

International Journal of **Finance** (IJF)

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Small Entities in Cameroon**



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Effect of Found Accounting on the Taxation Due of Small and Very Small Entities in Cameroon

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Accepted: 26th March, 2026, Received in Revised Form: 9th April, 2026, Published: 23rd April, 2026

ABSTRACT

Purpose: This study examines how examines the vicious link that the found accounting maintains with the taxation due for the Cameroonian very small and small enterprise (VSSE) sector.

Methodology: To this end, the descriptive and explanatory analysis by the binary logistic regression model was mobilized on a sample of 225 VSSE. Data collection by questionnaire allowed the use of categorical variables.

Findings: The findings reveal that altered accounting has a negative influence on the regularity of the tax audit of VSSE. The disruption of the accounting environment of VSSE reacts negatively on their declaration of taxes due. The absence of accounting documents for recorded transactions has a negative impact on the reliability of the tax base. The absence of real accounting data for VSSE partially affects the determination of their income tax.

Unique Contribution to Theory, Policy and Practice: The study offers policy recommendations for regulators and managers to strengthen information's quality improve asset quality and enforce risk controls, thus promoting financial stability and inclusive growth. To help governments promote tax culture and transparency of financial information of VSEs. The evaluation of the link between fake accounting and the tax due of VSEs can also be studied by integrating the analysis of quantitative data (figures) with a fairly representative sample.

Keywords: *Found Accounting, Taxation Due, Very Small and Small Businesses, Taxpayer, and Information*

Introduction

According to Stevelinck (1985) and Naciri (1986), accounting is recognized as an essential tool for tax collection on organizations. Esnault and Hoarau (1998) attribute six main purposes to accounting, namely: a means of proof, a means of control (of wealth, taxes, etc.), an aid to decision-making, a means of economic and financial diagnosis, a contribution to statistics and national accounting, a means of trust and social dialogue. Accounting therefore has information that is primarily of interest to the taxation of entities. The empirical work of Haller (1992), Porcano and Tran (1998) and Rossignol (1999) reveals that, for both large entities and SMEs, the relationship between accounting and taxation must generate trust to enable both these organizations and their stakeholders to make good management decisions.

It is also in this sense that accounting has become a legal, regulatory and fiscal requirement. The accounting and taxation of entities are carried out on the same economic flows, but on the basis of the rules specific to each discipline. However, taxation applies its rules, for the most part, not on the original flows made by the entity, but rather on the analysis that accounting has made of these flows. Accounting is therefore considered the main source of tax information for entities, because it makes it possible to determine, at the very least, the tax base of these entities. The interdependence of accounting and taxation is undergoing a complex evolution and mutual influence, but fluctuating in time and space, at the national and international level.

On the other hand, statistics observed in most sub-Saharan African countries, particularly those of Cameroon, reveal that the majority of very small and small entities (VSEs) do not keep formal accounts (Mvogo, 2020). Indeed, the preliminary report of the National Institute of Statistics (INS) on the general census of Cameroonian companies in 2016 shows that 81.4% of Cameroonian companies do not keep formal and real accounts. This publication also shows that VSEs represent 98.5% of the 203,419 companies surveyed. Moreover, according to this same report, taxes are not paid properly by SMEs due to the real non-existence of their accounting data. The lack of real accounts therefore constitutes an obstacle to proper tax collection in Cameroon.

Paying taxes owed by a business requires having credible accounting information to potentially avoid tax disputes. However, most entrepreneurs in small and medium-sized businesses (SMEs) do not have reliable accounting data. Could mystified accounting be the cause of inappropriate taxation for Cameroonian SME businesses? In other words, does the questionable accounting of Cameroonian SME businesses influence the taxes they pay?

Indeed, tax pressures on accounting are a topic that is frequently discussed in the context of management. For Rossignol (1999), the life of accounting is strewn with the mutual influence of the State's budgetary practice on the accounting practice of companies. These pressures lead to negative effects for both the company and the State and can prevent entities from keeping formal accounts or lead certain entities to keep accounts that are based on less real data. Keeping formal

accounts is based on compliance with current accounting principles in the collection and analysis of basic accounting documents and the presentation of accounting documents.

According to the INS (2018), formal accounting in Cameroon is carried out in compliance with OHADA accounting standards and is a source of transparency in the modern management of entities. Haller (1992) shows that tax pressures on accounting call into question accounting regulations and the accounting analysis of the economic operations of companies and encourage managers and/or owners of these companies to consider falsifying their accounting information.

On the other hand, the State's recognition of the existence of autonomous accounting standards is not called into question. However, in the tax analysis of expenses and income, a significant gap between accounting income and tax income is most often observed. This is because accounting income is determined on the basis of accounting standards, while tax income is calculated considering the provisions of tax law. However, this gap in results should not obscure the erroneous accounting analyses that are due to the poor accounting practices of certain companies.

The objective of this article is to identify the influence of unreliable accounting on the tax due of Cameroonian VSEs. The data used in this work come from the questionnaire survey of VSEs. They were collected with the support of a group of Master 2 students in finance and accounting from the University of Dschang over the period from February to May 2024 and provide information on the general characteristics of VSEs, fabricated accounting and tax due. The empirical approach uses descriptive statistics and hypothesis testing.

The article is structured around three sections apart from the introduction and conclusion. The first section presents the literature review. The second section is devoted to the methodology. The third section presents and comments on the main results.

1. Literature Review and Presentation of Hypotheses

Considering previous work advocating the need for good accounting practices in entities, several factors influencing the practice of formal accounting are generally identified in the literature. For VSEs in Cameroon, these factors are generally: taxation, administrative formalities, harassment with municipal officials, harassment with officials of the Ministry of Commerce, difficulties in financing the activity, difficulties in finding outlets, corruption, and lack of electricity (INS, 2018).

Four levels of analysis facilitate the presentation of the determinants of informal bookkeeping and their link to indicators of tax due. The first level justifies the link between impaired accounting and the regularity of tax audits. The second level refers to the influence that the environment of VSEs has on the declaration of taxes due. The third level attempts to justify the relationship that the absence of accounting documents has with the reliability of the tax base. Finally, the fourth level is based on the relationship between accounting data and the determination of corporate income tax.

1.1. Impaired Accounting and the Regularity of Tax Audits

Accounting plays an important role in the management of entities. Indeed, it has its own mechanisms for use, such as the collection of supporting documents, the analysis of journal transactions, the presentation of the general ledger and the balance sheet, the preparation of inventory work, the preparation of financial statements, etc. However, the implementation of these mechanisms can be marred by irregularities. These irregularities can escape tax control due to the lack of control of accounting documents. Accounting documents can be of two types: accounting documents from internal sources and accounting documents from external sources.

Some sources, known as external flows, are transactions that the entity carries out with its third parties (suppliers, customers, financial institutions, etc.). Other sources, called internal flows, concern transactions that the entity carries out within itself (staff, fixed assets, etc.). Regarding tax audits with tax administration agents or municipal agents responsible for the tax base, some audits use the approximate assessment method for the tax base of SMEs (Chambas, 2010). Approximate assessment is particularly used for very small and small businesses whose actual accounting is almost non-existent. Other audits, on the other hand, use the actual assessment method on the existing approximate or tampered accounting of certain SMEs (Lurton, 2007; Afifi and Ramdaoui, 2019).

The role of the State and standardization bodies such as OHADA in maintaining reliable accounting for entities has given rise to a wealth of literature, but has not led to a consensus. Vogeler (2005) shows that statistical and tax reporting adapted to each category of business would promote the maintenance of accurate accounting in all categories of entities. Haller (1992) and Rossignol (1999) also highlight the fact that entities that are regularly subject to tax audits have fewer problems maintaining formal and reliable accounting.

Furthermore, an online statistical and tax declaration for VSEs can force them to keep reliable accounts since it constitutes a digital source for storing financial information that can be used as evidence during a tax audit (Drissi and Benthami, 2023).

For Afifi and Ramdaoui (2019), if tax audits logically increase with the number of state structures created for this purpose, the number of entities presenting reliable accounting may decrease due to the corruption of control agents. The existence of tax audits of companies, however, remains a central element in forcing them to keep reliable accounting. But, beyond this agreement, other works such as those of Scully (2000) and Lurton (2007), show that the existence of several tax audit bodies can promote the presentation of reliable formal accounting.

These controls help to reduce the lack of accounting documents and records in small and medium-sized enterprises and promote the sincerity of the analysis of accounting operations. Davidson (2012) shows in a similar way that large companies are more committed to the presentation of

reliable accounting documents because they are subject to several controls (tax control, social control, financial or accounting audit, etc.).

In the accounting literature in general, normative theory and positive theory address the relationship between the production of accounting data and the behavior of users of these accounting documents. Normative theory (Chamber, 1966; Degos and Ouvard, 2007; Djongoué and Degos, 2014) conceives that accounting data are essentially necessary for their external users, which leads to the use of accounting methods considered relevant or useful for these users. The tax administration, which is one of the external users of accounting for the determination of the tax base, must therefore contribute to the production of reliable accounting data for companies through effective tax control. For the positive theory (Casta, 2009), the accounting data produced depend on accounting practices that result from the accounting choices made, either by managers (or owners) and tax control agents, or by standard-setting bodies.

To this end, in terms of taxation, tax audits must cease to be a possibility and become part of a permanent approach. Because, when tax audits become a regular and permanent activity, SMEs would strive to present reliable accounting data to avoid tax adjustments that have a negative impact on their profitability.

Similar to the predictions of theoretical models, empirical research does not allow us to draw general conclusions about the positive relationship between real accounting and regular tax audits. The majority of empirical research shows a positive relationship between reliable accounting and regular tax audits (Vogeler, 2005; Haller, 1992; Rossignol, 1999; Drissi and Benthami, 2023). However, other research has shown a negative relationship between regular tax audits and keeping honest accounts (Afifi and Ramdaoui, 2019).

In this research, we assume that corrupted accounting influences the regularity of tax audits of VSEs in Cameroon. Hence the following hypothesis:

H1: Corrupted accounting negatively influences the regularity of tax audits of VSEs.

1.2- Disruption of the accounting environment of VSEs and the declaration of taxes dueThe business environment of VSEs does not play an isolated and independent role in motivating the maintenance of accurate accounting related to the determination of the true tax base. Indeed, the idea of presenting sincere accounting, developed in particular by Colasse (1988), is based on the concept that a company can present reliable accounting if and only if other surrounding companies do so as well. To this end, actors in the VSE sector have shown in particular that keeping demystified accounting depends on the involvement of the majority of VSEs in their environment. These actors are still not prepared and motivated to keep credible accounting to avoid having a reliable tax base.

Other tax incentives for accounting that is unfaithful to the payment of tax due can be mentioned, in particular the presence of instability in certain activities of VSEs as well as the absence of a

culture of payment of tax due. The existence of uncertainty in achieving profitable results leads VSEs to behave suspiciously towards tax, which constitutes a burden without direct compensation (Afifi and Ramdaoui, 2019). Furthermore, the rejection of tax by VSEs is also due to the absence of a culture of tax civic responsibility. VSEs are not interested in taxation because they do not see its direct contribution to the development of their activities.

Small and medium-sized enterprises (SMEs) are thus part of a cluster of mentalities and practices that are hostile to the process of producing accurate accounting and enabling reliable tax returns. Bouaziz and Omri (2013) include in this cluster the lack of interest of SMEs in producing plausible accounting data, the instability of SMEs' activity which does not give them the motivation to keep track of the necessary accounting information, and the establishment of a system for circumventing tax constraints by certain SMEs. Similarly, Atwood et al. (2010) suggest that the success of accurate accounting by an SME is linked to an environment that is favorable to this accounting and to awareness of paying taxes.

In American SMEs, Chen et al. (2012) highlight a clear and persistent link between the production of accurate accounting documents, which constitute the basis for calculating taxes, and the environment in which these entities operate. The lack of a culture of truthful accounting can thus hinder not only the preparation of credible accounting documents, but also the payment of appropriate taxes. Based on the above, we formulate the following hypothesis:

H2: The disruption of the accounting environment of VSEs has a negative impact on their tax reporting.

1.3- The absence of accounting documents and the reliability of the tax base

Favorable accounting conditions for VSEs belonging to the minimum cash flow system can hinder a reliable determination of the tax base. Indeed, most companies subject to the minimum cash flow system do not produce accounting documents when selling their goods or services to customers. Furthermore, the minimum cash flow system does not use the chart of accounts. Current transactions are recorded in the single cash flow journal, for cash transactions. Credit transactions are recorded in the unpaid receivables tracking journal for debtors and in the payables tracking journal for the company's creditors. The availability of supporting documents for journal entries is almost non-existent for debtor transactions. In general, VSEs subject to the minimum cash flow system are not willing to prepare these documents when selling their goods or services to customers. However, SMEs in the normal system make efforts to prepare accounting documents when carrying out their transactions with customers, although this category is marginal.

The process of processing transactions in the normal system therefore seems more suitable for determining the credible tax base. Its steps are as follows: the collection and preparation of accounting documents, the allocation of these accounting documents to the relevant auxiliary journals using the chart of accounts, the centralization of the auxiliary journals in the general

journal, the presentation of the general ledger of accounts and the balancing of balances before the inventory.

In the accounting method of VSEs, particular attention is often paid to all the sources of accounting information chosen by them, as well as to their forms of presentation of accounting documents. The accounting literature shows that transactions carried out with creditors and debtors are fundamental sources of sincere accounting and, above all, of the presentation of summary documents and the calculation of taxes. Venet and Regoli (2020) in particular, show that the presentation of real accounting in SMEs is not only linked to the existence of transactions on creditors and debtors, but also depends on the level of interaction with the structures in charge of their taxation.

The presentation of reliable accounting can come from opportunities created by taxation, or from guidelines provided by state actors in charge of controlling this accounting, particularly due to the large and growing number of SMEs that integrate the culture of informal or mystified accounting (Hanlon et al., 2008). Tax domination over SMEs is not consensual for the maintenance of reliable accounting. The distinction can be made between more radical SMEs that actually create accounting data without information base on the operations carried out and moderate SMEs that modify the accounting data in their favor for tax reasons. Regarding the reasons for this false accounting, theoretical and practical literature tends to prove that SMEs seek more to reduce the amount of taxes to be paid to the State and to limit the payment of their social contributions (Bouaziz and Omri, 2013).

The objectives of accounting for transactions are therefore more complex with SMEs than with large companies. As noted by Degos and Ouvard (2007), the accounting of SMEs appears easier to maintain in terms of content, but it is also more difficult to control, due to the absence of reliable supporting documents for their transactions, especially for very small companies. Formal accounting is a process of processing operations carried out by companies, which places the emphasis on the existence of documents used to process accounting and tax information. Different accounting stages are highlighted as elements of establishing formal and reliable accounting. These mainly concern the importance given to the collection of accounting documents and the recording of economic flows in the company's various accounting books, the clarity of the year-end work, but also the relevance of establishing summary financial statements according to the corresponding accounting system. The collection of accounting documents and the recording of economic flows are conditions in which the activity of formal accounting is included for both SMEs and large companies.

Each accounting document thus has a specific characteristic (name of the transaction performed), a more or less significant accounting nature (internal or external flow), which is also subject to an appropriate accounting allocation. Hence the following hypothesis:

H3: The absence of accounting documents for recorded transactions negatively impacts the reliability of the tax base.

1.4- Accounting data for determining profit and loss and calculating corporate income tax due

Regarding accounting for summary or year-end work, the generally accepted principle is that all companies must perform year-end work and prepare summary financial statements. The OHADA accounting literature highlights the different types of inventory operations that must be performed depending on each accounting system.

When the end-of-year work concerns companies in the minimum cash flow system, it allows for the extra-accounting inventory of the following items: operating receivables and payables, inventories (finished products, raw materials, consumables, etc.), work in progress, fixed assets acquired or sold during the financial year, loans taken out or repaid during the financial year (Mvogo, 2020). At the end of this inventory work in the minimum cash flow system, three summary financial statements must be drawn up, namely according to the DSF model: the balance sheet, the income statement and three accompanying notes.

More generically, the year-end work of the normal system is more elaborated from the pre-inventory balance. This work refers to inventory counting and valuation operations, the inventory of fixed assets and the calculation of depreciation, the counting of rights, receivables, obligations and debts, the entry of adjustment entries intended to adjust the accounts and the calculation of net income, and finally, the establishment of the post-inventory balance. The availability of the post-inventory balance therefore makes it possible to present the summary documents which are: the balance sheet, the income statement, the cash flow statement and the accompanying notes (OHADA, 2017).

The great freedom enjoyed by SMEs belonging to the minimal cash flow system is their choice to establish or not the accounting documents at the time of the realization of their sales of goods or services; this has as a corollary the weakness in the maintenance of reliable accounting and a determination of the appropriate tax. The lack of formal and reliable accounting notably brings proximity to the payment of an inappropriate tax, an ineffective control by the tax services of the accounting base and the presentation of financial statements which do not reflect the reality of the company's information.

The ability of companies to maintain reliable accounting and the need for management information play a driving role in their operation in the quest for performance. Chapellier et al. (2013) show that the information gap between questionable accounting and the existence of erroneous summary documents is closely linked to the tax mentality of SMEs, which claim not to pay the appropriate taxes on their profits.

According to the tax standard, the calculation of corporate income tax is in principle based on taxable profit (actual taxable income less actual deductible expenses). However, due to their less reliable accounting, the calculation of the taxable profit of VSEs is done in an approximate or flat-rate manner. This is because the income and expenses that contribute to its determination do not reflect the reality of the flows made by these companies (Drissi and Benthami, 2023). This is partly due to irregularities in the current processing of accounting data (absence of accounting documents, intermittent processing of accounting documents, ignorance of accounting obligations, etc.). Furthermore, some SMEs subcontract their accounting service as well as the declaration of their taxes to firms; but, they provide them with accounting documents and selected information or negotiate favorable conditions for the processing of their accounting information for the payment of a low corporate income tax.

Based on this statement, we formulate the following hypothesis:

H4: The lack of actual accounting data for VSEs leads to the determination of inadequate corporate income tax.

2- Methodological Scope Adopted

This research is approached using a quantitative approach. It is part of a deductive epistemological perspective. To this end, this section presents the data collection instrument, the study sample, the sampling method, and the statistical tools used.

2.1- Sampling and Data Collection Instrument

The target population of the survey consists of Cameroonian companies (very small enterprises and small enterprises) belonging to the SMT and subject to the taxable profits regime. To harmonize the sample as much as possible, only the companies concerned in the SMT are those which achieve an annual turnover of less than 30,000,000 FCFA for service activities, 40,000,000 FCFA for craft and similar activities and 60,000,000 FCFA for trading activities (OHADA, 2017). These companies belonging to the SMT therefore present the following financial statements at the end of the financial year: the balance sheet, the income statement and 3 appended notes which are composed of the monitoring statement of equipment, furniture and deposits, the inventory statement and the statement of receivables and unmatured debts.

According to Decision No. 432/MINFI/SG/DGI of November 20, 2013 of the Cameroonian Minister of Finance setting the eligibility criteria for taxpayers to the various management units of the General Directorate of Taxes, SMEs are taxpayers who have a turnover of between fifty (50) million and less than three (03) billion CFA francs for medium-sized enterprises and a turnover of less than fifty (50) million CFA francs for small and very small enterprises. However, in order to homogenize the study sample, only companies whose annual turnover is less than 60,000,000 CFA francs and greater than or equal to 10,000,000 CFA francs are included in the survey in order to

respect the criteria of their membership in both the SMT and their subjection to the taxable profit's regime.

The sample includes Cameroonian VSEs (very small enterprises) and PEs (small enterprises) from the second general census of enterprises (INS, 2018). According to this INS survey, of the 209,482 entities recorded, very VSEs and PEs represent 79.1% and 19.4% respectively. The survey also notes that 84.2% are in the tertiary sector and 15.6% in the secondary sector.

To this end, 300 questionnaires were administered face-to-face to collect data from the surveyed companies. However, only 240 administered questionnaires were returned, representing 80% of the initial sample. After processing and verification, 15 questionnaires were invalidated. Ultimately, 225 questionnaires were used.

SPSS software was used for data analysis, both for description and hypothesis testing.

2.2- Description and Measurement of Variables

In this research, the questions relating to the testing of relationships between the research variables are developed based on a binary numbering system: "1 = yes", "0 = no". This work is composed of two categories of variables studied: the explanatory variable and the explained variable.

2.2.1- The Contrived Accounting

The explanatory variable is the fabricated accounting. The measurement of this variable is understood by the detection of unreliable accounting data. To measure controversial accounting in this work, we retain fifteen indicators involved in the different hypotheses: reliability of accounting data (FIDOCO), unreliable accounting amounts (MCNF), unreliable accounting labels (LCNF), unreliable accounting documents (PCNF), virtue of the accounting environment (VECO), activity giving certainty to the result (ADOCER), motivation to pay taxes (MOPI), environment characterized by the falsification of accounting data (ECAFADCO), environment characterized by the instability of business activities (ECAINSA), environment characterized by harassment of control agents (ECATRACO), establishment of accounting documents to third parties (EPCOT), custody of accounting documents received (GAPCOR), recording of accounting documents received and issued (ENPCORE), result of real accounting data (RDCRE), result of approximate accounting data (RDCAP).

To this end, several questions were selected in the questionnaire to measure these indicators of the controversial accounting variable. Examples of some questions: "Are the accounting data recorded in the company's journals reliable?", "Is your company's accounting environment virtuous?", "Does your entity often record the accounting documents received and issued in the journal?", "On what database do you calculate your company's results?".

2.2.2- Tax Due

Tax due, an explained variable, is measured using four indicators: regularity of tax audits (RECOFI), reporting of taxes due (DECID), reliability of the tax base (FIAFIS), and inaccuracy of corporate tax paid (INIBEP). Each indicator generated a binary question whose responses allowed us to identify the company's compliance or non-compliance with its tax due. These questions were: "Are tax audits regular in your company?", "Does your company often report its taxes due?", "Do you think your company's tax base is reliable?", "Do you think the corporate tax your company often pays is accurate?"

2.3- Analysis Model

In order to test our model, we used the logistic regression method. The objective is to predict the probability that an event associated with the variable to be explained of tax due will occur given the scores of the indicators of the explanatory variable of fabricated accounting of Cameroonian VSEs. For reasons of compliance with the requirements of the method, the indicators of the fabricated accounting variable are binarized in (0,1) to reflect the absence of practice of tax due (0) or the practice of this taxation (1) of each Cameroonian VSE in the sample. It is assumed that each indicator of tax due depends on k exogenous factors of fabricated accounting X_j (j varying from 1 to k) in other words, the k factors are a priori supposed to explain the indicators of the variable "tax due" Y_1, Y_2, Y_3 and Y_4 . The logistic model can therefore be translated as: $\text{Log}(\frac{P_i}{1-P_i}) = A + \sum B_j X_j$

Where, A denotes the constant, B_j the coefficients associated with the different indicators of the explanatory variable, X_j each of the indicators of the explanatory variable, and Y_i represents each indicator of the variable to be explained.

3- Analysis of Results

3.1- Descriptive Analyses

3.1.1- Characteristics of the Small and Medium-Sized Enterprises

The entities studied are located in three sectors (primary, secondary, and tertiary). They are also classified according to their age, staff size, and revenue.

Table 1: Characteristics of the Small and Medium-Sized Enterprises Surveyed

General characteristics of SMEs	Modalities	Staffs	%
Sectors of activity	Primary	20	8,9
Age	Secondary	33	14,7
	Tertiary	172	76,4
	Total	225	100
Number of employees	[1-5[an(s)	13	5,8
General characteristics of SMEs	[5-10] ans	59	26,2
]10-plus[ans	153	68
	Total	225	100
Sectors of activity	[1-6[employé(s)	146	64,9
	[6-20] employés	79	35,1
	Total	225	100
Age	Non	59	26,2
	Oui	166	73,8
	Total	225	100

Source: Survey data

According to the sector of activity, 172 VSEs, or 76.4% of the entities surveyed, are in the tertiary sector, which includes all services, namely trade, transportation, finance, and telecommunications. The remaining entities surveyed (53 VSEs), or 8.9% and 14.7%, are in the primary (20 VSEs) and secondary (33%) sectors, respectively. The majority (68%) of these entities are over 10 years old, while only 5.8% are between 1 and 5 years old. Furthermore, 26.2% of them are 5 years old or older, but less than 11 years old. The sample consists mainly of very small businesses (146, or 64.9%) with a maximum workforce of five employees. The remaining 35.1% are small businesses with a workforce of six employees and no more than 20. Among the small businesses in the sample, 166, or 73.8%, know their turnover.

3.1.2- Indicators of Fake Accounting

Over time, numerous experiences in various environments, particularly in Africa, describe the lack of accounting documents for VSEs to maintain regular accounting records. Our survey also illustrates this in Table 2.

Table 2: Lack of Accounting Documents

Indicators of missing accounting documents	Conditions	Staffs	%
Preparation of accounting documents for third parties	No	159	70,7
Safeguarding of received accounting documents	Yes	66	29,3
	Total	225	100
Indicators of missing accounting documents	No	133	59,1
	Yes	92	40,9
	Total	225	100
	No	159	70,7
	Yes	66	29,3
	Total	225	100

Source: Survey data

From this table, it appears that 159, or 70.7%, of the surveyed entities do not provide accounting documents to third parties when selling their goods or services, nor do they record them, including those from third parties. Furthermore, 133, or 59.1%, of the surveyed VSEs do not keep accounting documents received from their suppliers or partners. This demonstrates the low importance that the majority of the surveyed VSEs place on basic accounting documents such as invoices, cash receipts, checks, etc.

Thus, the primary consequence of the failure to use accounting documents to record economic flows in accounting documents is the unreliability of accounting data. Table 3 below identifies the indicators responsible for the unreliability of accounting data for the entities surveyed, represented by 159, or 70.7%. The unreliability indicators are accounting amounts, accounting labels, and accounting documents, representing respective unreliability rates of 26.2%, 79.6%, and 26.2% of the entities in the sample.

Table 3: Reliability of Accounting Data

Accounting Data Reliability Indicators	Conditions	Staffs	%
Accounting Data Reliability	No	159	70,7
Reliable Accounting Amounts	Yes	66	29,3
	Total	225	100
Reliable Accounting Descriptions	No	59	26,2
	Yes	166	73,8
	Total	225	100
Reliable Accounting Documents	No	179	79,6
Accounting Data Reliability Indicators	Yes	46	20,4
	Total	225	100
Accounting Data Reliability	No	59	26,2
	Yes	166	73,8
	Total	225	100

Source: Survey data

The unreliability of VSEs' accounting data may be due to their environment, which does not guarantee the accuracy of financial information. Table 4 reveals several indicators that allow us to assess the level of pollution in the accounting environment. 179, or 79.6%, of the VSEs surveyed stated that their accounting environment is not virtuous.

The distribution of VSEs studied according to these criteria is shown in the following table:

Table 4: Virtuous Accounting Environment

Indicators of a Sound Accounting Environment	Conditions	Staffs	%
Sound Accounting Environment Activity Provides Certainty of Results	No	179	79,6
	Yes	46	20,4
	Total	225	100
Motivation to Pay Taxes	No	159	70,7
	Yes	56	29,3
	Total	225	100
Environment Characterized by Falsification of Accounting Data	No	179	79,6
	Yes	46	20,4
	Total	225	100
Environment Characterized by Instability in Business Activities	No	49	20,4
	Yes	179	79,6
	Total	225	100
Indicators of a Sound Accounting Environment	No	46	20,4
	Yes	179	79,6
	Total	225	100
Sound Accounting Environment	No	46	20,4
	Yes	179	79,6
	Total	225	100
Activity Provides Certainty of Results	No	46	20,4
	Yes	179	79,6
	Total	225	100

Source: Survey data

From this table, it is noted that 159 and 179 VSEs, representing 70.7% and 79.6% of the analysis sample, respectively, have an activity that does not give them the certainty of achieving good results and lack the motivation to pay their taxes in an environment characterized by falsified accounting data, business instability, and harassment by tax officials. This description of the environment of VSEs cannot lead to the determination of reliable accounting results, as shown in Table 5 below.

Table 5: Accounting data for calculating income

Indicators of accounting data used to calculate profit	Conditions	Staffs	%
Reliable accounting documents	No	59	26,2
Recording of accounting documents received and issued	Yes	166	73,8
	Total	225	100
Result based on actual accounting data	No	159	70,7
	Yes	66	29,3
	Total	225	100
Result based on approximate accounting data	No	179	79,6
Indicators of accounting data used to calculate profit	Yes	46	20,4
	Total	225	100
Reliable accounting documents	No	66	29,3
	Yes	159	70,7
	Total	225	100

Source: Survey data

The description of the sampled entities reveals that 166, or 73.8%, report having reliable accounting records for the calculation of accounting results. However, only 66, or 29.3%, of them record these accounting records. Consequently, only 46, or 20.4%, of these VSEs have accounting results calculated using actual data, while 159, or 70.7%, have results calculated based on approximate accounting data.

3.1.3- Tax Due Indicators

The analysis of tax due indicators involves describing taxes due, tax audits, and tax adjustments. The statistical distributions of the tax due profile are summarized in the following table:

Table 6: Taxes Due

Indicators of taxes owed	Conditions	Staffs	%
Filing of taxes owed	No	159	70,7
Reliability of the tax base	Yes	66	29,3
	Total	225	100
Indicators of taxes owed	No	159	70,7
	Yes	66	29,3
	Total	225	100
	No	159	70,7
	Yes	66	29,3
	Total	225	100

Source: Survey data

From this table, it appears that 159, or 70.7%, of the VSEs surveyed do not properly declare their taxes due and do not have a reliable tax base. Furthermore, these same VSEs do not pay adequate tax on their profits. Consequently, they are exposed to tax audits by tax and municipal officials. The distributions of indicators relating to the tax audit of these entities are summarized in the following table:

Table 7: Tax Audit

Taxation Indicators	Conditions	staffs	%
Tax Audit Process	No	46	20,4
Tax Audit by Tax Officials	Yes	179	79,6
	Total	225	100
	No	26	11,6
Tax Audit by Municipal Officials	Yes	199	82,4
	Total	225	100
Regularity of Tax Audits	No	72	32
Tax Base Verification	Yes	153	68
	Total	225	100
	No	139	61,8
Tax Return Verification	Yes	86	38,2
	Total	225	100
Reliability of Accounting Data Verification	No	146	64,9
Taxation Indicators	Yes	79	35,1
	Total	225	100
Tax Audit Process	No	46	20,4
Tax Audit by Tax Officials	Yes	179	79,6
	Total	225	100
	No	159	70,7
	Yes	66	29,3
	Total	225	100

Source: Survey data

Table 7 shows that 179 VSEs, or 79.6% of the surveyed sample, were subject to a tax audit conducted by tax agents (82.4% VSEs) and municipal officials (68% VSEs). 139 VSEs, or 61.8% of those in the sample studied, reported that this tax audit was irregular. The audit focused on three elements: the tax base (35.1% VSEs), the tax return (79.6% VSEs), and the reliability of accounting data (29.3%). Table 8 shows that these tax audits resulted in tax adjustments for some VSEs.

Table 8: Tax Adjustments

Tax Indicators	Conditions	staffs	%
Tax Adjustment	No	72	32
Adjustment for Underreporting	Yes	153	68
	Total	225	100
Adjustment for Failure to File a Tax Return	No	205	91,1
	Yes	20	8,9
	Total	225	100
Adjustment for Concealing Information	No	92	40,9
Tax Indicators	Yes	133	52,1
	Total	225	100
Tax Adjustment	No	212	94,2
	Yes	13	5,8
	Total	225	100

Source: Survey data

Thus, 153 (68%) VSEs in the study sample were subject to tax adjustments. Some were for insufficient reporting (20, or 8.9% VSEs) and concealment of accounting and financial information (13, or 5.8% VSEs). However, the majority of these VSEs (133, or 52.2%) were adjusted for failure to report. This is because very few VSEs prepare and record accounting documents for the economic flows they generate. Consequently, they only pay taxes due to the constraints of the audit leading to a tax adjustment.

3.2- Explanatory Analyses

The determination of the influence of fabricated accounting on the tax due indicators of the VSEs studied is sought based on four hypotheses representing four analytical models.

3.2.1- The accounting causes of the irregularity of the tax audit of VSEs

Table 9 below, showing the variables in the first equation relating to the first hypothesis, gives us the value of the constant $A = -0.480$, which is significant. This table also shows that 61.9% of small and medium-sized enterprises are correctly classified in the model. Furthermore, since the Wald statistic is significantly greater than 0 (Wald = 12.247), each coefficient contributes significantly to improving this model.

Table 9: Variables in the equation

		Variables in the equation					
		A	E.S.	Wald	Ddl	Sig.	Exp(B)
Step 0	Constante	-,480	,137	12,247	1	,000	,619

Source: Survey data

Table 10 below shows that the Score statistic values for each indicator are all significantly positive. They therefore all contribute to the improvement of the first model.

Table 10: Variables outside the equation

		Variables hors de l'équation			
		Score	ddl	Sig.	
Step 0	Variables	FIDOCO(1)	70,041	1	,000
		MCNF(1)	10,622	1	,001
		LCNF(1)	27,509	1	,000
		PCNF(1)	53,496	1	,000
Global Statistics		113,541	4	,000	

Source: Survey data

Table 11 below, model specification, shows the strength of the relationship between corrupted accounting and irregular tax audits of Cameroonian micro-enterprises.

Table 11: Model specification tests

Model specification tests		Khi-Chi-deux	Ddl	Sig.
step 1	step	131,923	4	,000
	Bloc	131,923	4	,000
	Modèle	131,923	4	,000

Source: Survey data

In light of the table above, the chi-square is positive at 13.923 and significant at the 5% level. This analysis therefore indicates that the four indicators of impaired accounting, namely the reliability of accounting data (FIDOCO), unreliable accounting amounts (MCNF), unreliable accounting descriptions (LCNF), and unreliable accounting documents (PCNF), are significantly and negatively related to the regularity of tax audits. In the large enterprise sector, this result is contrary to that found by Afifi and Ramdaoui (2019), who establish a positive relationship between impaired accounting and the regularity of tax audits. However, it is no different from those of Scully (2000) and Lurton (2007), who establish a relationship between tax audits and reliable accounting in SMEs. Therefore, our first hypothesis, according to which, altered accounting negatively influences the regularity of tax control of VSEs, is verified.

3.2.2- Effect of the disruption of the accounting environment of VSEs on the declaration of taxes due

Tables 12, 13, and 14 provide an assessment of the relationship between the disruption of the accounting environment of VSEs and the declaration of taxes due. These tables are as follows:

Table 12: Variables in the equation

Variables in the equation		A	E.S.	Wald	ddl	Sig.	Exp(B)
step 0	Constante	-,879	,146	36,056	1	,000	,415

Source: Survey data

Table 13: Variables not included in the equation

Variables not included equation ^a		Score	ddl	Sig.
Step 0	Variables	VECO(1)	50,160	1,000
		ADOCER(1)	19,244	1,000
		MOPI(1)	50,160	1,000
		ECAFADCO(1)	50,160	1,000
		ECAINSA(1)	50,160	1,000
		ECATRACO(1)	50,160	1,000

a. Residual chi-squares are not calculated due to the presence of redundancies.

Source: Survey data

Table 14: Model specification tests

Model specification tests		Khi-Chi-deux	Ddl	Sig.
Step 1	step	46,421	1	,000
	Bloc	46,421	1	,000
	Modèle	46,421	1	,000
Step 2	Etape	8,702	1	,003
	Bloc	55,123	2	,000
	Modèle	55,123	2	,000

Source: Survey data

From Tables 12, 13, and 14 above, we note that the Wald value (36.056) is positive and significant, the percentage of VSEs classified in the model (Exp (B) = 41.5%) is also positive, the scores of all indicators are also positive, as are the chi-squared values for both stages. These statistics therefore reveal that the indicators of virtuousness of the accounting environment (VECO), activity providing certainty of results (ADOCER), motivation to pay taxes (MOPI), environment

characterized by falsification of accounting data (ECAFADCO), environment characterized by instability of business activities (ECAINSA), and environment characterized by harassment of control agents (ECATRACO) are significantly related to the variable of tax due declaration. Thus, the disruption of the accounting environment of VSEs reacts negatively to the payment of taxes due, as affirmed and verified by a set of empirical experiments.

This result is therefore partially consistent with that of Afifi and Ramdaoui (2019), who established a relationship between the existence of uncertainty in the realization of SMEs' accounting results and their distrustful behavior regarding taxes. It also partially confirms the conclusions of Atwood et al. (2010) according to which the payment of tax due is linked to an environment favorable to the maintenance of reliable accounting.

Consequently, our second hypothesis, which states that the disruption of the accounting environment of VSEs negatively affects their declaration of taxes due, is verified.

3.2.3- Effect of the absence of accounting documents for recorded transactions on the reliability of the tax base

The third model gives us in Table 15 below. To this end, the value of the constant ($A = -0.879$) is negatively significant. Furthermore, the classification level of small and medium-sized enterprises in this model ($\text{Exp}(B) = 41.5\%$) is positively significant and demonstrates the contribution of each coefficient to improving the model ($\text{Wald} = 36.056$).

Table 15: Variables in the equation

		Variables in the equation					
		A	E.S.	Wald	ddl	Sig.	Exp(B)
Step 0	Constante	-,879	,146	36,056	1	,000	,415

Source: Survey data

In Table 16 below, all the "Score" statistic values for the three indicators of missing accounting documents are significantly positive. This justifies their definite contribution to improving the third model.

Table 16: Variables outside the equation

		Variables outside the equation ^a			
		Score	ddl	Sig.	
Etape 0	Variables	EPCOT(1)	117,052	1	,000
		GAPCOR(1)	135,018	1	,000
		ENPCORE(1)	117,052	1	,000

a. Residual chi-squares are not calculated due to the presence of redundancies.

Source: Survey data

The chi-square statistics are all positive and significant for both stages of the binary logistic regression test (Table 17). This further supports the model's structure.

Table 17: Model Specification Tests

		Model specification tests		
		Khi-Chi-deux	Ddl	Sig.
step 1	step	162,746	1	,000
	Bloc	162,746	1	,000
	Modèle	162,746	1	,000
step 2	Etape	8,015	1	,005
	Bloc	170,761	2	,000
	Modèle	170,761	2	,000

Source: Survey data

Like indicators of the accounting environment of VSEs, indicators of the absence of accounting documents have a significant relationship with tax due. The absence of accounting documents for recorded transactions, measured by the preparation of accounting documents to third parties (EPCOT), the custody of accounting documents received (GAPCOR), and the recording of accounting documents received and issued (ENPCORE), has an impact on the reliability of the tax base of the VSEs studied. This result is confirmed, on the one hand, by that of Bouaziz and Omri (2013), who define a positive relationship between false accounting and the limitation of taxes and social security contributions payable. And, on the other hand, by the conclusions of Degos and Ouvard (2007), who determine a positive relationship between the absence of reliable supporting documents in SMEs and the unreliability of their tax base. Thus, our third hypothesis, according to which the absence of accounting documents for recorded transactions negatively impacts the reliability of the tax base, is verified.

3.2.4- The Effect of the Absence of Actual Accounting Data for Small and Medium-Sized Enterprises on the Determination of Profit Tax

To assess the relationship between the absence of actual accounting data for small and medium-sized enterprises and the determination of profit tax, the data contained in Tables 18, 19, and 20 below must be analyzed.

Table 18: Variables in the Equation

		Variables in the equation					
		A	E.S.	Wald	ddl	Sig.	Exp(B)
Step 0	Constante	-,879	,146	36,056	1	,000	,415

Source: Survey data

Table 19: Variables not included in the equation

		Variables not included in the equation ^a			
		Score	Ddl	Sig.	
Step 0	Variables	FIDOCO(1)	19,244	1	,000
		MCNF(1)	27,295	1	,000
		LCNF(1)	,032	1	,858
		PCNF(1)	91,245	1	,000
		RDCRE(1)	50,160	1	,000
		RDCAP(1)	19,244	1	,000

a. Residual chi-squares are not calculated due to the presence of redundancies.

Source: Survey data

Table 20: Model specification tests

		Model specification tests		
		Khi-Chi-deux	Ddl	Sig.
Step 1	step	87,936	1	,000
	Bloc	87,936	1	,000
	Modèle	87,936	1	,000
Step 2	Etape	12,946	1	,000
	Bloc	100,882	2	,000
	Modèle	100,882	2	,000

Source: Survey data

The absence of actual accounting data is partially and significantly related to the determination of the appropriate income tax. In the fourth model, this variable has five significant indicators at the 5% threshold: FIDOCO (reliability of accounting data), MCNF (unreliable accounting amounts), PCNF (unreliable accounting documents), RDCRE (result of actual accounting data), and RDCAP (result of approximate accounting data). These five significant indicators have positive scores of 19.244; 27.295; 91.245; 50.160; and 19.244, respectively. However, the LCNF indicator (unreliable accounting descriptions) is not significant, with a score of almost zero, and therefore has no influence on the determination of income tax. Since the Chi-square statistics are all positive, as is the Wald one (36.056), the classification of the TPPEs is comfortable in the model, including the results from the tests. Thus, the TPPEs which have a problem with real accounting data noted on the basis of FIDOCO, MCNF, PCNF, RDCRE and RDCAP, have a 41.5% (Exp(B)) chance of being counted among the companies in which a tendency of determining inadequate income tax is observed.

This result partially confirms that found by Chapellier et al. (2013) in Syrian SMEs. For these authors, the lack of reliable information in SMEs' financial statements is closely linked to their attitude to reduce corporate income tax. Moreover, this result is also partially similar to the findings

of Drissi and Benthami (2023), who postulate that, due to a lack of reliable accounting data, the calculation of taxable profits for VSEs is done in an approximate or flat-rate manner.

Therefore, our fourth hypothesis, which predicts a negative relationship between the absence of real accounting data for VSEs and the determination of inadequate corporate income tax, is partially confirmed.

Conclusion

To analyze the link between fabricated accounting and the tax liability of Cameroonian VSEs, we drew on studies that focused on corrupted accounting and the regularity of tax audits, as well as those that addressed the disruption of the VSEs' accounting environment and the declaration of taxes due. We also explored literature analyzing the absence of accounting documents and the reliability of the tax base, and that relating to accounting data used to determine income and calculate corporate income tax due. This literature review reveals clear relationships between the reliability of accounting data and companies' tax obligations in different study areas. For the Cameroonian context, particularly its main cities, the study results show that the link between fabricated accounting and the tax liability of VSEs is significantly present. The first three hypotheses fully confirm this relationship. However, the fourth hypothesis partially confirms this relationship. Moreover, these results also have a certain similarity with those of previous works carried out on different sites.

The sample of VSEs in this study is very small, due to the lack of a reliable file of VSEs in Cameroon, the lack of financial resources and the difficult context for collecting sensitive information necessary for the various analyses. Comparison with the results of previous work in other contexts is therefore difficult, given the level of development and the culture of maintaining reliable accounting and the tax responsibility of taxpayers in these countries. However, our research reveals interesting results that are likely to constitute a knowledge base for the development of other work on the subject and to help governments promote tax culture and transparency of financial information of VSEs. The evaluation of the link between fake accounting and the tax due of VSEs can also be studied by integrating the analysis of quantitative data (figures) with a fairly representative sample.

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