



Eximia Journal
(ISSN 2784-0735)

Vol. 11

2023

Examining the manipulation of accounting and financial information: The case of Cameroonian companies

Moumeni Yvonne

Lecturer and researcher at Higher School of Management of in Douala (Cameroon)

yvonnemoumeni@yahoo.fr

Abstract. The question of the manipulation of accounting and financial information within companies is topical among accountancy debates. It is of peculiar interest and represents an accounting policy issue. The aim of this study is to examine the reasons that spur the companies managers to manipulate financial statements reported to stakeholders. To address this concern, we made use of two analysing methods: firstly the exploratory method based on a 12 companies sample and secondly the quantitative method based on a 210 companies sample. The ordinal logistic regression helped processing the data. The results show that there are many motives that spur the managers to manipulate accounting and financial data. On the one hand, there are accounting choices and the involvement of the managers in producing them and on the other hand, there is institutional pressure.

Keywords. Determinants, manipulation, reporting of accounting and financial information

Introduction

In a constantly changing economic environment, the Cameroonian law requires the companies to report a minimum amount of information regarding their financial status. In this regard, accountancy throughout annual financial statements has proved to be an efficient way to report accounting and financial information to the whole set of stakeholders, given that financial statements are a source of periodic information provided by companies. The reporting of accounting and financial information, be it internal, external, institutional, or organisational consists globally, for a company, to deliver information to its various partners. This concern intensified these later decades, following the series of financial scandals in the United States of America (Enron, Worldcom, Tyco, Maxwell), in Europe (Alcatel, Alstom, Parmalat, Ahold, Vivendi Universal, *la Générale des eaux*, Elf and *la Compagnie financière de Suez*) and in Cameroon (Camairco, Chronopost, Bicec, Campost, Feicom). Those bad events came to remind of the importance of a whole and reliable accounting information. After having examined the major causes of those financial scandals (especially the production of a bad quality information), the study immediately seemed attractive. Mindful of this situation, the issue of the manipulation of accounting and financial information arised a question of public interest, inasmuch as its influence would affect not only the companies' performance, but the functioning of the State as well. Through literature, various works focus on the room for manipulation in reporting accounting and financial information process. It is in this regard that

the work of Mballa (2018) reveal that manipulating accounting and financial information affects terribly the companies' sustainability. Because it is an intentional deed of the managers who perform fraudulent operations in order to obtain an unjustified or illegal advantage. Manipulation deeds are akin to fraudulent deeds that bear a double characteristic: on the one hand, they stem from an obvious intention and hence are knowingly performed; and on the other hand, they aim at tricking and prejudice the rights or interests of others. As far as accountancy is concerned, manipulation can be perpetrated either by embezzlement or by presenting financial statements with the objective to hide embezzlement through such means as falsification and accounting fictitious operations. According to Agency theory, the manipulation of accounting and financial information highlights clashes of interests between the company and its stakeholders (shareholders, employees, the State, banks, providers, social actors, etc.).

These clashes are the result of an information asymmetry on the production of accounting and financial information (Jensen et Meckling, 1976). Managers supposedly opportunistic, take advantage of their informational position to maximise their own welfare, to the detriment of that of the other stakeholders in the company. The most illustrative examples are the financial scandals of Bicec, Chronopost and, Camairco, which have shaken the institutional foundations of companies' area in Cameroon. The year 2016 report of the Institute of Chartered Accountants in Cameroon show that the companies' defaults are the root of fraude and manipulation in the process of producing and reporting accounting and financial information they provide to the company's partners. And yet, Articles 467 and 469 of the OHADA Uniform Act present corporate governance obligations as a sword of Damocles designed to discipline managers. Indeed, popularising that system would help the companies getting out of the maquis which would not allow them keeping up with new management methods. Accounting decisions made by the managers are often the source of diverse pressures such as the environment, the strategy, the geography of equity, the size of the company and its age, the area of activity, the rules as well as the most subjective behaviour of the managers. The objectives of the managers are not in line with those of the Neoclassical Theory. They do not always aim at enhancing the company's value as predicted by the supporters of financial theory. With regard to these concerns, the objective of this study is to examine the incentive factors to accounting manipulation in accounting and financial information reporting process. The following question arises from the problematics: *What are the factors that trigger the manipulation of accounting and financial information in Cameroon's companies? In other words, what are the motives behind manipulation, which can help explaining the more or less strong representativeness on the reporting of accounting and financial information in Cameroon's companies?*

Although this is not a new questioning among accountancy literature, this article hinges on three parts: firstly, the point on literature review, secondly, the aspect of methodology and thirdly, the discussion of the results.

1. Literature review on the manipulation of accounting and financial information

Accountancy regulations allow a certain leeway for companies' managers. In this regard, according to their special position in the company, the managers often have private information about the status and the future of their company. In this context, they have got the possibility to use those information with the purpose to achieve various and non exclusive goals. Hence, some theories were used to describe the phenomenon of accounting manipulation.

Therein, this section aims at examining the Agency Theory, the Signal Theory and the Institutional Theory.

1.1. Manipulation of accounting and financial information as a result of agency issues

The Agency Theory developed by Jensen and Meckling (1976) questions the postulate presenting the company as a unique player to emphasise the divergences of potential interests between the various partners (managers, shareholders and creditors, etc.). Henceforth, the company's behaviour results from a complex process of balancing which occasion a certain number of costs called Agency Costs and which are necessary to make the managers adopt a behaviour consistent with the interest of the shareholders who appointed them. These agents who sometimes have divergent interests, take advantage of their informational power to produce accounts that are not in line with the reality. Managers supposedly opportunistic, take advantage of their informational position to make accounting choices to the detriment of that of the stakeholders in the company, and they produce financial statements that meet their intentional logic. In that logic Sadi (2011), Stolowy & Breton (2004), Casta & Remond (2009) and Stéphane (2009) think that the managers' decisional choices about creative accounting are based on their intention when it comes to draw up the operation's financial statements, be it for assets or liabilities. Therefrom, it appears that the motivation behind manipulation comes from creative accounting or from the desire to report, sometimes, accounting information that is not consistent with the reality (for example, constantly increasing benefits).

These later years, a research current aroused which relies on the Positive Accounting Theory to explain the companies' practices. This theory initiated by Watts and Zimmerman (1986 and 1990) claims, explains and tries to predict accounting choices from the Agency problematic and the political choices to which the company is exposed. This theory states that companies adopt methods that play the result down. The works of Casta (2009) and Bernhein (1993) reveal that accounting choices might be related to the mode of reporting of accounting and financial information, to the management of results to the type of the company and to organisational choices. According to Siala (2005), managers fuel agency clashes during the transfer of wealth, which could be the occasion for opportunistic decisions on their part. For some authors, such as Michèle (2004), Kais & Inès (2013), the annual financial statements reporting is presented in the format of the tax return (the basic model for tax forms). According to those authors, agency costs related to the managers' accounting manipulation are obvious when reporting the financial statements. The most recurrent cases are: the ratio of total financial debts to the balance sheet, the differences between the company's bank debt, financial debts and short-term debts, and finally the ratio of income to expenses. In a country like Cameroon where accounting and tax system are closely related, accounting manipulation for tax purposes are seemingly a major motivation in many companies and especially among SMEs where managers are globally the main shareholders. This manipulation consists of increasing the charges. This charges increasing is meant to play the result down. And which reduction of the result will lead to the reduction of tax charges. On this aspect, Schatt (2001) indicates that managers organise the results in order to transfer the wealth from the tax to the shareholders.

It is worth noticing that this manipulation globally gives the way to more clashes of interest between the company and the other stakeholders. Those motives of manipulation related to managers' accounting choices explain the financial scandals that have shaken the area of companies. The Positive Accounting Theory of Watts and Zimmerman (1986) show that clashes of interests between some of the partners (shareholders, managers, institutionals, public

authority) have an influence on financial policies and especially on agency costs (David & Nathalie, 2005). From the above expositions, the following hypothesis is formulated:

H1: Managers' accounting choices are incentive factors to the manipulation of accounting and financial information.

1.2. The Signal Theory speeches about manipulation of accounting and financial information

The Signal Theory presents the manipulation of accounting and financial information in a context of information asymmetry as alarm between the company and its partners (Stolowy & Breton, 2004). Given that accounting norms in force leave the managers a discretionary leeway in terms of a set of choices (methods for valuing inventories, depreciation, etc.) or assessment (provisioning rate for receivables, depreciation period, etc.) Managers might use this discretionary leeway in order to influence “the possibility of wealth transfer among the stakeholders”, either with respect to the legal framework or infringing accounting norms (Stolowy & Breton, 2003, 2004). These manipulated accounting and financial information highlight the issue of quality of what the managers propose to the stakeholders. This situation is fairly illustrated by the famous example of the lemon market where the buyer will face great challenges to distinguish a good “lemon” (Akerlof, 1970). In this context, competition induces offerers who propose a quality product to communicate to the buyers. They expect, by this signal, getting a price that matches their offer quality. On the contrary, that is not the case when it comes to the manipulation of accounting information between the company and its stakeholders.

The notion of signal we rely on is that of (Fabier, 2013), who defines the signal as an action (or a manipulable characteristic) which the companies' managers can undertake to report an information about financial statement to the partners while it is fraudulent or manipulated. Through this signal, those who detain the information transfer it to those who have it less. From these works, it is considered that a signal should be more costly, more difficult to emit for a “bad” company than for a “good” one. According to Ndjama (2008) signals related to the geography of equity can be identified as well as results management signals, signals related to company's assets, signals related to control mechanisms and, those related to operations on financial actions (stock market flotation, share par value reduction). All those signals are transmitted through the reporting of accounting and financial information. The nature of the accounting information signal is rendered mostly obvious via the certificate from a chartered accountant attached to the financial statements and using his electronic signature system (Oxibar, 2003).

Moreover, the search for sources of funding at stock exchange is a variable that determines the choice in reporting accounting and financial information and is, among others, a player of accounting and financial information signal. The works of Simo (2013), show that regulation and multiple quotation are factors likely to give a signal to accounting and financial information. Therein, some studies carried out by (Mard & Schatt, 2009; Ndjama, 2007) support that leaders are the fundamental players of accounting and financial information. The possible costs from an accounting and financial information are caused by the managers, as a result of manipulation, fraude or instrumentalisation. The above exposition allows the following hypothesis:

H2: Manager's involvement in the production of accounting information is an incentive factor to the manipulation of accounting and financial information

1.3. Manipulation of accounting and financial information according to the institutional theory

The Institutional Theory is the one that explains the institutional determinants of accounting practices. In this line, the companies managers' behaviour as far as accounting options choices are concerned can be explained by institutional pressures (Barbu & Baker ,2009). Thus, the organisations' accounting choices can be either subjectives or objectives.

It is in that logic that the work of Zmijewski & Hagerman (1981) show that accounting methods practised within organisations concentrate on subjective or objective accounting choices. The fact that shareholders, banks and tax administration as well put pressure on companies explains the subjectives choices. To this end, managers use their discretionary powers following an accounting choice portfolio according to the accounting referential. Therefore, they are tempted to present a profitable financial status which consists of showing a low default risk so as to grasp low cost funding and avoid credit rationing as well. The results of the work of Healy & Wahlen (1999) consider that the management of the result happens when the managers make use of their opinion when drawing up various financial statements either to picture a more impressive situation of the company or, to influence contracts which are based on reported accounting figures. The work of Wamba & Tchamenbé (2002) also explains that the reluctance of bank toward companies' funding in Cameroon is related to the publication of specious financial statements. The reason to that is bank pressure. In the same way, the work of Wanda (2010) proves that the recent concealment of accounting information in some Cameroonian SMEs, which have questioned the quality of financial statement are the result of the shareholding pressure. The theories of Agency and Signal show that the policies of reporting accounting and financial information are still widely discussed topics due to suspicion about financial statements produced by the managers. The work of Essomba (2004) shows that companies in Cameroon develop in an aggressive and repressive fiscal context which is characterised by difficulties to access bank fundings. Therefrom, one might be tempted to say that within this predatory fiscal environment also characterised by difficulties to access financial resources, companies have developed reflexes aiming at minimising wealth transfer meant for fiscal administration. Indeed, these companies believe that the environment is unpropitious to the development of their activities on an administrative, juridical and financial views, due to institutional pressure. In fact, accounting decisions are often trapped under various pressures such as shareholders, tax, banks, area of activities, regulations and subjective behaviour of the managers. As for shareholders, they require from the managers a certain profitability rate of the capital they invested. Among the factors of this environment that can impact the management of companies' results, there is financial environment (financial institutions, market) and economic circumstances as well (Afrifa *et al.*, 2019; Mard, 2002). The financial environnement largely determines the reasons why a management can wish to manage his results and the objectives of the results he sets himself. Thus, Ngantchou (2013) show that in an environment characterised by debt-financing, taxes depend on accounting results. The economic difficulties are a priori an additional incentive, recognised by practitioners, to manage results. So, according to Feudjo & Tchinkam (2012), in a context of financing requirements, "the managers are faced with great temptation to imagine ingenious and, often questionable, processes to better the presentation of accounts" It is in that sense that Carlos *et al.* (2022) and Trueman (1990) believe that companies are more incited to manage results in times of high business conditions. Indeed, during those times, difference of performance between competitive and less competitive companies are more sensitive. For the

less competitive, managing their results is a means to cushion the visibility about the differences of economic performance. This analysis allows to formulate the following hypothesis:

H3: Institutional pressure is an incentive factor to the manipulation of accounting and financial information.

2. Methodological justification for the determinants to the manipulation of accounting and financial information

The empirical verification protocol of this study hinges upon three articulations. Firstly the sample construction and data collection, secondly the construction of the research theoretical model and variables operationalisation and, thirdly the presentation of the data analysis statistical tools.

2.1. Sample composition and data collection

The specificity of the study leads us to select two approaches within which one is exploratory, based on document analysis and interviews (Miles & Huberman, 2003) and the other is quantitative, based on primary data. The exploratory process is justified by the specificity of the application area of the study and the object of the study. As for the document analysis, it is based on the exploitation of banks and microfinances credit services' quarterly reports, tax litigation departments, audit firms and high courts. Every service's report has helped getting information about frauds and managers' intentional accounting manipulation of information. As for the information from banks and microfinances, it appears that managers manipulate accounting information in order to obtain fundings and, after they've got it they become unable to refund it. For taxes services, it appears that fraud is accentuated because of the numerous companies caught for tax fraud. According to the Directorate General of Taxation, since 2015, about 272 companies are undergoing tax adjustments and, this number is increasing over the years. From the audit firms where we use to give a helping hand, it appears that they just stick on the instructions given by the managers during their audit assignment and that, both reports at the end of the assignment are consistent with the orientations of the manipulation of accounting and financial information. As for the high courts, they have made it possible to get the minutes of the board of directors and of the shareholders' general assemblies. The information retrieved from those minutes show that the dismissals of some managers are the result of reporting fraudulent or manipulated accounting and financial data. For example, the choice of different behaviour for the processing of charges and products. This seems quite sensitive insofar as companies characteristics are different (family business, national, subsidiary, SME and governance mode). In all those companies, methods of reporting and processing accounting data are completely different from one another.

This study is based on a sample on four areas of activities (industry, agriculture, market and service) no matter their legal status. They are located in the Centre, West, Littoral and East Regions of Cameroon. In fact, those four Regions have 94.6% of the companies in Cameroon, according to the sources from Cameroon National Institute of Statistics in 2016. The second exploratory phase of the data collection was based on interviews conducted according to an interview guide, during the period from December 2017 to January 2018. That phase explains accounting techniques perceived as manipulation ones such as: the management of provision, charges, returns on sales, depreciation methods, inventory management methods, dividend distribution policies, remuneration, tax payment policies. Each interview lasted 40 to 50 minutes on average. With respect to content analysis, it was noticed that the same words were repeated in respondents' speeches by category. The horizontal analysis made the

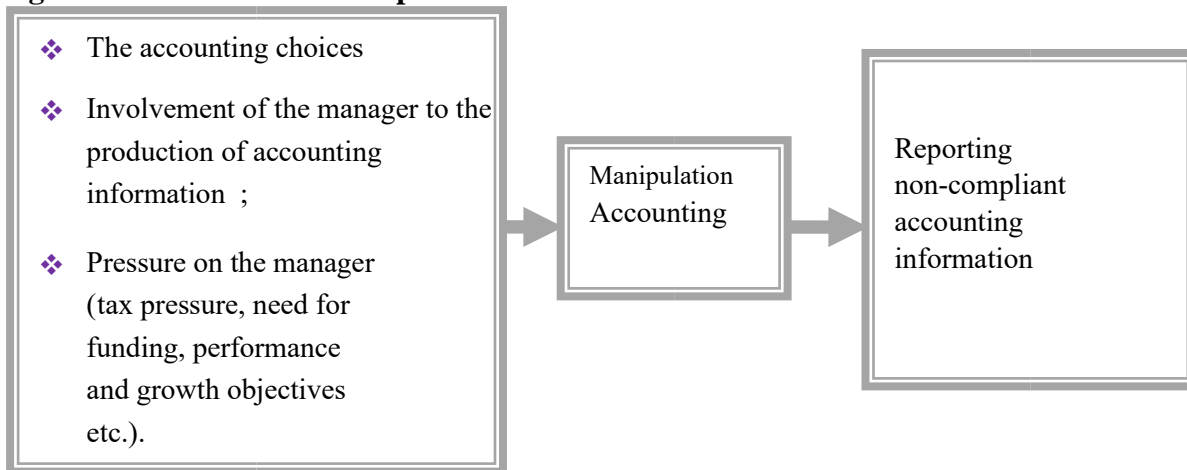
characterisation of each company’s manipulation techniques easier. Moreover, concomitant analysis of the manipulation techniques made a comparison between companies, based on manipulation technique, possible. The second which is the quantitative method consisted of collecting the data through a questionnaire for the vertical analysis. This questionnaire was addressed to 232 companies between January and March 2018. This choice is because it is the very space of time when companies use to prepare the financial statements (Statistical and Tax return Declaration) to justify themselves to the tax authorities, banks and shareholders. Beside that reason, it is also the time when dividends are computed and returned to the shareholders. After this exploratory study, the selected items to make a questionnaire on the determinants of the manipulation of accounting information are drawn out from the work of Stolowy & Breton, (2004), Razaee, (2005), Bensabeur (2016) and, Mballa, (2016). In fact, 232 questionnaires were filed and collected back. After scanning them according to the guiding objectives, 210 questionnaires were selected. The aim was to confront both the results from vertical and horizontal analyses thus, the content of the study variables will be reviewed.

2.2. Construction of the model and implementation of the variables

Previous work by Bernhein (1993); Casta & Ramond, (2009); Minko (2016) allows us to appreciate the characteristics of accounting choices in four dimensions.

Firstly, the decision-making dimension, which describes the characteristics of the unit formally responsible of producing and disseminating accounting data. Then there is the dimension relating to the production of accounting data and, finally the dimension relating to the use of this data by the managers. According to Simo (2013), organisational dimension could be linked to behavioural or subjective dimension. So, the model that enables us to see the elements that we are retaining for the rest of our analysis is as follows:

Figure 1: The research conceptual model



Source: The authors from the literature.

We believe that accounting choices, the divergence of interests between management and other stakeholders and institutional pressure (tax, funding, performance, growth, etc.) may explain accounting manipulation in the context of companies in Cameroon, both for the production of information and for the use made of it. This model therefore constitutes the predictive result for our research. The econometric model presented above establishes the relationship between the independent variables and the dependent variable.

2.3. Presentation of the économétric model

Our econometric model is based on the work of Simo (2013) and Mballa (2016) and is as follows:

$$MANI = \beta_0 + \beta_i x_i + \epsilon_i \quad i = 1, 2, \dots, 7 \quad (1)$$

With x_i , explanatory variables, β_i the Regression coefficients, β_0 the constant and ϵ_i , the term error. This equation is as follows:

$$MANI = \beta_0 + \beta_1 \text{Charges} + \beta_2 \text{Inventory Valuation} + \text{Depreciation Policy} + \beta_4 \text{Finance Law} + \beta_5 \text{Institutional Regulation} + \beta_6 \text{Remuneration Policy} +$$

$$\text{Dividends Policy} + \epsilon_i \quad (2)$$

With FRQ-COM: the frequency

MANI: Manipulation of accounting information,

RES-DE: respect of deadline

In model (2) equation, the explanatory variables inventory valuation, depreciation policy, law of remuneration policy, dividends policy. This equation (2) will be assessed by ordinal logistic regression because the dependent variable is qualitative and measured following a Likert Scale. This variable takes the values (1, 2, 3) ; with disagree (1) , (2) agree, (3) strongly agree.

2.4. Operationalisation of the variables

We are going to operationalise each variable based on the hypotheses we assumed. This will make the hypotheses analysis easier. Therefore, the joint operationalisation of the variables in our hypotheses is reconciled in the table below.

Table 1: table of operationalisation of the variables

| Variables | Definitions | Measures selected | Signs expected | Reference authors |
|--|---------------------|-------------------------------------|-----------------|--|
| Dependent variable: information quality | | | | |
| MANI | FRQ | Measure on a 5 Points Lickert Scale | Positive | Stolowy & Breton (2004) Stolowy & Breton (2003), Berheiny (1998) |
| | DEL | | | |
| Independent variables: the manager profile, the divergent interests and the pressure on the manager | | | | |
| CHA-FIS | Fiscal charges | | Negative | |
| EVA-STOC | Inventory valuation | Measure on a 5 Points Lickert Scale | Positive | J-F Casta (2012) Ngongang (2005) Vidal (2010) Ngantchou (2013) Mohamed (2013) Stolowy & Breton (2004) |
| POL-AMOR | Depreciation Policy | | Negative | |

| | | | | |
|----------|----------------------------|-------------------------------------|----------|---|
| LOI-FIN | Finance Law | Measure on a 5 Points Lickert Scale | Positive | Ngongang (2007) Mballa (2016); Simo (2013) Chekkar & Onnee (2010), |
| RES-REGL | Compliance with Regulation | | Positive | |
| POL-REM | Remuneration Policy | | Positive | Breton & Schatt (2007) Colasse (2011), Leuz (2010) Christophe B. (2000) Minko (2016) |
| POL-DIST | Distribution policy | | Positive | |

Source: construction of the Authors

The table above is about the operationalisation of the factors influencing the importance of accounting information produced in companies. It appears that the method of inventory management, the depreciation policy, the remuneration policy, the policy of dividends distribution and compliance with the regulations seem more explicit to us than those about the size of the company and the turnover and others. Data were collected through the questionnaire. After identifying and operationalising the variables, we find it important to present the results of the econometric data processing.

3. Results of the logistic regression

When the dependent variable appears in ordinal qualitative form that is a hierarchical variable (example: Lickert Scale), the ordinal logistic regression is the best choice for the econometric data processing. Indeed, we made use of that regression in the framework of this study because our dependent variable is qualitative. First of all, we built the ordinal logistic regression for each item allowing to get the dependent variable and the items allowing to get independent variables. That helped us draw an overview table which is the summary of the different logistic regression tables of the variables related to the company's characteristics and the items selected to get our independent variables. That table is as follows:

Table 2: Summary of logistic regressions

| | | <u>Coef</u> | <u>Prob</u> | <u>Coef</u> | <u>Prob</u> |
|-----------|-----------------|---------------|----------------|--------------|-----------------|
| H1 | CHA- FIS | 4.337 | 0.037** | 0.163 | 0.686 |
| | EV-STOCK | 5.515 | 0.019** | 2.879 | 0.09*** |
| | POL-AMOR | 3.392 | 0.066** | 2.775 | 0.096*** |
| H2 | LOI-FIN | 20.317 | 0.00* | 2.018 | 0.654 |

| | | | | | |
|----|----------|-------|---------|-------|----------|
| | REGL | 0.619 | 0.431 | 3.51 | 0.061*** |
| H3 | POL-REM | 6.284 | 0.012** | 3.724 | 0.054*** |
| | POL-DIVI | 0.024 | 0.876 | 0.051 | 0.821 |

Source: The authors based on Pearson's Khi-square

Legend: *=significance at 1% ; **=significance at 5% ; ***= significance at 10%.

The above logistic regression table is the summary of different logistic regressions matching the items which allow grasping the phenomenon of accounting manipulation studied in this work.

3.1. Interpretation of the results of the ordinal logistic regression

It is worth asserting, from the above summary table if, the independent variables do or do not have an influence on the dependent variable.

3.2. Interprétation of the results relating to hypothesis H1

Examination of table 2 above shows that accounting choices have a positive influence (at a 5% threshold for compliance with deadlines and 10% for frequency) on the variables captured by the inventory valuation and non-compliant depreciation methods. These results are in line with those of (Adbi *et al.*, 2020; Stolowy & Breton, 2004), who believe that accounting choices make it possible to examine the relationship between manipulation and the level of non-compliance of accounting and financial information. This association has a severe influence on the manipulation of accounting and financial information. These predictions corroborate those of Ndjama (2007), who points out that preferences regarding the production of financial statements relate to the economic dimension of objectives and behaviour. This was the case with the Bicec Cameroon affair in 2016, where managers were caught out following the manipulation of permanent assets. This confirms the hypothesis that **"accounting choices provide a positive incentive to the manipulation of accounting and financial information"**. This hypothesis is in line with the standard approach to accounting policy, whose accounting choices influence the credibility of the accounting and financial information reported by the company.

3.3. Interprétation of the results relating to hypothesis H2

The results in table 2 also show that managers' involvement in the production of accounting information has a positive influence on manipulation at a 10% threshold when measured by compliance with regulations and the Finance law. These results converge with those found by Mezghani & Ellouze (2007) and Minko (2016) who showed that the main motivation for accounting manipulation is the maximisation of managerial welfare through compliance with prescribed laws and standards. In this way, the involvement of managers in the production of accounting data is an attempt to optimise accounting profits.

Without calling this managerial motivation into question, Baïdari (2005) believes that there are other reasons that can explain accounting manipulation. Specifically, in companies with a controlling manager shareholder, the latter's desire to transfer wealth to the stakeholders (tax authorities, banks, employees, customers) is not real; the manager manipulates the accounting information so as to change the perception of these stakeholders in order to maximise personal interests. This was the case with the managers of the former Camair in 2005,

who were caught up in their manipulation of accounting information. These analyses confirm the hypothesis which states that: **“Managers’ involvement in the production of accounting and financial information positively encourages the manipulation of accounting and financial information”**.

3.4. Interpretation of the results relating to hypothesis H3

Table 2, which summarises the ordinal logistic regression, shows that all the items used to capture institutional pressure (such as depreciation policy and dividend distribution policy) have a positive influence on manipulation, at the 5% and 10% thresholds respectively. These results support the literature in the sense that the manipulation of accounting and financial information is an issue in dividend distribution, depreciation and tax payment policies, to name but a few. This conception is all the more a priori since managers, in order to maximise shareholders’ dividends, communicate non-compliant accounting and financial information to other stakeholders. Thus, these results are in line with those of Jean-Jean & Stolowy (2008), who consider that accounting standards are a cognitive approach that reinforces the discretionary power of managers in accounting practices that may lead to the manipulation of accounting and financial information. Furthermore, Leuz (2010) believes that the manipulation of accounting and financial information can be explained by the relationships that managers have with other stakeholders. For example, when it comes to the payment of taxes in Cameroon, companies’ managers explain that government officials create offences even where there is none. As a result, they are forced to manipulate their accounts before paying their taxes. These results are in line with those of Ngantchou (2013); and Simo (2013) who state that managers play a gatekeeper role in the process of manipulating financial statements reported to stakeholders. This confirms hypothesis **H3**, which states that: *‘institutional pressure positively encourages the manipulation of accounting and financial information’*. These results are in line with the work of Ngongang (2007), who points out that the choice of accounting practices is often conditioned by the pressures experienced by the manager; these include fiscal, environmental and competition pressures, the search for funding, the concern to guarantee the sustainability of the entity and to satisfy the multiple needs of the shareholders.

Conclusion

This study aimed at examining the determinants of the manipulation of accounting and financial information, with the objective to assess the incentives behind manager's manipulation of the financial statements. The results of the study show that accounting choices, managers involvement in the production and institutional pressure have a positive influence on the manipulation of accounting and financial information. These results enrich the literature related to the positive theory of accounting with empirical work in a small economy such as the case of companies in Cameroon, which has not previously been the subject of any study. In particular, this research could be useful if it were possible for the government, all other things being equal, to identify, with a low risk of being wrong, the variables that best explain the persistence of the manipulation of accounting information with a view to taking the necessary measures. In fact, the government must adopt tax incentives while avoiding the "tightening" of accounting regulations, because this is not necessarily the best solution for limiting the opportunistic behaviour of managers. For shareholders, they should introduce strict rules (and even penalties for breaking these rules). In addition, they must be regularly involved in strengthening governance structures. However, this study leaves one question unanswered: what is the relationship between corporate governance mechanisms and accounting choices?

Bibliographic references

- [1] Adbi, A., Lee, M., & Singh, J. (2020). Community-mediated exchange and collective loan defaults in microfinance: Evidence from Indian demonetization. INSEAD.
- [2] Afrifa, G. A., Gyapong, E., & Zalata, A. M. (2019). Buffer capital, loan portfolio quality and the performance of microfinance institutions: A global analysis. *Journal of Financial Stability*, Vol.44, pp.37-45.
- [3] Akerlof, G. (1970). The market of lemons: qualitative uncertainty and the market mechanism. *Quarterly Journal of Economics*, 84, pp 488-500
- [4] Baidari B. (2005), " *Les entreprises sénégalaises utilisent-elles les données comptables qu'elles produisent ?* ", *Revue Africaine de Gestion*, n° 2, pp.25 -50.
- [5] Bernhein, Y., (1993), " *La comptabilité d'intention: bonne ou mauvaise intention?* " *Revue du droit comptable* n°93-4, pp.87-97
- [6] Casta J. F. (2009), " *Théorie positive de la comptabilité* ", CEREG Dauphine, pp.1393-1402.
- [7] Casta. J-F, Ramond. O, (2009), " *Politique comptable des entreprises* ", *Encyclopédie de comptabilité, contrôle de gestion et audit*, Economica, Paris, p.1163
- [8] Chekkar R. et Onnee S. (2010), " *Gestion de la relation avec les parties prenantes et communication dans un contexte de crise : le cas de la Société Générale de 1988 a 1999* ", 15^{ème} Journées d'Histoire de la Comptabilité et du Management, Paris Dauphine, 20p.
- [9] Christophe B. (2000), " *Intention et comptabilité* ", *Encyclopédie de Comptabilité Contrôle de Gestion et Audit*, n°1, pp.845-856.
- [10] Carlos MartinRios, Niclas L. Erhardt, IvanM. Manev(2022) Interfirmcollabora ti on for knowledge resources interaction among small innovative firms *Journal of Business Research*, Vol 153, pp. 206-215
- [11] Colasse B. (2011), " *La crise de la normalisation comptable internationale, une crise intellectuelle* ", *Comptabilité -Contrôle - Audit*, vol. 17, n° 11, pp.82-101
- [12] David Carrassus et Nathalie Gardes (2005), " *audit légal et Gouvernance d'entreprise : une lecture théorique des relations* ", *Comptabilité, Contrôle et Audit*, 23p.
- [13] Favier M., (2013), *L'audit l'égal, un outil qualité et de pilotage de la performance des entités*, mémoire de Master, Spécialité Audit et Contrôle.
- [14] Feudjo J. R. et Tchankam J.P., (2012), *Les déterminants de la structure financière : comment expliquer le " paradoxe de l'insolvabilité et de l'endettement " des PMI au Cameroun ?* *Revue internationale P.M.E.*, vol. 25, n° 21p.
- [15] Healy. P, and Wahlen. J, (1999), "A review of the earnings management literature and its implications for standard setting", *Accounting Horizons*, vol. 13, n°:4.
- [16] JeanJean , T et Stolowy, H. " *Do Accounting standards matter ? An exploratory analysis of earnings management before and after IFRS adoption*". *Journal of accounting and Public policy* , n°27, vol.6. pp480-494.
- [17] Jensen et Meckling (1976), "Theory of the firm managerial behaviour, agency cost and ownership structure", *Journal financial economy*, vol. 3, October, pp.305-360
- [18] Kais L. et Inès A. (2013), " *Les déterminants des systèmes d'information comptables dans les PME : une recherche empirique dans le contexte tunisien* ", *Association internationale de management et stratégie*, pp. 1-28.
- [19] Leuz,C.(2010) " *Different approaches to corporate reporting regulation : how jurisdictions differ and why* ." *Accounting and Business Rsearch* n° 40 ,vol.3 pp.229-256.

- [20] Michèle L .S, (2004), " Information comptable et défaillances des entreprises ", Papiers de recherche de l'Université Montesquieu, Bordeaux 4, pp.1-21
- [21] Mard Y. et Marsat S. (2008), " les stratégies comptables entourant un changement de dirigeant en France ", Centre de Recherche en Gestion et Management de l'Université d'Auvergne
- [22] Clermont Ferrand, pp.1-24
- [23] Mard Y., (2002), déterminants et instruments de la gestion comptable : étude empirique sur un échantillon d'entreprises françaises cotées, Thèse de Doctorat en Science de Gestion, Université d'Aix-Marseille 3
- [24] Mballa A. Y. V., (2016), La production de l'information comptable au sein des entreprises camerounaises : vers l'urgence d'une réforme institutionnelle ?, *Revue de Management et de Stratégie*, vol 3, n° 2, pp : 48-77..
- [25] Miles, M. B., & Huberman, A. M. (2003). *Analyse des données qualitatives* (2e éd.). Paris : De Bœck.
- [26] Minko G. F (2016), " Les manipulations des nombres comptables dans les entreprises : étude des cas au Cameroun ". *Revue Camerounaise de Management*, n°32. pp 35-60.
- [27] Ndjama.C (2007), " Le risque de faillite modifie-t-il la politique comptable ? ", IAE de Toulouse, cahier de recherche n° 2003, vol. 156, pp. 1-25.
- [28] Ndjama. C (2008), " fraude a l'information comptable et financiere : le role des autorites de regulation. " Congrès AFC, Essec , mai , France. pp.CD Rom
- [29] Ngantchou, A., (2013), " l'influence du profil éthique du propriétaire dirigeant sur le contenu informatif des nombres comptables ", *Revue internationale P.M.E*, vol.26, n°2, pp. 13-36. Ngongang, (2007), " Analyse des facteurs déterminants du système d'information comptable et des pratiques comptables des PME tchadiennes ", *la Revue des Sciences de Gestion*, n° 224-225, pp. 49-57.
- [30] Oxibar B. (2003), " La diffusion d'information sociétale dans les rapports annuels et les sites internet des entreprises françaises ", Thèse de Doctorat en sciences de Gestion, Université de paris Dauphine, 335p.
- [31] Rezaee, Z. 2005, " Causes, Consequences, and Deterrence of Financial Statement Fraud", *Critical Perspective on Accounting*, vol. 16, no. 3, pp.277-298.
- [32] Sadi, Nacer-Eddine, (2011), " Innovations comptables internationales et analyse des états financiers ", Press universitaire Grenoble, France
- [33] Simo B. (2013), " Contribution à l'analyse des déterminants de la gestion des données comptables : une étude dans le contexte de la PME camerounaise " Thèse de Doctorat en comptabilité Contrôle et Audit, Université de Dschang, 296p.
- [34] Schatt, A, (2001), "Quel avenir pour l'information comptable ", Université de Franche-Comté
- [35] Stolowy, H. & Breton, G. (2003) , " La Gestion des Données Comptables : Une Revue de la Littérature", *Comptabilité Contrôle Audit*, vo l. 9, no. 1, pp. 125
- [36] Stolowy. H et Breton. G, (2004), " Accounts Manipulation: A Literature Review and Proposed Conceptual Framework ", *Review of Accounting and Finance*, vol. 3, N°1.
- [37] Siala G.H. (2005) " Effet de la concentration de l'actionnariat sur la publication volontaire d'informations dans les rapports annuels : cas des entreprises Canadiennes ", thèse de doctorat en Sciences de Gestion, FSEG de Sfax, 372p.
- [38] Simo B. (2013), " Contribution à l'analyse des déterminants de la gestion des données comptables : une étude dans le contexte de la PME camerounaise " Thèse de Doctorat en comptabilité Contrôle et Audit, Université de Dschang, 296p

- [39] Stéphane, L.(2009), " La comptabilité, la communication financière et la fraude : quelques éléments d'analyse de la Société Générale ", *Comptabilité Contrôle Audit*, Vol 15(2), p37-59.
- [40] Vidal. O, (2011), " De l'importance des seuils en comptabilité. Comptabilités, économie et société ", Montpellier, France.
- [41] Wamba H. et Tchamanbé-Djiné L. (2002), " Information financière et politique d'offre de crédit bancaire aux PME : cas du Cameroun ", *Revue Internationale PME*, vol. 15, n°1, pp 87-114.
- [42] Wanda R. (2010), " Conseil d'administration et performance des entreprises conjointes francoCamerounaise ", *Revue des Sciences de Gestion*, vol. 5, n° 245- 246, pp.24-45
- [43] Watts R. and Zimmerman J. (1986), *Positive Accounting theory* prentice-Hall, Inc. Englewoold Cliffs, 288p.
- [44] Watts R. and Zimmerman J. (1990), "Positive accounting theory: a ten year perspective", *The accounting Review*, vol.65, , pp.131-156.
- [45] Zmijewski. M. E et Hagerman. R. L, (1981), " An Incombe Strategy Approche to the Positive Theory of Accounting Standard S'éteint Choice", *Journal of Accounting and Économies*, août,n°3, pp.129-149.