a distance’, by typically relying on a quantitative-led analysis of corporate disclosure data (e.g. annual reports, websites) or independent assessments (e.g. sustainability ratings), and mainly from the perspective of companies located in developed countries. Although in-depth qualitative research has been gradually emerging in respect of the internal operations and logics of CSR practices and/or from an emerging economy context, there remains a lack of research attention paid to the role played by management control and accountability practices in informing and guiding CSR decisions.

We address this gap in the context of CSR Foundations, which are normally set up as a structure that is legally separate from the company (e.g. status of a Trust, Foundation or Charity) and whose actors (e.g. board of trustees composed of company directors or owners, and CSR managers/staff) are tasked with developing and executing the CSR strategies and operations of the company, using primarily funding from the company (or group of companies). In a nutshell, we ask: how do CSR Foundations make funding and evaluation decisions on social or environmental projects? How do they monitor and control the projects over time, including cases where the project is executed by a third party (e.g. non-government organisation)? How can CSR Foundations ensure that funds are used in the most effective way in terms of generating a social or environmental impact? We argue these are key questions given that significant funds are spent on CSR projects, but the effectiveness and social impact thereof are at best open to question. Studies of foundations in Western
countries have revealed strategic behaviours depending upon the main orientation of
the organisations (operating vs. grant-making; edifier vs. granter vs. expert) but little
is known in the case of CSR Foundations in emerging economies countries and in
terms of how funding is allocated and monitored.

The case of Mauritius is a notable one to consider in light of a relatively peculiar
institutional setting. Since 2009, the government mandated a CSR Levy (2%) on
corporate profits, compelling companies to invest these funds in CSR activities or
alternatively paying them to the Exchequer. Consequently, many of the larger
companies established CSR Foundations to ‘retain’ and manage these funds. The
regulatory and monitoring system for the Levy also changed over the last few years.
We explore the above research questions by way of interviews of different actors
within, or close to, CSR Foundations supported by documentary analysis. The initial
findings reveal significant variations in management control practices and use within
CSR Foundations. Some level of formal control usually emerge in the case of
Foundations involved in funding other organisations but less so when it comes to
those running internal CSR projects. Measures of impact exist but appear simplistic
in nature with a tendency to favour projects that have worked well in the past. The
attitudes of Foundations to accountability and control seem to be mainly influenced
by the CSR manager and decisions are also informed by insights gathered from a
collaborative and informal forum of managers from large foundations. The CSR
guidelines (as set out by government agencies) or framework (as later agreed between
the main Foundations) act as a supportive mechanism for CSR managers in
rationalising or justifying to applicants why certain projects or organisations cannot
be funded. External accountability mechanisms by Foundations, in the form of reports
and website content, also exhibit different shades of sophistication and do not rely on
mainstream accountability frameworks such as the GRI. We seek to conceptualise the
activities, control and accountability mechanisms of Foundations in terms of being
on a spectrum ranging from a transactional to a relational form of social relationships.
We also offer policy recommendations in relation to the role of CSR Foundations.

**Keywords:** corporate social responsibility, CSR foundations, management control,
accountability
The existing tax fairness literature suggests that there are four dimensions of tax fairness: horizontal equity, vertical equity, exchange equity, and procedural fairness. Although research suggests that compliance usually increases with tax fairness, this study sought to uncover the individual impact of each dimension of tax fairness on different perspectives of compliance. Accordingly, we develop measures of each dimension, using survey data obtained from medium and large corporate taxpayers in Kenya. Employing a Structural Equation Modeling (SEM) technique, we find that reliable measures of tax fairness are established under the procedural fairness dimension. In addition, we also established that only procedural fairness is significant in influencing tax compliance in Kenya. However, its different measures would impact on the different dimensions of tax compliance differently. This is when we control for firm age, size and total tax liability in our analysis. We also find that the different dimensions of tax compliance are influenced differently by the control variables. As such, policies to enhance compliance in Kenya would require a multi-faceted approach that critically takes on board what has traditionally been considered as tax fairness measures—since some measures in fact worsen compliance levels, contrary to expectations.

**Keywords:** Tax Fairness, Compliance Behavior, Corporate Taxpayers, Kenya
A Study of Community Responsibility Activities by Ghanaian Rural Community Banks.

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The study of corporate social responsibility (CSR) practices is arguably one of the most prolific areas of research and a large body of research has been developing to ascertain the consequences of such practices, from an organisational, societal and individual perspective. Alongside a traditional research agenda that is concerned with conditions under which short-term or long-term instrumental gains could be derived from CSR initiatives, postures and discourses mainly in a ‘developed’ institutional context, there has been an emerging interpretive and critical approach towards understanding how social responsibility is constructed and shaped in contexts or countries where notions of ‘private’ sector, civil society, institutional and regulatory setting, and ‘stakeholders’ are blurred and to a significant extent, reflective of a set of relationships that is different from Western democracies (Hopper et al., 2016).

Several commentators (e.g. Drebes, 2016; Jamali et al., 2015; Khan and LundThomsen, 2011; Adanhounme, 2011; Amaeshi, 2011) critically highlight the Western, globalising or post-colonial origins, assumptions and construction of ‘CSR’ and in terms of how local business and social settings interact with CSR activities and strategies. There is a suspicion in the wider context of emerging economies that CSR and/or its related formal accountability mechanisms (e.g. social reporting) are primarily deployed to satisfy Western audiences such as multinational buyers and their customers in developed countries (Belal et al., 2008; Jamali et al., 2015).
However, others suggest that ‘CSR’ may be appropriated to meet local needs and can also be mediated by local socio-political imperatives (Soobaroyen and Mahadeo, 2016). This underlies a need to study CSR motivations and practices in a local, rural or and/or grassroots context, and examine how CSR might be shaped by the underlying social, political and cultural environment. To the best of our knowledge, there is limited research exploring this issue in the African context (Adanhounme, 2011), albeit that there has been in-depth and critical work in developing economies more generally focusing on manufacturing, and exporting-led businesses particularly in Asia (e.g. Khan and Lund-Thomsen, 2011; Lund-Thomsen and Nadvi, 2010; Lund-Thomsen et al., 2012; Jamali et al., 2015), and with an almost exclusive focus on labour practices.

In respect of the above, we focus our attention on a specific organisational and social setting, pertaining to the case and role of rural community banks (RCB) in Ghana. RCBs have been established in rural areas with a ‘socio-financial’ aim of supporting farmers and local people. More specifically, the primary objective of all rural community banks in Ghana are the mobilisation and channelling of rural savings for economic development within the communities in which they are located (Asiedu-Mante, 2002). Whilst the banks’ terms of reference and mandate highlight an aspiration for the firms to ‘engage’ with the rural community in terms of ‘CSR’, there has been so far very limited understanding of how RCBs could actually do so. There is little evidence that regulators or advocacy groups somewhat ‘pressure’ RCBs in meeting their CSR mandate and nor is there a ‘power dynamics’ which somehow enables rural stakeholders to compel RCBs to act accordingly. Furthermore, taking into consideration the socio-financial objectives of RCBs and how they are expected to contribute to rural development, we coin the term ‘community responsibility’ rather corporate responsibility to refer to the RCBs’ organisational actions aimed at developing a closer connection with their immediate communities and the regions they serve.

Theoretically, we draw from organisational identity orientation (Brickston, 2007) as an analytical frame of the interactions between RCBs and the local community. Brickston (2007) argues that there has been, over time, an unhelpful juxtaposition between normative and instrumental variants of stakeholder theory; the former is associated to moral obligations towards stakeholders as a normative-led endpoint and the latter is seen as a motivation to ‘manipulate’ stakeholders to ensure that organisational (essentially economic) ends can be protected and privileged. Instead, Brickston (2007) argues that there is a need to explore the possibilities offered by the descriptive variant of stakeholder theory, which is “meant to outline participants’ view of what the business organization actually is vis-à-vis stakeholders, as well as the mechanisms through which different views come into being” (Brickston, 2007, p. 865). In effect, Brickston (2007) suggests that a descriptive perspective “…moves us away from a discussion about whether organisations should engage with stakeholders,
to a view in which all organisations do actively engage with stakeholders, but in very different ways, each with potential to create distinct forms of social value” (p. 866). In this respect, Brickston (2007) proposes that there is an interplay between an organisation’s identity and its treatment of stakeholders such that ‘organisational identity orientation refers to the “assumed nature of association between an organization and stakeholders as perceived by members” (p. 866). Three forms of identity orientation are set out: individualistic, relational and collectivistic. First, an individualistic orientation favours organisational self-interest whereby CSR actions take the form of unique selling points to distinguish the organisation from others, but with little consideration in maintaining sustainable ties with external stakeholders. Contrastingly, a relational organisation will give critical importance to the development of strong and trusting relationship with particular stakeholders, characterised by a high frequency of interaction, reciprocity, emotional intensity and intimacy (2007, p. 871). Extending further, collectivistic organisations share a common goal with a larger constituency of stakeholders (community) and rather than consider the latter merely as a means to an end or by only focusing on salient stakeholders, organisations operate towards the improvement of collective welfare. This perspective has two important implications. First, an organisation’s identity and ethos is a social construction that is developed, and potentially subject to change, as a result of the internal or external members’ view of, and past direct/indirect interactions (or not as the case maybe) with, the organisation. Hence, identity orientations may change over time. Second, the different levels of intensity of social value contributions (a term used by Brickston which can translate into community responsibility activities) will have different facets and outcomes. For example, donating funds to an NGO to support a project might be seen as an individualistic orientation but providing capacity building training to the NGO would be viewed as a relational orientation. A collectivistic orientation would imply that the organisation engages with broader elements of social change, focusing instead for example on providing the opportunity and space for civil society actors to develop and express themselves. The last point can be a critical aspect in contexts where the prevailing institutional market, State and civil society arrangements appear to be weak or non-existent, as characterised by the concept of institutional void (Amaeshi et al., 2016). In such situations, a recent study by Amaeshi et al. (2016) in Nigeria asserts that CSR practices emerge primarily as a result of normative values rather than instrumental ones, and in doing so, these practices act as adaptive mechanisms which aim to fill in the institutional void. Whilst the study provides very interesting insights, it relied on a single case study (a private commercial bank) and emphasised the views of the bank’s managers and employees. In this regard, we would argue that there is a need to pay closer attention to the stakeholders and community, in terms of how CSR activities help shape their perceptions of the organisation’s identity. Furthermore, the sociofinancial and rural mandate of RCBs represents a unique setting to study how and why such organisations engage in community responsibility.
Informed by the above, this paper examines the community responsibility practices (CRP) of RCBs in Ghana. We interview 5 managers, 1 board member, 9 stakeholders including shareholders, customers, beneficiaries and a representative of regulators, representing 5 RCBs in the Eastern region of Ghana. We firstly find that RCB managers view CSR as a way of giving back to the community in which RCBs operate, to achieve social harmony and peaceful coexistence with the community. Still, community responsibility is an ancillary activity undertaken voluntarily for ethical reasons and there are clearly no regulatory requirements that obligate RCBs to engage with such activities. Yet RCB managers believe that these community support actions somehow underpin RCBs ‘raison d’être’. From the regulator’s perspective, it is seen as a normative rather than a regulatory requirement and it seems that it will never be part of any regulations. Acknowledging its normative nature, the regulator (APEX) continuously encourages banks to engage with community support and this is also evident through preferential income tax rate applicable to RBCs compared to conventional banks. The regulator foresees that such social actions could be further encouraged by normative pressures such as being included on the league tables of good businesses (e.g. Ghana club 100).

Secondly, there is no consistent approach that RCBs follow in addressing their community support activities, with some banks have a nominal fraction of their annual budget allocated to such activities, while others do it on an ad-hoc basis as per the requests received from members of the community in their catchment area. Moreover, some banks may have community responsibility activities in one year but not the other. Requests are normally received from the public who are also shareholders in addition to other public organisations such as police, schools and local hospitals. Interestingly, some banks indicated that a pragmatic approach of addressing CSR needs of the community is to speak to opinion leaders (Nananom) asking them how best they could channel the available resources to their top priority needs. Shedding a strategic nature on how banks utilise social responsibility activities to gain more legitimacy and recognition within the community, many managers mentioned that although there is a significant amount of support activities, this is not made public, but rather only disseminated within circles where political influence is targeted. This was confirmed by customers/ shareholders who wished that banks share this information more widely in newspapers in order to raise the awareness about the support available by RCBs. This can also indicate that RCBs are selective in terms of who are deemed as salient stakeholders (who may be powerful enough to impair their legitimacy), and also this might be due to limited resources and an inability of banks to fulfil the influx of requests that can emerge if they made this information widely available to the public.

Thirdly, some managers consider that a CR culture exists, but it is a multifaceted one: one group think that as RCBs offer banking at no charge (if compared to conventional banks) in addition to community services such as funerals and festivals, as such consider
that their banks is in effect engaged in community support every day. Yet another tier of community activities would include supporting education, healthcare, digging boreholes and other rural-led activities. RCBs do acknowledge that their social activities affect their image within the community, as such in case banks receive a support request that cannot be fulfilled due to budget restrictions, they are keen to write back to the requestor and explain that the bank regrets their inability to offer support, additionally they meet in person with the applicant and explain to them the reasons for declining the request. This indicated that RCBs are mindful of the negative consequences of the refusal. These negative effects can include image impairment and real impact on the society in terms of inability to fix the governance failure related to poverty alleviation, poor education and healthcare. Shareholders (customers) although appreciate what RCBs are doing for them, are generally unsatisfied and feel that they need to do more, as they legitimately think that RCBs focus on achieving profits is unfair and would be a clear departure from their main purpose.

Unsurprisingly, and due the lack of influential institutions that would mandate how RCBs would be involved in community support activities, bankers highlighted that RCBs board of directors acts as the gate keeper for engaging in such activities. As such, in many cases, it is who sits on the board that influences the level of engagement and the type of support activities to be financed by the bank. For example, schools would receive a high priority in terms of support as a significant number of teachers are board members. Support seems to happen for cultural reasons, underpinned by ‘political undertone’. Here, participants indicated that the more influential the person requesting help is, the more likely the request will be fulfilled. Still, other RCB managers have interpreted the focus on education for instance, being the main pillar for community development. However, the latter interpretation does not offer a full justification as other important sectors can equally contribute to community development, such as healthcare. Another challenge that participants have pinpointed is the lack of communication with the community at large.

Overall, the community responsibility activities adopted by RCBs and the perceptions indicate a blend of organisational identify orientations reflecting individualistic, relational or collectivistic features.

**Keywords:** community responsibility, community support, rural community banks, social responsibility, Ghana.
Assessment of the Heuristics and Gender Differences that Influence the Investment Decision Process of Married Couples in Kenya

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**Purpose of study:** Purpose of the study is to assess the heuristics and gender differences that influence the investment decision making process of married couples hindering their family’s financial freedom.

**Gap in literature:** Studies have shown that heuristics and gender differences influence the investment decision-making process from the individual and corporate perspective. However, the gap in literature is the couples perspective and methodology used.

**Design/methodology/approach:** This study is an exploratory study. It will use experimental and survey based design. It will also be longitudinal in nature.

**Originality/value:** This study’s original contribution to knowledge is creating new understanding of heuristics from the field of behavioral and household finance focusing on married couple’s investment decision making process. The study will also combine survey and experimental research design, an original contribution in methodology. It will identify heuristics that influence married couple’s investment decision making process, assess when married couples should rely on a given heuristic rather than a complex strategy to make more accurate judgments and determine the relationship between the heuristics and their gender differences (Personality traits and risk preferences).

**Keywords:** Behavioural finance, Heuristics, Gender differences
Les déterminants du choix de la méthode de comptabilisation des dépenses de prospection et d’exploration pétrolière

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Résumé

L’industrie pétrolière est l’une des plus vieilles et plus importantes industries du monde. L’offre des actifs pétroliers et gaziers se renouvelant par des efforts de prospection, il convient de s’intéresser aux coûts engendrés par les activités extractives des pétro-gazières.

Les normalisations comptables en vigueur (US GAAP, Norme IFRS 6 et équivalent) laissent la possibilité aux dirigeants de choisir entre deux méthodes de comptabilisation des dépenses d’exploration : la méthode du « Successful Efforts » qui consiste à ne capitaliser (« inscription au bilan », ou « activation » que les dépenses qui aboutissent à des succès (réserves prouvées) et à passer en charge tous les échecs ; et la méthode du « Full Cost », qui consiste par contre à capitaliser la totalité des dépenses (succès et échecs).

L’objectif de cet article est, à l’aide d’une régression logistique d’identifier les facteurs explicatifs qui conduisent les sociétés pétrolières et gazières à opter pour l’activation des dépenses de prospection et d’exploration, plutôt que de choisir de passer ces dépenses en charges.

Notre échantillon est constitué d’un panel de 340 sociétés pétrolières et gazières sur un plan international.

Les conclusions de l’étude montrent que le facteur le plus explicatif de l’activation des dépenses d’exploration est l’endettement.

Mots clés : Choix comptables - pertinence et fiabilité des informations comptables - dépenses d’exploration.
Le contrôle légal des comptes dans l’espace OHADA

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Résumé

Les comptes des entreprises présentent une très grande importance non seulement pour ces dernières, mais aussi pour les tiers, notamment pour les pouvoirs publics et les investisseurs. Si pour les entreprises elles-mêmes et leurs actionnaires, un contrôle conventionnel des comptes peut suffire pour les protéger, la protection des tiers nécessitait plus. C’est la raison pour laquelle les pouvoirs publics imposent généralement que les comptes des entreprises soient examinés par un vérificateur externe susceptible d’en donner une opinion neutre et éclairée. Les pays regroupés au sein de l’Organisation pour l’harmonisation en Afrique du droit des affaires (OHADA) n’ont pas fait exception. Au contraire, la réforme réalisée récemment par l’OHADA dans le domaine du droit des sociétés commerciales étend le cercle des sociétés légalement tenues d’avoir au moins un commissaire aux comptes. Imposée jusque-là uniquement aux sociétés anonymes et à certaines sociétés à responsabilité limitée, l’obligation d’avoir un commissaire aux comptes s’applique aussi désormais à certaines sociétés en nom collectif. Toutefois, pour que l’importance du contrôle légal des comptes se traduise véritablement, encore faudrait-il que celui-ci soit efficace. A cet effet, les législateurs consacrent généralement une panoplie de mesures visant à assurer au contrôleur le maximum d’indépendance et de compétence possibles pour assurer l’efficacité du contrôle. Ces mesures qui concernent aussi bien le choix du contrôleur que l’exercice de sa mission peuvent-elles vraiment permettre d’atteindre ce but ? La réglementation de la durée de son mandat et celle des incompatibilités et interdictions, par exemple, sont-elles faites de manière adéquate ? Si l’idée d’un suppléant est théoriquement séduisante, y a-t-il une organisation lui permettant d’être efficace en cas de prise de relève ? Dans les hypothèses où le co-commissariat est prévu, sa réglementation permet-elle vraiment de profiter de deux opinions distinctes ?

S’il existe des travaux qui abordent la question, il convient de dire que non seulement ils sont peu nombreux, mais aussi, pour la plupart, ils le font de manière incidente ou partielle. Le présent travail a pour objectif de passer en revue les principales garanties prévues dans l’espace OHADA, d’en évaluer non seulement la pertinence et la
capacité à permettre la réalisation des buts poursuivis par l’institution de ce type de contrôle, mais aussi et surtout d’en ressortir les limites afin de permettre d’améliorer l’efficacité du contrôle légal des compte dans cet espace.
Multinationales et respect des droits humains

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Résumé

Lorsque l’on évoque la promotion, la protection et le respect des droits humains, ce sont les pouvoirs publics qui viennent généralement à l’esprit en premier. D’ailleurs, pour faire la différence entre la théorie des droits de l’homme et celle des droits de la personnalité, certains auteurs affirment que la première permet de protéger chaque personne contraire l’arbitraire de l’Etat et de la puissance publique alors que la seconde assure la protection de chaque individu contre les autres membres de la société (v. Laëtitia Stasi). Pourtant, si le rôle des pouvoirs publics en la matière est non seulement indéniable mais aussi important, ne serait-ce que parce qu’ils disposent du pouvoir d’imposer leur respect aux autres acteurs de la société, d’autres structures devraient pouvoir contribuer à la protection des droits humains. C’est le sens que l’on pourrait prêter à la Déclaration universelle des droits de l’homme qui appelle tous les individus et les organes de la société à respecter, protéger et promouvoir les droits humains. La contribution de certaines composantes sociales pourrait même être plus efficace que celle des pouvoirs publics. C’est le cas des entreprises et spécialement des multinationales, surtout si l’on prend en compte le fait qu’il y a eu une accélération de la crise de l’Etat providentiel.

Les entreprises peuvent-elles vraiment assumer ce nouveau rôle de « sauver le monde » qu’on leur assigne ? Si la thématique du rôle des entreprises est déjà assez ancienne et a même semlé s’essouffler un peu à un moment, il convient de relever que certaines raisons, notamment les crises engendrées ou provoquées par la mondialisation, l’ont remise au goût du jour depuis un peu plus de deux décennies. Ce qui a suscité de nombreux travaux aussi bien de la part des organisations internationales (ONU, OIT, OCDE…) que des scientifiques (Armatya SEN, A. CHAVEAU et P. d’Humières…). Mais s’agissant de ces derniers, on peut remarquer qu’ils sont pour l’essentiel l’oeuvre de spécialistes de disciplines autres que le droit. Le présent papier a pour but de mettre l’accent sur les obstacles et les remèdes qu’il est possible d’apporter sur le plan juridique afin d’amener les multinationales à assumer leurs responsabilités en matière de promotion, de protection et de respect des droits humains.
Développement participatif et incrémental dans les réformes de comptabilité des municipalités : Facteurs de facilitation de succès dans le contexte africain ?

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Trevor Hopper, Teerooven Soobaroyen & Andrew Wynne

Résumé

La mise en œuvre des systèmes comptables de l’État est une planche des réformes de gouvernance et de développement dans les pays en développement en vue de favoriser un usage transparent et efficace des finances et ressources publiques. Toutefois, malgré l’accroît de financement et de l’attention des partenaires au développement, ces réformes échouent souvent ou aboutissent à des succès limités particulièrement en Afrique. Cela incite des interrogations sur l’approche et/ou le processus de mise en œuvre adopté(e) par les partenaires au développement traditionnels ; et appelle à des études des réformes réussies pour comprendre pourquoi et comment elles ont réussi. Cet article a examiné une réforme comptable soutenue par GIZ – une agence de développement allemande – dans des municipalités au Benin que les parties prenantes ont qualifié d’expérience réussie et l’ont attribué à l’approche participative, pragmatique et incrémentale utilisée par l’agence dans le cadre d’accords de conditionnalité malgré la présence de leadership néo-patrimonial.

Mots clés : comptabilité, gouvernement local, réduction de pauvreté, Benin, Afrique, agences de développement.
ABSTRACT
The survival and performance of any 21st century enterprise is highly dependent on the roles played by both Accountants and Actuaries. From the literature, no work has been done to resolve the assumption that an accountant can or cannot practice as an actuary or to find out the relationship between accounting and actuarial science. This deficiency clearly shows the gap in literature. The question that will readily come to mind is “What is the linkage be accounting and actuarial science”? To answer this question, we set and achievable objective that says “To examine the link between accounting & actuarial science. To achieve this objective, we employed both primary and secondary data of which a portion of the former was used to test our hypothesis.
From our analysis, it was discovered that Accountants and Actuaries can only do the job of each other to a small extent; and that an Actuary contributes significantly to the work of an accountant, particularly in the area of financial reporting. With this key discovery, we conclude that meeting point between accounting and actuarial science is in the area of financial reporting. Based on these and many other findings, we recommend that cooperation in the area of assignments between the two professions should be encouraged at all times, and Actuaries should continue to make significant contributions to financial reporting in view of its importance.

**Key words: Accounting, Actuarial, Linkage, Financial Reporting and Profession**

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