

## INDEPENDENT REVIEW OR AUDIT? THE SME IMPLICATIONS WORTH PONDERING

FRANÇOIS COETZEE<sup>1</sup>, PIETER BUYS<sup>2</sup>

**ABSTRACT.** SME accessibility to finance is widely regarded as a crucial contributing factor to sustainability. It is also generally accepted that access to finance is considerably more difficult for SMEs than for larger corporations. The statutory audit of financial statements for qualifying SMEs in South Africa has been abolished and replaced with the option to do an independent review of the financial statements. This paper considers this abolishment from two perspectives. Firstly, the problem being investigated in this study is whether the lack of audited financial statements has negatively affected SME access to bank financing. This is done by testing the perspectives of SME owners/managers in this regard. A further problem looks at mitigating action SMEs can take to improve their risk profile during a banks assessment of a loan application. Knowledge of basic accounting principles has been identified as a potential mitigating factor by various researchers. This study gains insight into the views and perceptions of SME owners/managers pertaining to their perceived accounting knowledge and or skillsets.

**Key words:** accounting proficiency, audit, independent review, SME finance, SME sustainability

**JEL Classification:** M13, M41, M42, M48

**Recommended citation:** Coetzee, F., Buys, P., *Independent Review or Audit? The SME Implications worth Pondering*, Studia UBB Negotia, vol. 62, issue 2 (June), 2017, pp. 5-22, doi:10.24193/subbnegotia.2017.2.01.

---

<sup>1</sup> PhD Candidate, NWU School of Business and Governance, Potchefstroom campus, South Africa, francois.coetzee@nwu.ac.za

<sup>2</sup> Director: WorkWell Research Unit / Professor: NWU School of Business and Governance, Potchefstroom, South Africa, pieter.buys@nwu.ac.za

## 1. Introduction

*“It’s a troublesome world. All the people who are in it, are troubled with troubles almost every minute.” (Geisel, 2016)*

Although the above quote by ‘Dr Seuss’ may have been directed at a younger audience, it does encapsulate the day to day strife of the contemporary small and medium enterprise to become sustainable. The concept of a *Small and Medium Enterprise* (SME) is globally recognized, denoting business entities that are not classified as big (corporate-type) business organisations. Although there are various opinions as to the defining characteristics of what constitutes an SME, Mahembe (2011) expresses the view that it is practical to define an SME by its relative small number of employees, or by its relative small annual turnover, or by a combination of the two. Surveys done by World Bank (2015) have found that SMEs play a definitive role in many global economies, but more so in developing economies - taking only formal SMEs into account, they contribute up to 33% of GDP in such developing economies. If one was to add informal SME statistics to these numbers, the SME contributions to GDP would be substantially higher.

Furthermore, according to the World Bank (2015) most jobs (approximately 80%) in emerging markets are created by SMEs. From a South African perspective, SMEs constitute as much as 91% of formal businesses and further contribute roughly 57% to the local GDP and 61% to the domestic workforce (Abor & Quartey, 2010). With contributions as significant as these, it is imperative that the SME sector is nurtured and supported by all and sundry in order to sustain and enhance their economic and societal impact globally.

Notwithstanding its importance, there is a myriad of problems facing SMEs on a daily basis, such as inaccessibility to external financing, a competitive business environment, a lack of technical, financial and managerial skills, a lack of research and development infrastructure, an unskilled labour force, many tax and statutory administrative burdens, and various other internal and external factors (Yoshino & Taghizadeh-Hesary, 2016; IRMSA, 2015). As daunting as all these challenges may seem, various authors have found that one of the greatest obstacles to

SME sustainability, is its struggle to obtain bank finance (Malhotra *et al.*, 2007; Wattanapruttipaisan, 2003; Ayyagari *et al.*, 2012; Beck *et al.*, 2005; World Bank, 2013).

Without finance availability, SMEs cannot be innovative and expansive and will remain stagnant and even unsustainable. In this regard, Mills and McCarthy (2014) found that bank loans are a crucial method of finance utilized by many SMEs. In fact, more than 80% of SMEs consider banks as a key source of business funding (NFIB, 2012; Mahembe, 2011). With this in mind it is disconcerting, from an SME perspective at least, to note that only approximately 30% of SMEs that apply for bank loans, are eventually approved (Mazanai & Fatoki, 2012; Mahembe, 2011; Turner *et al.*, 2008).

To complicate matters somewhat more, the success of a bank loan application has historically been dependent on the submission of audited financial statements, which banks relied upon during the application review process (Grant Thornton, 2008; Pitcher Partners, 2010). Access to finance has been made difficult by the fact that banks have historically regarded SMEs as a greater risk than big corporations as far as debt is concerned (The Conversation, 2012; Haynes *et al.*, 1999). To mitigate this risk, banks would put SMEs through a more rigorous screening process, which included the requirement for audited financial statements (Accountancy Asia, 2011; SAICA, 2010; Pitcher Partners, 2010). However, in South Africa, a new Companies Act, No. 71 of 2008 (referred to the Act hereafter), brought about the abolishment of the *statutory audit* requirement for qualifying companies in favour of the so-called *independent review* alternative thereto (Act, 2008).

A similar fate has befallen statutory audits in countries such as the USA, the UK, Australia, Canada and Singapore where mandatory audits are no longer required for all companies (Salleh *et al.*, 2008; Abdul Aziz, 2002). With the advent of these *lesser requirements*, SMEs (including South African SMEs) are left with a difficult decision. Do they keep on doing an audit (at a higher cost) and improve their chances at obtaining bank finance, or do they opt for the cheaper independent review and run the possible risk of having their loan applications rejected?

## 2. Research Problem and Methodology

As stated above, the implementation of the Act in South Africa led to a conundrum for SMEs in that audits are no longer required for qualifying companies, while banks in fact have historically placed substantial reliance on audited financial statements to aid in evaluating loan applications. Therefore, this article takes a closer look at the views and perceptions of SMEs pertaining to the choice the new Act has laid before their door, i.e. that of the audit versus independent review.

In order to come to a holistic understanding of the issue, a mixed method research approach was followed. First, a literature review considers i) the development and importance of accounting and ii) the potential shortcomings and benefits of an audit versus an independent review. Secondly, the literature study is supplemented with empirical surveys from i) a bank perspective on bank finance approval requirements for SMEs, via surveys of the four largest SME finance providers in South Africa, and ii) an SME perspective on bank finance approval requirements from banks, via surveys of 60 SME entities throughout South Africa. The article is ended with some concluding remarks and final comments.

## 3. Development and Importance of Accounting

### 3.1. A Historic Overview

A glance at the historic development of accounting when trying to gauge the effect of an *audit* versus an *independent review* engagement may seem rather counterintuitive, but it does provide a good foundation into the realities of SMEs. From an accounting perspective, the decision an SME has to make between an audit or an independent review is more far reaching than just the access to finance quandary. It cuts into the very fabric of the value accounting offers to SME sustainability and growth. In this regard, Buys (2011) views accounting as more than just a *bookkeeping activity* or the *application of accounting standards*, but rather as a value adding necessity. Emphasizing this very viewpoint, Warren Buffet holds accounting, and the knowledge thereof, in such high esteem that he refers to accounting as *the language of business* and a discipline that every shrewd business person should *understand* (Buffet & Clark, 2008).

Accounting developed because there was a specific need that was present at the right time in the right place (Edwards, 1960). Effectively we can say that accounting developed and evolved because commerce developed a specific need that kept on evolving. Edwards (1960) also theorizes that accounting didn't develop randomly, but rather in logical and consecutive phases. These phases were:

1. record keeping, i.e. preserving of documents to substantiate transaction legality;
2. bookkeeping, i.e. progression of record keeping in the sense that transactions are recorded and reported;
3. accounting, i.e. progression of bookkeeping in the sense that transactions are substantiated, recorded, reported, summarized and subjected to control mechanisms.

The theory that the accounting developmental process can be equated to a specific need that developed and evolved, correlates nicely with the opinion raised by Sangster (2010) when he says that the double entry accounting system was necessitated (*need*) by the fact that Italy's commerce (*specificity*) had developed (*development*) into a system where business people started using agents and partnerships to trade with (*evolution*). The evolution of accounting theory didn't stop with Luca Pacioli, often considered as *the father* of double entry accounting (ten Have, 1976), when he published his book *Summa de Arithmetica, Geometria, Proportioni et Proportionalita* (roughly translated as *Everything About Arithmetic, Geometry and Proportion*) in 1494 (Alexander, 2002). This publication has been regarded as the basis for modern day accounting theory for many decades (Fogo, 1905; McCarthy *et al.*, 2008). As specific needs developed, accounting adapted and improvised. Warsono-bin-Hardono (2013) argues that accounting's initial purpose was to provide and reproduce reliable information, originally, to be of value to all relevant stakeholders.

This purpose may unfortunately have left the initial premise of *reliable information for all* in the past. Currently, the reliability extracted from accounting is very much dependent on the user's understanding of complex accounting standards and principles. For SME owners therefore, the choice between audit or independent review should start with the question: "Where do I get the most useful, reliable and helpful information?"

### 3.2. Audit versus Independent Review

The implementation of the *Act* in South Africa had very good intentions in that its objectives included the creation of flexibility in the organisation of companies, a less burdensome regulatory environment, the promotion of efficiency and transparency in corporate governance, and bringing the local company legislation in line with international developments.

Significant to auditors, accountants and SMEs alike was the introduction of the *independent review* as an alternative to a *statutory audit*, which can bring about a potential cost saving in auditor fees, i.e. in preparing and maintaining audit files, and in administrative fees i.e. company regulatory requirements (Othman *et al.*, 2013). Nevertheless, there have been reservations as to the trade-off between helping SMEs save costs and burdensome administrative compliances and the value an audit may hold (Othman *et al.*, 2013), including the following:

- Third parties such as banks, taxation authorities and shareholders may still require audited financial statements as a means of acquiring the necessary assurance as to the reliability of assertions made in the financial statements.
- Furthermore, where an SMEs owner is also the manager, the manager would essentially be reporting to himself. Valuable third party insight and advice into the SME's dealings, which could have been gleaned from an audit, may now fall by the wayside.

Qualifying SMEs, in terms of the new Act, now have to choose between staying with a statutory audit or having an independent review done. The following table gives a systematic comparison to high-light key differences between the two engagement types.

**Table 1.** Audit versus Independent Review

(Adapted from: AICPA, 2015; Kennelly, 2012; Mann Weitz & Associates, 2012)

Attribute	Audit	Independent review
Assurance level	Reasonable assurance about the absence of material misstatements.	Limited assurance about the absence of material misstatements.

INDEPENDENT REVIEW OR AUDIT? THE SME IMPLICATIONS WORTH PONDERING

Attribute	Audit	Independent review
Objective	Reasonable assurance about the fair presentation and absence of material misstatements. An audit opinion is provided regarding the level of assurance.	Limited assurance enabling a basis for reporting whether any material issues arose from the procedures conducted.
Internal control investigation	Yes	No
Test internal control effectiveness	Dependent on audit strategy and risk assessment	No
Third party verification	Yes	No
Procedures in support of assurance requirements	Yes	No
Financial statement preparation is a management responsibility	Yes	Yes
Fraud investigation	No	No
Performs inquiry and analytical procedures.	Yes	Yes
Perform verification and substantive procedures.	Yes	No
Practitioner credentials	Registered public auditor	Lesser requirement of being a registered accountant
Cost implications	Involves the most work and risk and thus the cost is substantially higher.	Not as labour or risk intensive and thus a substantially lower cost implication.

Based on the above, it is obvious that an independent review is not only a cheaper alternative, but is less intrusive into the operations and activities of the entity.

In the South African context therefore, consideration is now given to the specific requirements that would allow an entity to qualify for an independent review as opposed to an audit. Regulation 26 of the Act prescribes the method that should be used to determine whether a statutory audit is still mandatory or whether an independent review may be used. Shev (2012) explains that the method by which this determination is made is based on calculating the entity's so-called *Public Interest Score* (PIS), which is essentially calculated by allocating points in the following manner:

- One point for each employee (based on the average number of employees as defined in the Labour Relations Act No. 66 of 1995) that worked at the company during the financial year under review.
- One point for every ZAR 1 million<sup>3</sup> (or portion thereof) in turnover generated during the financial year under review.
- One point for every ZAR 1 million (or portion thereof) of third party liability the company had at yearend of the financial year under review.
- One point for every individual who directly or indirectly held a beneficial interest in the issued shares of the entity during that year.

Using the above points calculation, further inter-related criteria points are considered to determine whether an entity is considered a qualifying entity for an independent review, or whether it should still conduct an audit, as illustrated in the table below:

**Table 2.** Summarized audit versus independent review requirements  
(Adapted from: SAICA, 2012; CQS, 2012)

Public Interest Score	Management structure	Accounting record compilation	Audit vs Independent Review
< 100	Owner	(Not Applicable)	None
< 100	Non-owner	(Not Applicable)	Independent review

<sup>3</sup> ZAR (or South African Rand) is the local currency. At the time writing the exchange rate was approximately ZAR 13.20 to USD 1.00.



Public Interest Score	Management structure	Accounting record compilation	Audit vs Independent Review
100 to 349	Owner	Internal	Independent review
100 to 349	Owner	Independently	None
100 to 349	Non-owner	Internally	Audit
100 to 349	Non-owner	Independently	Independent review
350 +	<i>(Not Applicable)</i>	<i>(Not Applicable)</i>	Audit required.

What further complicates the decision to choose between an audit or an independent review for SMEs, is the fact that the PIS calculation may fluctuate from year to year (Shev, 2012), which will result in the auditing requirements in terms of the Act also potentially changing from year to year. In instances such as these, the initial cost saving benefits of not performing an audit may be negated. With no continuity in the audit engagements, it may be difficult for auditors to place reliance on previous financial statements and thus verifying the opening balances may require more time and effort from auditors, thereby making the audit even more expensive than what a continuous engagement might have been. Some of the major benefits and disadvantages between the two options that are important for SMEs to consider, are provided in the table below:

**Table 3.** Audit versus independent review considerations  
(MacIntyre, 2015)

Audit	Independent review
Audit work is more rigorous and contains more in-depth procedures which may provide management with valuable information that can contribute to the SMEs sustainability efforts.	It is less rigorous and thus substantially cheaper than a statutory audit and is less administratively burdensome.
It gives a higher level of assurance that the financial statements are a fair reflection of the business.	It is an easier process, thus saving the SME time spent with the reviewer.
The requirement to review internal controls can provide useful recommendations to management.	Gives a moderate form of assurance to stakeholders and third parties that the financial statements have been reviewed by an independent person.

Audit	Independent review
More onerous process which can be time consuming and can place a large administrative burden on the SME.	Less depth of work. Thus not producing as much value to management in the form of feedback and recommendations.
Much costlier than an Independent review.	No requirement to review internal controls or produce a management letter.

Based on the above therefore, the audit exemption decision is an important consideration in an SME's sustainability consideration. Careful thought and contemplation is required from SME owners to choose what is best in terms of their company's vision and mission.

#### 4. Bank Perspective on SME Audited Financial Statements

As much as access to finance is regarded as a key threat to SME sustainability, banks are not too keen to take the blame for the lack of finance availability. Wiersch and Shane (2013) found that banks attribute the perception that banks aren't lending money to factors such as a lack of demand for credit from SMEs, asymmetric information from SMEs and the inability to show how loans were going to be repaid. According to OECD (2009) tougher regulations are often imparted on banks, which then gets passed on to clients, while Berger and Udell (2006) also found that banks often use *financial statements* when considering loan applications. The question that needs answering therefore is whether *audited* financial statements improve the chances of SMEs getting loan applications approved.

To answer this question in a South African context, the applicable requirements from the four largest banks, which, according to the Banking Association of South Africa (2014) represent approximately 82% of the banking market share, were obtained and analysed. The relevant loan application information was collected from their websites, supplemented by hard copy applications available from the banks themselves. Finally, the information requirements were also clarified by discussions with loan officers at the different banks. The research found that the South African

banks have essentially adapted to the new *Act* by no longer requiring SMEs to submit audited financial statements, but that statements such as (and confirmation of) the i) cash flow statements, ii) management statements, iii) business plans and iv) the provision of security are currently of more importance in evaluation loan applications. Therefore, the conclusion that can be drawn is that historical financial information, such as audited financial statements, is becoming of lesser importance compared to more current information, such as cash flow statements, business plans, management accounts, and especially some form of security, all indicating the SMEs' ability to make the required repayments.

## **5. SME Perspective on Accounting and Audited Financial Statements**

Based on the research done as referred to in the previous section concerning the importance banks place on audited financial statements, further research was conducted to gauge the view of SMEs pertaining to the same scenario, in other words what the SMEs' perceptions are regarding the importance of audited financial statements. In doing so, the SME database of a (registered) external auditing firm with a countrywide footprint was used to withdraw the sample from, resulting in 60 participants spanning the country and covering various industries.

The research indicated that the SME owners concurred with the finding that South African banks no longer insist on audited financial statements when assessing loan applications. The research further indicated that SME owners/managers believe surety (95% of participants) and current management statements, including cash flow statements (88% of participants) are of more importance to bank loan approval processes than the availability of audited financial statements.

This leads us to the inevitable question of how SMEs can improve their chances of having loan applications granted by banks. With audited financial statements no longer required, and banks circumspect of asymmetrical information, it stands to reason that the more 'reasonable' information SMEs can present to banks, the more likely banks will be to accept such information as reliable. This in turn should improve a SMEs chances of

convincing banks of their sustainability and lower risk assessments during loan applications. Sian and Roberts (2009), Chimucheka and Rungani (2011) and Haron *et al.* (2013) all agree that SMEs, more often than not, lack basic accounting knowledge.

This lack of accounting acumen can lead to asymmetric information being produced and supplied by SMEs, as a lack of understanding and value attribution leads to an indifferent attitude towards accounting. The following table is an extract of some of the more relevant statistical effects with medium to high correlations as per Pearson's statistical analysis.

**Table 4.** Pearson's correlation analysis

Pearson's Correlation		Understanding Accounting	Importance of Accounting	Accounting is a necessary evil
Understanding Accounting	Pearson Correlation Sig. (2-tailed) N	1  60		
Importance of Accounting	Pearson Correlation Sig. (2-tailed) N	.597** .000 60	1  60	
Accounting is a necessary evil	Pearson Correlation Sig. (2-tailed) N	-.477** .000 60	-.664** .000 60	1  60
Accounting is valuable for management purposes	Pearson Correlation Sig. (2-tailed) N	.547** .000 60	.768** .000 60	-.490** .000 60

\*\* Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed)

The following statistically significant correlations found using Pearson's correlation analysis, include i) the SME owner/managers with a basic understanding of accounting correlate positively to the view that accounting is important to their business sustainability, ii) that SME owner/managers with a basic understanding of accounting correlate positively to the view that accounting can play an important managerial role in their

business, iii) that SME owner/managers with little or no understand of accounting correlate negatively to the views on the importance of accounting, the important for business sustainability and the possibility that accounting can contribute to business management, and iv) that SME owner/managers who understand the importance of accounting correlate positively with the view that accounting can have a valuable contribution as a management tool.

The research indicates that the value of accounting as a managerial tool and as a contributor to SME sustainability is directly correlated with the SMEs understanding of accounting and of the perception of its importance. Likewise, the lack of basic accounting knowledge is directly, although negatively correlated with the perception that accounting can add value to SME sustainability.

## **6. Conclusion**

The value the SME sector contributes to national GDP and job creation globally is irrefutable. As such, it is in the best interest of worldwide economic welfare for SMEs to be sustainable, progressive and economically viable. These goals, however, are constantly being challenged due to the very competitive and unforgiving milieu in which SMEs operates.

They are faced with various challenges ranging from exchange rate pressures, employment requirements, keeping abreast of technological advances to competing against big corporate role-players. Among all the adversities SMEs face however, few have a more direct and prolific influence on SME sustainability than access to finance.

The research conducted corroborated the findings from earlier research that held that banks no longer require SMEs to submit audited financial statements, when applying for loans. At first glance, this may seem to be a positive development for SMEs. The initial thought would be that SMEs will shake off a costly and administratively burdensome requirement. As banks abandon the requirement of audited financial requirements, and the accompanying reasonable assurance of accurate financial information, banking regulations are continuously tightening in terms of stringent loan processes. SMEs are however not helpless in these

times. Research from various sources found that SMEs often do not have a basic grasp of accounting principles and methodologies. The research conducted in this study confirms this conclusion. Most SMEs are trying to survive in a financial arena, without having any financial acumen. Various researchers have suggested that by abridging shortfalls in basic accounting knowledge, banking fears concerning sustainability and affordability may very likely be appeased.

SMEs can learn from these results. Empowering themselves with knowledge, in this case the language of business – accounting, purports to hold significant advantages for their business sustainability and expansion. As Rohn (2016) said:

*“You must either modify your dreams or magnify your skills.”*

In terms of limitations, this research did not test the accounting knowledge of SME participants in depth. Perceptions were rather tested. Further research as to the level of actual skillsets is required. Further research into the basic accounting skills SMEs will find useful in their daily business dealings will be of great value as well.

## REFERENCES

- Abdul Aziz, N. (2002). Audit Exemption for Private Limited Companies. *Akauntan Nasional*, April Issue.
- Abor, J. & Quartey, P. (2010). Issues in SME Development in Ghana and South Africa. *International Research Journal of Finance and Economics* 39. Available: at [http://www.eurojournals.com/irjfe\\_39\\_15.pdf](http://www.eurojournals.com/irjfe_39_15.pdf) Date of access: 17 April 2015.
- Accountancy Asia. (2011). Available at: <http://www.accountancyasia.com/news/comment-the-value-of-an-audit-to-smes> Date of access: 5 January 2015.
- Act *see* South Africa.
- AICPA *see* American Institute of CPAs.
- Alexander, J.R. (2002). History of Accounting. Available at: [http://www.suu.edu/scps/courses/ba1010/ba1010\\_lesson5.html](http://www.suu.edu/scps/courses/ba1010/ba1010_lesson5.html) Date of access: 28 June 2015.
- American Institute of CPAs. (2015). Guide to Financial Statements: Compilation, Review and Audit. Available at: <https://www.aicpa.org/InterestAreas/PrivateCompaniesPracticeSection/QualityServicesDelivery/KeepingUp/DownloadableDocuments/financial-statement-services-guide.pdf> Date of Access: 12 February 2017.

- Ayyagari, M.; Demirgüç-Kunt, A. and Maksimovic, V. (2012). Financing of Firms in Developing Countries Lessons from Research. *World Bank Working Paper*.
- Banking Association of South Africa. (2014). *South African Banking Sector Overview*. Available at: <http://www.banking.org.za/docs/default-source/publication/banking-sector-overview.pdf?sfvrsn=6>. Date of access: 11 March 2016.
- Beck, T.; Demirgüç-Kunt, A. and Maksimovic, V. (2005). Financial and Legal Constraints to Growth: Does Firm Size Matter? *The Journal of Finance*, 60(1).
- Berger, A., and Udell, G. (2006). A More Complete Conceptual Framework for SME Finance. *Journal of Banking and Finance*, 30.
- Buffet, M. & Clark, D. (2008). Warren Buffett and the Interpretation of Financial Statements, The Search for the Company with a Durable Competitive Advantage. New York: Scriber.
- Buys, P.W. (2011). Legitimacy Lost: Accountancy's Predicament. *Studia Philosophica*. 1.
- Chimucheka, T & Rungani, E.C. (2011). The Impact of Inaccessibility to Bank Finance and Lack of Financial Management Knowledge to Small, Medium and Micro-enterprises in Buffalo City Municipality. *South Africa. African Journal of Business Management*, 5(14).
- Cohen, J. (1988). *Statistical Power Analysis for the Behavioural Sciences* (revised edition), Orlando, FL: Academic Press.
- CQS. (2012). Calculate Your Business's Public Interest Score. Available at: <http://www.cqs.co.za/caseware-news/news/calculate-your-business-public-interest-score/> Date of access: 14 October 2016.
- Edwards, J.D. (1960). Early Bookkeeping and Its Development into Accounting. *The Business History Review*, 34(4).
- Fogo, J.R. (1905). History of Bookkeeping. In *A History of Accounting and Accountants*, ed. by Brown, R. Washington D. C.: Beard Books.
- Foo Kon Tan Grant Thornton. (2008). Available at: <http://www.acra.gov.sg/NR/rdonlyres/F394A87E-D95E-44C1-A79A-0EB54CDB89A9/9460/AuditExemptionforSmallCompanies1.pdf> Date of access: 19 January 2015.
- Geisel, T.S. (2016). 21 Dr. Seuss Quotes to Get You through the Day. Available at: <https://www.theodysseyonline.com/21-dr-seuss-quotes-day> Date of access: 11 January 2017.
- Grant Thornton see Foo Kon Tan Grant Thornton
- Haron, H.; Said, S.B.; Jayaraman, K. & Ismail, I. (2013). Factors Influencing Small Medium Enterprises (SMES) in Obtaining Loans. *International Journal of Business and Social Science*, 4(15).
- Haynes, G.W.; Ou, C. and Berney, R. (1999). Small Business Borrowing from Large and Small Banks. *Federal Reserve Bank of Chicago*, Proceedings 776.

- Hudson MacIntyre, M.H.A. (2015). Independent Examination vs. Audit. Available at: [http://www.macintyrehudson.co.uk/sites/www.macintyrehudson.co.uk/files/independent\\_examination\\_vs\\_audit.pdf](http://www.macintyrehudson.co.uk/sites/www.macintyrehudson.co.uk/files/independent_examination_vs_audit.pdf) Date of access: 11 December 2016.
- IRMSA *see* The Institute of Risk Management of South Africa
- Kennelly, K. (2012). Audit vs. Review vs. Compilation. Available at: <http://ksquared.biz/wp-content/uploads/2012/10/audit-vs-review-vs-compilation.pdf> Date of access: 11 February 2017.
- Mahembe, E. (2011). Literature Review on Small and Medium Enterprises' Access to Credit and Support in South Africa. Prepared for The National Credit Regulator. Pretoria. Underhill Corporate Solutions.
- Malhorta, M.; Chen, Y.; Criscuolo, A.; Fan, Q.; Hamel, I.I.; and Saychenko, Y. (2007). Expanding Access to Finance: Good Practices and Policies for Micro, Small and Medium Enterprises. Washington, D.C. World Bank.
- Mann Weitz & Associates. (2012). What is the Difference Between a Compilation, a Review and an Audit? Available at: <http://www.mannweitz.com/sites/default/files/What%20is%20the%20Difference%20Between%20An%20Audit%2C%20A%20Review%20and%20A%20Compilation.pdf> Date of access: 13 February 2017.
- MacIntyre *see* Hudson MacIntyre
- Mazanai, M. & Fatoki, O. (2012). Access to Finance in the SME Sector: A South African Perspective. *Asian Journal of Business Management*, 4(1).
- McCarthy, P.; Sangster, A. & Stoner, G. (2008). Pacioli and Humanism: Pitching the text in Summa Arithmetica. *Accounting History*, 13.
- Mills, K.G. & McCarthy, K. (2014). The State of Small Business Lending: Credit access during the Recovery and How Technology May Change the Game. Harvard Business School. Working paper 15-004.
- National Federation of Independent Businesses. (2012). Small Business, Credit Access, and a Lingering Recession. Available at: <http://www.nfib.com/Portals/0/PDF/AllUsers/research/studies/small-business-credit-study-nfib-2012.pdf> Date of access: 6 December 2015.
- NFIB *see* National Federation of Independent Businesses
- OECD *see* Organisation for Economic Cooperation and Development
- Othman, R.; Abidin, Z.Z.; Thirumanickam, N. (2013). Directors' View on Exemption from Statutory Audit. *Asian Journal of Empirical Research*, 3(10).
- Organisation for Economic Cooperation and Development. (2009). The Impact of the Global Crisis on SME and Entrepreneurship Financing and Policy Responses. Available at: [www.oecd.org/cfe/smes/43183090.pdf](http://www.oecd.org/cfe/smes/43183090.pdf) Date of access: 5 January 2014.
- Pitcher Partners. (2010). Available at: <http://www.pitcher.com.au/Documents/Discussion%20Paper%20-%20the%20Value%20of%20an%20Audit.pdf> Date of access: 12 January 2015.



- Rohn, J. (2016). 20 Quotes from Jim Rohn: Putting Success and Life into Perspective. Available at: <https://www.entrepreneur.com/article/271873>. Date of access: 7 December 2016.
- SAICA see South African Institute of Chartered Accountants
- Salleh, A., Rose, R. C., Kumar, N., & Jaafar, S. (2008). Auditors' Perceptions on Obliteration of Mandatory Annual Audit: An Empirical Study. *International Research Journal of Finance and Economics*, 14. Available at: [http://www.academia.edu/6362363/Auditors\\_Perceptions\\_on\\_Obliteration\\_of\\_Mandatory\\_Annual\\_Audit\\_An\\_Empirical\\_Study](http://www.academia.edu/6362363/Auditors_Perceptions_on_Obliteration_of_Mandatory_Annual_Audit_An_Empirical_Study). Date of access: 24 November 2016.
- Sangster, A. (2010). Using Accounting History and Luca Pacioli to Put Relevance Back into the Teaching of Double Entry. *Accounting, Business & Financial History*, 20(1).
- Shev, J. (2012). Financial Statements and the Public Interest Score. Auditing SA. Summer 2011/12. Available at: [http://www.saica.co.za/home\\_html\\_files/9%20Shev.pdf](http://www.saica.co.za/home_html_files/9%20Shev.pdf) Date of access: 7 December 2016.
- Sian, S. & Roberts, C. (2009). UK Small Owner-managed Businesses: Accounting and Financial Reporting Needs. *Journal of Small Business and Enterprise Development*, 16(2).
- South Africa. (2008). Act. Pretoria: Government Press.
- South African Institute of Chartered Accountants. (2010). To Audit or Not to Audit? Available at: <https://www.saica.co.za/tabid/695/itemid/2405/language/en-ZA/To-audit-or-not-to-audit.aspx> Date of access: 1 July 2015.
- South African Institute of Chartered Accountants. (2012). The Revised Companies Act is Good News for SMEs. Available at: <https://www.saica.co.za/Default.aspx?TabId=695&itemid=3443&language=en-ZA> Date of access: 3 July 2016.
- ten Have, O. (1976). *The History of Accountancy*. California: Bay Books.
- The Conversation. (2012). Available at: <http://theconversation.com/financing-the-small-business-sector-what-has-been-the-impact-of-the-gfc-6894> Date of access: 16 January 2016.
- The Institute of Risk Management of South Africa. (2015). Challenges Facing Small Businesses. Available at: <http://www.irmsa.org.za/blogpost/1163465/207823/Challenges-facing-small-businesses> Date of access: 23 November 2016.
- Turner, M.A., Varghese, R. and walker, P. (2008). Information Sharing and SMME Financing in South Africa: A Survey of the Landscape. PERC Press. North Carolina. USA
- Warsono-Bin-Hardono, S. (2013). Solving the Mystery of Double Entry Bookkeeping. Available at: <http://ssrn.com/abstract=2339864> Date of access: 11 March 2015.

- Wattanaputtipaisan, T. (2003). Four Proposals for Improved Financing of SME Development in ASEAN. *Asian Development Review*, 20(2).
- Wiersch, A.M. & Shane, S. (2013). Why Small Business Lending Isn't What it Used to Be. *Economic Commentary*, 10.
- World Bank. (2013). Available: <http://www.enterprisesurveys.org/> Date of access: 20 December 2013.
- World Bank. (2015). Small and Medium Enterprises (SMEs) Finance. Available at: <https://www.worldbank.org/en/topic/financialsector/brief/smes-finance> Date of access: 3 January 2017.
- Yoshino, N. & Taghizadeh-Hesary, F. (2016). Major Challenges Facing Small and Medium Sized Enterprises in Asia and Solutions for Mitigating Them. ADBI Working Paper 564. Tokyo: Asian Development Bank Institute. Available: <http://www.adb.org/publications/majorchallenges-facing-small-and-medium-sized-enterprises-asia-and-solutions/>. Date of access: 19 December 2016.