ASSESSING FINANCIAL REPORTING PRACTICES AMONG SMALL SCALE ENTERPRISES IN KUMASI METROPOLITAN ASSEMBLY

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ABSTRACT

Small Scale Enterprises have been the builder of many economies in the world. But many die off soon after their establishment. This menace is attributed to poor financial management among small businesses. The aim of this research is to assess financial reporting practices among small scale enterprises. The study further considered the problems faced by Small Scale Enterprises in preparing financial reports. The researchers used both qualitative and quantitative method, supported by statistical analysis of the survey data. The primary instruments used to collect data were interviews, observation and questionnaire. The research was designed to include small scale businesses within Kumasi Metropolitan Assembly. The findings confirmed that there is poor financial record keeping and financial reporting practices among small scale enterprises and recommends that training programmes should be organized for small scale enterprises to help them appreciate the importance of financial reporting and inculcate the practice in them.

Keywords: Small, Scale, Enterprise, Financial, Report, Kumasi, Metropolitan
1.1 Background
Small Scale Businesses are integral part of every nation’s economic activity. They play a vital role in nation building. It is believed that as they grow and expand the economy also grows. Small businesses create employment, and serve as a major tool for poverty alleviation and economic development.

Small businesses in Ghana over the years have contributed greatly to the overall employment and production of goods and services. According to Abor and Quartey (2010), small and medium enterprises provide 85 percent of manufacturing employment, contributes about 70 per cent to Ghana’s Gross Domestic Product and account for about 92 per cent of businesses in Ghana.

The importance of keeping proper accounts in promoting the growth of small business has been acknowledged in prior studies on small business growth and development (Abor and Biekpe, 2006, Kasekende, 2001). Other studies have identified lack of keeping financial report as the most important constraint to growth in the small business sector.(Aryeetey et al, 1994; Steel and Webster, 1992 and Sowa et al, 1992). Mead and Liedholm (1998),Marfo-Yiadom Edward et al (2006) identified lack of demand, shortage of working capital and poor accountability as the main reasons for small business closures in Africa. According to Hon. Hannah Tetteh, the then Minister for Trade and Industry, Small Scale Enterprise (SSE) sector constitutes about 70% of the industrial sector in Ghana and has substantial potential to become the engine of growth of the economy through its contribution to employment generation and poverty reduction. www.modernghana.com, published On: Wed, Nov 28th, 2012

However, according to the Small Business Administration, two-thirds of new businesses survive for at least two years, and only 44 percent survive at least four years. It further stated that the number one reason for the failure of new businesses is poor management in the areas such as finance, to be precise lack of proper financial accounting practices. www.nbia.org/impact/comparing.php. Accessed on 23rd February, 2013

Financial reporting is very critical to ensuring the survival and growth of every business unit. Unfortunately, this life-wire of every business is kept under the carpet by small scale business owners. Most of the attention has been focused on the acquisition of capital and credit. Meanwhile how the capital acquired is put to proper use and accounted for has been derelict. The keeping of proper records and writing of financial statements have enormous benefits for Small Scale Enterprises. They serve as an important management tool for every business because they provide an accurate reflection of financial performance of the business. They also serve as a means to monitor performance and measure the accuracy of income and expenses.

1.2 Statement of the Problem
The small scale enterprise sector constitutes in excess of 90% of the economy of the country, according to Abor and Quartey (2010). Unfortunately the sector lacks funding because the banks and the securities markets shy away from it. The sector is seen to be a high risk investments area because the sector is noted for bad accounting practices and also the entities in the sector fail to produce financial reports for better assessment. It is also imperative to state that the absence of financial reports impair the growth of the sector. It is therefore in the wake of finding out the reasons behind small scale enterprises’ inability to keep proper accounting records and failure to give financial reports that the researchers deemed it appropriate to undertake this research work.

1.3 Purpose of the Study
The general objective of the research is to identify the reasons why Small Scale Enterprises fail to implement basic accounting procedures and give financial report in spite of the numerous benefits associated with it. The study will also help to determine the extent to which basic accounting procedures and financial reporting have been implemented and applied in SSEs. Moreover, it will aid in identifying the consequences of failing to give financial reports. In addition, it will be a source of knowledge to small-scale enterprises (SSE) who seek to maintain proper accounting procedures and give financial reports and assists entrepreneurs in elucidating one of the prime causes of the failure of small-scale enterprises.
1.4 Research Questions

The research will find answers to the following questions

1. What type of Accounting Books do Small Scale Enterprises keep?
2. What financial reports do Small Scale Enterprises prepare and how often do they write up the financial reports?
3. What are the problems/challenges the Small Scale Enterprises face in keeping accounting procedures and writing up financial reports?
4. What are the consequences for not keeping proper financial records and writing financial reports?

1.5 Research Methodology

The research was designed to include small scale businesses within Kumasi Metropolitan Assembly. For the purpose of this study, the population was owners of registered small scale businesses and non-registered small scale businesses in Kumasi Metropolitan Assembly. A sample of two hundred (200) small scale enterprise owners was drawn. The researchers used both primary and secondary data. This research method involved the collection of data from primary and secondary sources. The primary instruments used to collect data were interviews, observation and questionnaire. The main secondary data were information from published text books, researches, newspapers and journals, articles, magazines and the internet. Questionnaires were administered to elicit information from the owners of small scale enterprises. Due to the peculiar nature of the information required from Ghana Revenue Authority and National Board for Small Scale Industries purposive sampling was used to select officers for interview.

1.6 The Limitations of the Study

First of all time did not allow the researchers to collect information from all Small Scale Enterprises. Again the outcomes were based on the information solicited from the respondents and therefore subjected to human errors, omissions and possible misstatements. However, in spite of the above, the researchers did ensure that the research meets all the relevant requirements for a scientific research and thereby reducing errors to the barest minimum if not to eradicate it completely.

LITERATURE REVIEW

2.1 Definition of small businesses

Small businesses vary by country and by industry. (Storey, 1994). Many researchers, such as Bolton (1971); Binks and Coyne (1983); Curran and Stanworth (1984) and many authorities in this field have made attempts to come out with definition of small firm but no satisfactory solution has emerged. The National Board for Small Scale Industries (NBSSI) defines a small-scale enterprise as a firm with not more than nine (9) workers, and has plant and machinery (excluding land, buildings and vehicles) not exceeding 10 million Ghanaian Cedis in value. In its Industrial Statistics, the Ghana Statistical Service (GSS) considers firms with fewer than 10 employees as small-scale enterprises and their counterparts with more than 10 employees as medium and large-sized enterprises.

2.2 The Role and Importance of Small Businesses

Small firms, however they are defined, constitute the bulk of enterprise in all economies in the world. These firms also make significant contributions to private sector output and employment, a contribution which appears to be increasing over time (Storey, 1994). More than 95% of all firms in the economies of the European Community are classified as ‘small’. These firms make a major contribution to private sector output and employment, a contribution which appears to be increasing over time (Storey, 1994). According
to Scarborough, of 29.3 million businesses in United States today, nearly 29.2 million or 99.7 percent constitutes small business thriving virtually in every industry. The small businesses employ 50.2 percent of the private sector workforce and pay 45 percent of the total private payroll in United States. In Ghana, Small businesses produce 51 percent of the country’s GDP and account for 47 percent of business sale. Small businesses play integral role in creating new products, services, and processes.

Ms Hannah Tetteh, Minister of Trade and Industry, in her speech during the launch of Stanbic collateral free loan to the SMEs in Ghana noted that SMEs were the backbone in any country’s economy and needed the requisite support to boost their businesses. She further said that SMEs contributed six percent towards the Gross Domestic Product of Ghana, adding that public-private partnership was key component and a strategic option for implementing the solutions to the socio-economic challenges faced by Ghana. (www.ghanabusinessnews.com/2012/03/21)

2.3 Problems of small scale business
Small businesses often face a variety of problems related to their size. A frequent cause of bankruptcy is mismanagement of funds. This is often a result of poor accounting procedures rather than undercapitalization and economic conditions. Again, when they first start out, many small business owners underprice their products to a point where even at their maximum capacity, it would be impossible to break even. Cost controls or price increases often resolve this problem. This requires accounting knowledge.

Another problem for many small businesses is termed the 'Entrepreneurial Myth' or E-Myth. The mythic assumption is that an expert in a given technical field will also be expert at running that kind of business. Additional business management skills are needed to keep a business running smoothly.

2.4 Financial Records
The Ghana Revenue Authority, Registrar General Department, National Board for Small Scale Industry (NBSSI), the Ghana Companies Code and the International Accounting Standard Board (IASB) insist on businesses either small or large to keep proper accounting records and report financial information not only because they understand the proactive benefits from maintaining organized and accurate financial information of a business but they have also seen the "horror stories" that actually happen to those who do not. (www.accountingaisle.com). In view of this, all businesses are obliged to keep financial reports which are generated from proper books of accounts which have accurately recorded the day-to-day transactions of the business. According to Henry & Co Accountancy Services the Purchases Book, Sales Book, Cash Book, Creditors Ledger, Debtors Ledger and General Ledger must be maintained and kept up-to-date. (www.henryco.ie/book_keeping)

2.5 Financial Reports
Financial statements are means through which those in charge of the business entity report to stakeholders information about the entity’s financial position, financial performance, and cash flows by providing information about its assets, liabilities, equity, income and expenses, other changes in equity, and cash flows. (Mirza and Halt, 2011)

Financial statements are generated by first organizing, and then analyzing numbers from the business activities. Understanding financial statements is essential to the success of a small business. They can be used as a roadmap to steer the business in the right direction and help to avoid costly breakdowns. According to Mirza and Halt, the various financial statements that together would be considered a complete set of financial report include, Statement of Financial Position/ the balance sheet, the Income Statement/Profit and Loss Statement, the Statement of Cash Flows, the Statement of Changes in Owner’s Equity/Worth and Accounting policies and notes to the Financial Statements
2.6 Characteristics of financial statements

In his article, “The four main qualitative characteristics of financial statements”, Victor D. said that the main objective of financial statements is to satisfy the information needs of a range of its users. He further stated that for financial statements and reports to achieve this objective they must possess specific characteristics; the four primary attributes are understandability, relevance, reliability and comparability. However, there are other qualitative characteristics of financial statements like consistency and fair presentation. These characteristics define what makes financial statements useful to the users. (Victor, 2012)

2.7 Preparation and Reporting of financial statements

The International Accounting Standards Board (IASB) In July 2009 issued the International Financial Reporting Standards (IFRS) for the preparation and reporting of financial statements by Small and Medium-Sized Entities (IFRS for SMEs). This Standard provides an easy framework that can be applied by small business entities in place of the full set of International Financial Reporting Standards (IFRS), Mirza& Holt (2011). The standards are necessary for comparability both with the entity’s financial statements of previous periods and with those of other entities. In view of this, the Small Businesses are required to follow the standards and guidelines of the IFRS in the preparation of the financial statements.

2.8 The effects of failure to prepare financial reports on Small Scale Enterprises

No business can succeed in the long term without knowing exactly where its profits come from, what its expenses are and how much it is making and spending --it needs financial statements. The importance of good accounting records and financial statements to a small business cannot be over emphasized. Keeping good accounting records and financial statements are even more important for a small business than for other businesses. (www.helium.com)

A small business usually has few assets. Any crisis will sink it because it has nothing to fall back on. That is why proper bookkeeping and financial statements is a must for small businesses. Good accounting records will ensure that the financial statements of the business are readily available when required. (www.helium.com) A business’ financial statements provide various financial information that business owners and creditors use to evaluate the business financial performance. Financial statements are also important to business managers because it helps them in running the business. (Way, 2007) But most small-business or home-based-business entrepreneurs neglect any sort of financial statement, believing that their businesses are too small to need it. Without financial statements, decisions and daily activities of enterprises are based on guesses--not facts and thereby lead to the collapse of the enterprise.
DATA PRESENTATION AND ANALYSIS

3.1 Educational Level of small scale business owners
The researchers were interested in the level of education to determine the skills, expertise and the competence level of the respondents both in answering the questionnaire and in managing the finance of their businesses. Information gathered from the study indicated that majority of the respondents had second cycle and tertiary educations, 33% and 29% respectively. In addition, it was revealed that all small scale enterprise owners have at least basic education. This implies that the respondents have capacity to answer the questions in the questionnaire. Again, with education and training small business owners will be able to keep proper financial records and prepare financial reports to manage the finances of their business, a major problem facing the industry as mentioned by CPA Australia. This is evidenced in table 3.1

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>28</td>
<td>14.0</td>
<td>14.0</td>
</tr>
<tr>
<td>Second Cycle</td>
<td>66</td>
<td>33.0</td>
<td>47.0</td>
</tr>
<tr>
<td>Diploma/Certificate</td>
<td>8</td>
<td>4.0</td>
<td>51.0</td>
</tr>
<tr>
<td>Tertiary</td>
<td>58</td>
<td>29.0</td>
<td>80.0</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>40</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.1.: Level of education of the small scale enterprise owners

3.2: Capital base of the respondents
Findings on the capital base of the small scale enterprise were considered to affirm that the businesses were in the category of small scale industry. From the study, 132 respondents constituting 66% had less than GHC10,000,000.00 capital while 68 constituting 34% had capital from GHC10,000,000.00 upward. This implies that majority of the small scale businesses sampled were within the industry. According to National Board for Small Scale Industries, Small Scale Business is a firm with capital not exceeding GHC10,000,000.00. This is summarized in table 3.2 below

<table>
<thead>
<tr>
<th>Capital Base</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under GHC10,000,000.00</td>
<td>132</td>
<td>66.0</td>
<td>66.0</td>
</tr>
<tr>
<td>GHC10,000,000.00 and above</td>
<td>68</td>
<td>34.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.2: Capital Base of the Respondents
3.3: Financial records keeping in Small Scale Enterprises

3.3.1: Preparation of financial reports by small scale enterprises

The question of whether entities prepare financial statements revealed that 128 constituting 64% did not prepare financial reports while 72 representing 36% prepare financial reports. The study also showed that even those who prepare financial reports do not prepare periodical reports but ‘ad hoc’ reports. That is, when the need arises. Example, when they were seeking financial assistance from financial institutions. This implies that financial reporting is not common among the small scale business enterprises.

![Figure 3.3.1 Preparation of financial reports by small scale enterprises](image)

3.3.2: Keeping of financial record

Financial records keeping is the process of recording all the financial transactions and events that occur in the business. This is essential to the business because all assets that flow in and out of the business as well as liabilities incurred and settled must be accounted for. Without proper records it is difficult to give good account of the business activities. The study revealed that 80% of the entities keep financial records while 20% do not keep records at all. This implies that majority of the small business owners appreciate the importance of financial records keeping to a business. The summary of these findings is shown in figure 3.3.2 below

![Fig. 3.3.2: Keeping of financial records](image)
3.3.3: Officer in charge of financial records keeping

Financial record keeping is technical and so requires a trained professional to do it. Without the needed skills and knowledge, it is difficult to write up good financial records for financial reports generation.

On the question of the one responsible financial records keeping, it came to light that in majority of the entities, the financial records keeping was done by the business owners themselves. However few entities have qualified accountant who do the financial record keeping. This is evidenced in figure 3.3.3

![Figure 3.3.3: Those responsible for financial records keeping in small business](image)

3.3.4 Business owners’ literacy in financial records keeping

On the subject of whether the small scale business owners have the basic skills and knowledge in financial records keeping 70% of business owners admitted that they do not have the needed skills and knowledge while 30% said they have the skills and knowledge of financial records keeping function. This means that even though small scale businesses keep some sort of financial records, majority of those who do so, that is the owners, donot have what it takes to do it.

The researchers’ interview with the chairman of the National Board for Small Scale Industries revealed that the board is aware of this problem facing the SSEs and has directed its effort towards organizing financial management training programmes especially financial records keeping, for the SSEs. The business owners’ literacy in financial records keeping is evidenced in the figure 3.3.4 below.

![Figure 3.3.4: Accounting Literacy of Business Owners](image)
3.4 Types of financial records kept by small scale businesses

For good financial record keeping practices, an entity must keep records on purchases, sales, earnings, receipts and payments. The following books must therefore be kept; Purchases Journal/Ledger, Sales Journal/Ledger, General Journal/Ledger, Debtors and Creditors Account, Cash/Bank Account.

On the issue of the type of financial records kept by Small Scale Enterprises, it was found out that 33% of the entities keep Sales and Purchases Day books only, 14% keep Sales and Purchases Day Books in addition to Creditors and Debtors Accounts, 4% keep General Journal only, 8% keep Sales and purchases Day Books in addition to Cashbook, 29% keep only Cash/Bank Account, 8% keep Creditors and Debtors Accounts with cash/bank account while 4% did not keep records at all. From these findings it is clear that all small businesses keep some sort of financial records. However, no entity keeps complete set of financial records as prescribed by Henry and Co. Accountancy Services. This consequently makes preparation of financial reports for good assessment of the business very difficult because accurate record keeping is the foundation for financial reports.

The researchers’ interview with the tax assessment officer of Ghana Revenue Authority revealed that most small business entities did not present financial statement for tax assessment due to poor financial records keeping. The records kept by small scale enterprises is summarized in figure 3.4 below

![Financial records kept by small scale enterprises](image)

Fig. 3.4: Financial records kept by small scale enterprises

3.5 Challenges small scale enterprises face in preparing financial reports.

Financial reporting has immense benefits to small scale enterprises; it provides quick and relatively simple means of assessing the financial health of a business. Yet few entities practice it. Even those who practice it do so, on an ad hoc basis. That is, when requested by tax official for tax assessment or financial institutions for loan. The study revealed a number of challenges hindering small scale enterprises from preparing financial reports.
3.5.1 Small Scale Enterprise owners’ knowledge about financial reporting
Examination of whether the small scale business owners have knowledge about financial reporting shows that 128 out of 200 respondents do not have knowledge about financial reporting and its importance to business while 72 admitted having knowledge about the subject under discussion. Majority of the small business owners fail to prepare financial reports due to lack of knowledge about the subject and its importance.

3.5.2 Training on financial reporting
When the small scale business owners were asked whether they received training on financial reporting, 120 representing 60% said no while 80 representing 40% said yes. The researchers’ interview with the regional chairman of the National Board for Small Scale Industries revealed that assistance is offered to SSE’s in the form of training. On the question of the kind of training the board offers for SSEs, the officer hinted that the training mainly focused on financial management programmes. He cited poor financial management as the major problem facing SSEs. He added that most SSEs face the problem of accessing loans from the banks because they do not prepare financial reports. On the subject of the personnel for the training, the interview revealed that the training programmes were outsourced to experts especially when the training is more technical. The chairman intimated that, every district has business advisor who runs the accounting and financial training for the businesses. The business advisors as well as the trainers often go for refresher courses to upgrade themselves.

3.5.3: Relative high cost of trained accountants
On the issue of whether the small scale businesses can pay trained accountants, 112 of the 200 respondents representing 56% responded no while 88% said yes. When the owners were asked how much their business could pay an accountant majority of them said they could pay between GH₵100.00 and GH₵500.00. This was considered under the present labour market conditions. This indicates that challenge the small businesses face in financial reporting is inability to pay for the service of a trained personnel to do the work. This is evidenced in figure 3.5.3 below.

![Fig.3.5.3: How much small scale enterprises can pay accountants](image-url)
3.5.4: Erroneous perception about trained accountants
Finding out the confidence level of business owners in trained accountant, 75% of the respondents said they do not have confidence and trust in accountants while 25% said they trust and believe in them. Those who do not have trust in accountants gave the following reasons for their stand: cheating, embezzlement and dishonesty on the part of the trained accountants. Because majority of the SSE owners do not trust trained accountants, they do not hire their services. This erroneous impression about accounts is a big challenge to the financial reporting practices among SSEs.

3.5.5: The use of computerized accounting system
The study revealed that 28% of the respondents use computerized accounting system for record keeping and financial reporting while 72% do use manual or paper based record keeping and financial reporting. This indicates that majority of the SSEs use the old method of record keeping and financial reporting which is tedious, costly and time consuming. Financial reporting is therefore not attractive to business owners.

Fig. 3.5.5: The use of computerized accounting system

3.6 Consequences of not preparing financial reports.
Businesses are required to keep proper books of account and prepare financial reports which give a true and fair view of the business’s financial affairs. Proper records and financial reports provide useful information regarding financial position of the business, the success of business operations, the effectiveness of policies and strategies and provide insight into future performance. Though financial reporting practices come with cost and challenges, the benefits derived from its practice far outweigh its cost. Businesses that disregard the importance of proper record keeping and financial reporting pay dearly for that. This study revealed some consequences of failing to prepare financial reports.
3.6.1 Poor performance measures

Financial performance of a business is measured using profitability, liquidity, gearing, efficiency and return on capital employed. The appropriate tool to measure these performances is the financial report.

The study revealed that business owners assess performance using measures that do not give the true performance of their business and are being misled. Such measures include increase in capital which comes as result of borrowing or high level of stock which is caused by reduction in sales. The findings of performance measures use by small scale enterprises are summarized in figure 3.6.1 below.

Fig. 3.6.1: Performance measures use by small scale enterprise

3.6.2 Difficulty in accessing financial Assistance

When asked whether small scale businesses get assistance from financial institutions all the 200 respondents said yes but added that they had to go through difficult processes. When inquired for the process they go through in getting the assistance, majority said that they had to present comprehensive financial statements, business plan and provide collateral security. This implies that financial report is a major tool in securing financials supports from the institutions; private and government.

The researchers’ interview with the loan officers of the financial institutions revealed that the first and foremost criteria used in granting loan is financial report. The officers stated that collateral security and guarantors are needed for the loans but the ability of the business to earn profits and pay back the loan is paramount to them. And this is determined through the audited financial reports. This implies that financial accountability is necessary to receive financial assistance. Without it, it is difficult for small businesses to get financial assistance.
3.6.3 Inappropriate basis for budgeting

To the question of the basis the small scale businesses use in preparing budgets, 25% said assumptions, 17% said information from financial reports, and 27% said advice from business partners and associates, 16% said reports from business analysts and 15% did not write budget for their business. Apart from assumptions the entire basis are good but they do not give information about individual entities therefore using them to prepare budget misled the businesses. The responses are shown in the figure 3.6.3 below

![Figure 3.6.3 Basis for budgeting in small scale enterprise](image)

SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATIONS

4.0 SUMMARY OF FINDINGS

The study found out that more youth are now into owning their businesses. More men are now into jobs like wholesaling and retailing, majority of the small business owners are educated and small scale business has spread to all sectors of the economy. Small business sector is therefore a major source of employment to Ghanaians. Majority of the small scale enterprises kept some sort of financial records. Record keeping of majority of SSEs was done by the business owners themselves who lacked the knowledge in basic accounting procedures and record keeping principles. There was therefore, an apparent non-existence of proper bookkeeping and basic accounting procedures in SSEs.

Relatively high cost of hiring the service of trained accountant, lack of training on the basic financial reporting principles, erroneous impression about accountants, lack of knowledge about financial report and its importance to the business, lack of computerized accounting systems were the challenges SSEs face. Poor performance measures, difficulty in accessing financial assistance, inappropriate basis for budgeting and poor credit assessment were the price paid for not keeping proper records and preparing financial reporting.
5.0 CONCLUSION

Conclusion drawn from the research indicated that major of the SSEs do not prepare financial reports as a result of poor records keeping, fear of exposing the business to danger if business information is made public, high cost associated with financial reporting and lack education on the importance of financial reporting to the business. This therefore, affects the ability of SSEs in access financial assistance both from the government and private institutions and in most cases a major cause of business failure. The research further revealed high level of illiteracy, in terms of basic financial records keeping and financial reporting, on the part of small business owners. Unfortunately, the training programmes organized by National Board for Small Industries and other institutions, like district and sub-metro assemblies, also neglect this important tool for business survival.

6.0 RECOMMENDATION

Due to the immense contribution of small-scale enterprises to the socio-economic development of the country much attention should be given to proper financial record keeping and financial reporting procedures in small-scale enterprises. The government of Ghana is doing a lot to promote and sustain small businesses in the country yet little is done in terms of financial management especially financial reporting. It is suggested that the government of Ghana, through its revenue collection agency (GRA), in collaboration with Accountancy bodies in Ghana for example Institute of Chartered Accountants, Ghana embark on massive financial reporting education and training for the small business owners and help prepare their financial reports at a minimal fee if not for free.
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