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Computerised Accounting, Financial Reporting Quality, and the Operational Performance of Selected Small and Medium-Sized Enterprises in Cameroon

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Abstract

The purpose of this study is to examine the effect of computerised accounting and financial reporting quality on the operational performance of small and medium-sized enterprises (SMEs) in Cameroon. More specifically, we examine the mediating role of financial reporting quality in the relationship between computerised accounting and operational performance. Using a five-point Likert scale, we conducted a cross-sectional survey using a questionnaire in the municipality of Douala 5 on a population of 18,379 SMEs. From this population, a sample of 368 SMEs was obtained using the Krejcie and Morgan formula to determine sample size, and a sample of 202 SMEs using computerised accounting was analysed. We find a positive and significant effect of computerised accounting on operational performance. Computerised accounting has a significant influence on the quality of financial information, which in turn has a significant impact on operational performance. In particular, the quality of financial information plays a partial mediating role in the relationship between computerised accounting and operational performance. We therefore recommend that SMEs strengthen internal controls in order to guarantee and reinforce the confidence and security of information. On the other hand, the adoption of a computerised accounting system by SME policymakers and managers promotes

growth and operational success.

Keywords

Computerised Accounting, Financial Reporting Quality, Operational Performance

1. Introduction

Accounting has evolved from a manual process using paper books and documents to a computerised system using software tools, as shown by Hermanson et al. (1987). Computerised accounting systems offer several benefits, including streamlining financial processes, improving accuracy, reducing manual errors and enabling real-time reporting (Bortolon & Bido, 2017). The adoption of computerised accounting systems among SMEs has increased in recent years, driven by the growing availability of affordable accounting software (Ige, 2015), government pressure for digitalisation (ANTIC, 2018), and recognition of the benefits associated with computerised accounting.

Financial reporting quality has also evolved over time, with a strong emphasis on transparency, comparability, and reliability. The adoption of International Financial Reporting Standards (IFRS) by many countries has played a crucial role in promoting high-quality financial reporting, leading to greater consistency and comparability in financial reporting practices across diverse jurisdictions (FASB, 2015). In Cameroon, the OHADA Uniform Act on Accounting Law and Financial Reporting ensures that all SMEs, including those in Douala 5 municipality, follow internationally recognised accounting principles. This alignment promotes comparability, reliability, and transparency in financial reporting, thereby improving the credibility of financial statements.

Operational performance has evolved to encompass various dimensions, such as customer satisfaction, utilization of resources, product/service quality, innovation, and flexibility (Slack & Brandon-Jones, 2018). It is a critical aspect of business success, as it directly impacts the productivity, profitability, and competitiveness of an organisation. Several factors contribute to operational performance, including the deployment of resources, the execution of processes, the use of technology, and the management of employees. Improving operational performance requires a continuous focus on optimizing these factors to increase efficiency, reduce costs, and enhance customer satisfaction. Advancements in technology have enabled organisations to automate processes, streamline operations, and improve decision-making.

Small and medium-sized enterprises (SMEs) play a vital role in the economic development and growth of many countries, especially in developing countries like Cameroon. However, SMEs often face various challenges that affect their operational performance, such as lack of access to finance, inadequate infrastructure, low managerial skills, and poor accounting practices. One of the main problems that SMEs face is the lack of accurate and timely financial information, which can

hinder their decision-making, performance and planning processes. Moreover, SMEs may incur additional costs and risks in maintaining and updating their accounting records manually.

One way to improve the operational performance of SMEs is to adopt computerised accounting system (CAS), which can enhance the efficiency, accuracy, and timeliness of financial information. CAS can also facilitate the generation of quality, quick, and accurate financial reports that meet the standards and expectations of various stakeholders, such as customers, creditors, and regulatory authorities. However, despite the potential benefits of CAS, many SMEs in the Douala 5 municipality of Cameroon continue to face challenges in adopting and using these technologies. SMEs in Douala 5 face several technological barriers when adopting computerised accounting systems. The most significant challenges include the high cost of accounting software and training, resistance to change and low technological literacy among employees, and frequent power outages and unstable internet connectivity. Addressing these barriers requires targeted solutions such as government subsidies for accounting software, specialized training programs for employees, and improvements in digital infrastructure to ensure a stable technological environment for SMEs.

However, the question this study seeks to answer is whether the improved financial reporting quality has had an effect on the operational performance of small and medium-sized enterprises in Cameroon precisely in Douala 5 municipality and if so, to what extent? In this light, specific questions were developed: What is the effect of computerised accounting on the operational performance? To what extent does computerised accounting affect the financial reporting quality, and how does it, in turn, affect operational performance? To what extent does financial reporting quality mediate the relationship between computerised accounting and the operational performance of selected SMEs in Douala 5 municipality?

In this same light, the study's main objective is to examine the effect of computerised accounting and financial reporting quality on the operational performance of selected SMEs in Douala 5 municipality. The specific objectives are to analyse the effect of computerised accounting on operational performance, to ascertain the extent to which computerised accounting affects financial reporting quality, to evaluate the effect of financial reporting quality on the operational performance, and finally, to investigate the extent to which financial reporting quality mediates the relationship between computerised accounting and operational performance of selected SMEs in Douala 5 municipality.

Stated in its null form, the study hypothesis the following: Computerised accounting does not have a significant effect on operational performance, computerised accounting does not significantly affect financial reporting quality, financial reporting quality does not significantly affect the operational performance, and financial reporting quality does not significantly mediate the relationship between computerised accounting and the operational performance of selected SMEs in Douala 5 municipality.

2. Literature Review

Computerised accounting and financial reporting have been topics of discussion among professionals and academics in recent decades. Different definitions have been proposed. Ama (2004) defined computerised accounting as a system that uses computers to gather information. According to Kingi (2013), a computerised accounting system is an organised procedure to collect, record and interpret accounting data with the assistance of a computer or automated device. In other words, it is a computerised system where financial transactions are collected or entered into a computer, further analysed to create necessary documents, and then journalised to provide the required accounting journals. While Financial Reporting is considered as the final result of accounting. It plays a vital role in the decision-making of internal and external stakeholders and users by providing relevant financial information (Seyed, 2014). However, such information would be useless or misleading if it lacks the desired quality. Therefore, the quality of financial reporting depends on the extent to which the information in the financial statements and explanatory notes is fairly presented. According to Slack and Brandon-Jones (2018), operational performance is a critical aspect of running any business. It refers to the effectiveness and efficiency of a company's day-to-day operations in achieving its goals and objectives.

In relation to the study, two theories have been chosen: the resource-based theory propounded by Barney (1995) and the technology acceptance model (TAM) by Davis (1989).

The resource-based view (RBV) is a well-established theoretical model in social and management sciences. Relating to this study, RBV suggests that SMEs should be equipped with accounting software to enhance their efficiency. Computerised accounting systems are considered tertiary institution resources and are expected to improve the efficiency of collecting, grouping, analysing, interpreting, and presenting information for decision-making. This theory is relevant to the study because institutional performance, especially that of SMEs, is influenced by the resources available. SMEs need to be competitive in their performance to achieve their objectives.

The technology acceptance model is an information systems theory that explains how users accept and use technology. It posits that behavioral intension, influenced by attitude, affects users' decisions regarding new technology adoption. Two key factors influencing these decisions are perceived usefulness and perceived ease-of-use. Perceived usefulness refers to user's belief that a computerised system will enhance their performance, while perceived ease of use reduces effort while improving performance. The technology acceptance model has been widely used in empirical research and has been found to be useful in understanding user behavior in information system implementation. However, it has faced criticism for its static nature and its inability to capture changes in technology acceptance over time. Some authors, such as Venkatesh et al. (2003), proposed the unified theory of acceptance and use of technology as an enhanced model that accounts for dynamic changes.

The diffusion of innovation theory propounded by Rogers in 2003 explained

that innovation is the introduction of any thought or practice perceived to be new. Ndubuisi et al. (2017) concurred that the use of computer software to carry out accounting functions is not new in the business sector, particularly in the Western economies. Innovation does not solely entail creating a new invention or product; it also involves improving existing models. This clarifies that computerised accounting systems are not entirely innovative. Rogers (2003) pointed out that the theory is based on a linear model of innovation diffusion, which assumes that innovations are adopted gradually over time.

Several studies were referenced to illustrate previous studies conducted by various authors regarding computerised accounting, financial reporting quality, and performance.

Ng'eno et al. (2018) conducted a study on the impact of computerised accounting systems on the financial performance of SMEs in Bomet County, Kenya. The research was guided by the decomposed theory of planned behaviour, reasoned action, and innovation. Employing descriptive survey research design, the study used stratified random sampling technique to collect data from 254 respondents. The findings suggest that computerised accounting significantly improves the financial performance of SMEs in Bomet County. The study recommends that management should develop a strategic master plan to phase out accounting systems based on the organisation's financial capabilities and implement them in line with the strategic plan for successful SMEs' performance. Additionally, management should increase staff to address shortages in accounting staff. The study concludes that SMEs should develop and implement their accounting systems in line with the organisation's strategic plans to achieve organisational goals.

Itang (2021) conducted a study to examine the influence of computerised accounting on the quality of financial reporting of SMEs in Nigeria. The study used a survey design with a sample of 370 SMEs randomly selected from the South-South region of Nigeria. The data were analysed using descriptive statistics and structural equation modelling. The study found that computerised accounting has a significant positive effect on the quality of financial reporting. This suggests that SMEs that use computerised accounting systems are more likely to produce financial reports that are relevant, faithful, comparable, verifiable, and understandable. The study recommends that SMEs should adopt computerised accounting systems to improve the quality of their financial reporting. This will make their financial reports more useful to users such as investors, creditors, and government agencies.

Kabazarwe (2019) conducted a study to examine the effect of computerised accounting systems on the quality of financial reporting in the Ugandan National Water and Sewerage Corporation. The study used a correlational design with a mixed approach using both quantitative and qualitative data. The study sample was 97 individuals, derived using both census and simple random sampling methods. Data was collected through a questionnaire method, achieving a response rate of 85.6 %. The study revealed a moderate positive relationship between computerised accounting systems and the quality of financial reports. Additionally, a significant positive

relationship between reporting systems and the quality of financial reports was found. The study concluded that there exists a significant positive association between computerised accounting systems and the quality of financial reports. It recommended regular improvements and updates to accounting systems to maintain their relevance in the current environment.

Shiraj's (2015) study examined the impact of computerised accounting systems on financial reporting quality among MSEs in Sri Lanka. The study involved 140 SMEs, with 34 using computerised accounting systems. The data was collected through a survey questionnaire, measuring respondents' perceptions of the quality of computerised accounting systems, financial reports, their advantages and disadvantages, and the extent of computerised accounting systems use. The results showed that computerised accounting systems had a positive impact on financial reporting quality, with computerised accounting systems reports perceived as more accurate, reliable, timely, and complete than manual systems. However, computerised accounting systems could be expensive and require specialised training, which could be a barrier for some SMEs. The study recommends policymakers to promote computerised accounting systems adoption by providing financial incentives and tax breaks, and for SMEs managers to consider adopting computerised accounting systems to improve the quality, timeliness, and accuracy of their financial reporting.

The study by Gardi et al. (2021) aims to examine the impacts of financial accounting reports on managerial decision-making in SMEs in Iraq. It uses cross-sectional data analysis and collects data from 250 respondents, including managers and employees working in SMEs, through a structured questionnaire. The study finds that the financial statement report, including the income statement and cash flow statement, significantly influences the effectiveness of managerial decisions. Additionally, it finds that operational factors, such as company records, the understandability of reports, and the quality of the data, also have a major impact on managerial decisions of the SMEs. The study suggests that understandability, relevance, and quality of the financial reports mediate a positive relationship between financial accounting reports and managerial decisions.

Jayawardane and Gamlath (2020) investigated the impact of financial reporting practices on performance, focusing on SMEs in Rathnapura District, Sri Lanka. The study aimed to examine how financial reporting practices affect the financial performance of SMEs in the district. Data collection involved primary data gathered through face-to-face interviews and administered questionnaires, as well as secondary data obtained by examining relevant books, published research papers, websites, and statistical reports from the Central Bank of Sri Lanka. The study gathered data from a total selected sample of 60 SMEs. The results showed that changes in financial reporting practices, investment analysis practices, inventory management practices, cash management practices, and fixed assets management practices significantly impacted the financial performance of SMEs.

Sohail and Aziz (2019) studied the impact of financial reporting quality on

firm's financial performance in Pakistan, using three different proxies of financial reporting quality: conservatism, accruals quality and earnings quality. The main objective of the study was to analyse the effect of good financial reporting quality on corporate financial performance, as assessed by market-to-book ratio. The study used a sample of cement manufacturing firms in Pakistan for the period of 2006-2017 and employed panel data analysis to test the hypothesis. Empirical evidence from the panel data analysis showed a positive and significant impact of financial reporting quality on firm's financial performance. The study found a positive and significant impact of financial reporting quality on financial performance, which remained robust across all three proxies of financial reporting quality (accruals quality, earnings quality and accounting conservatism), as well as for the aggregated measure of financial reporting quality. Additionally, the study found that the relationship between financial reporting quality and financial performance was moderated by firm size, leverage (debt), and working capital of the corporation.

Rathnayake et al. (2021) investigated the impact of financial reporting quality on firm performance in listed companies in Sri Lanka. The research employs discretionary accruals as a proxy for financial reporting quality and measures of financial performance using indicators such as return on assets, return on equity, and market-to-book ratio. Secondary data from 30 listed companies across various sectors, excluding banking, finance, and insurance, from 2013-2018 was used. The results reveal a significant positive relationship between financial reporting quality and financial performance in the overall model, but this relationship becomes insignificant when each measure is considered separately. Additionally, the study finds that firm size, leverage, and growth opportunities exert significant positive effects on financial performance, while industry effects are found to be insignificant. The study recommends that managers enhance the quality of financial reporting to improve firm performance and attract more investors. This can be achieved by increasing information disclosure and transparency, adopting more prudent accounting policies, and promoting high-quality accounting standards.

Adeyemi and Asaolu (2013) examined the relationship between financial reporting practices and bank stability in Nigeria. The research focused on identifying regulatory provisions for banks' information disclosure and report presentation, evaluating these practices, and examining the relationship between reporting practices and corporate stability. Secondary data from published annual reports and accounts of 13 out of 21 Nigerian banks listed on the Nigerian Stock Exchange between 2005 and 2009 were used. The results showed high compliance with mandatory disclosure requirements, with a mean score exceeding 90%. However, the study also found that disclosure positively and significantly influenced bank stability, as defined by return on asset and liquidity. Despite high compliance, the study found that banks still face internal weakness and distress.

3. Methodology

We use a cross-sectional survey model, which is suitable for describing the charac-

teristics of a large population. This method is cost-effective, efficient and can lead to further research. Primary data were collected using structured questionnaires administered to SME owners, managers and accountants. The data for this study was collected during [insert exact period]. Given the rapid advancement of technology, the findings may be influenced by the continuous evolution of accounting software and the increasing digital adoption among SMEs. Future research could benefit from a longitudinal approach to track these changes over time and better assess their long-term impact on operational performance. The sample size of 368 SMEs was determined using Krejcie and Morgan (1970) formula, and 202 SMEs using computerised accounting systems were analysed.

Descriptive and inferential statistics were used to analyse the data. In the regression models, firm size and firm age were considered as control variables to account for potential external influences on operational performance. These variables help to isolate the specific impact of computerised accounting and financial reporting quality. While access to financing and regulatory environment are also critical external factors affecting operational performance, they were not explicitly included in the model but could be explored in future research. Baron and Kenny's (1986) mediation model was used as the conceptual framework for the study. This model comprises four steps to establish the effect of the independent variable (computerised accounting-CI) on the dependent variable (operational performance-PO) via the mediating variable (quality of financial information-QIF).

Step one:

$$Y = \alpha_0 + \alpha_1 X + \varepsilon_1 \tag{1}$$

Step two:

$$M = \beta_0 + \beta_1 X + \mu \tag{2}$$

Step three:

$$Y = \beta_0 + \beta_2 M + \varepsilon_2 \tag{3}$$

Step four:

$$Y = \Delta_0 + \Delta_1 X + \Delta_2 M + \varepsilon_3 \tag{4}$$

where Y represents the dependent variable; X is the independent variable; M is the mediator; α_1, β_1, β_2, Δ_1, and Δ_2 represent the coefficient of different parameters used in the model and $\varepsilon_1, \varepsilon_2, \varepsilon_3, \mu$ represent the error terms.

The fourth step shows whether the relationship between the independent variable and the dependent variable is partially or totally mediated by the mediator.

To do this, a series of regressions must be carried out:

Regression 1: *Establish the effect of the independent variable on the dependent variable*.

Regression 2: *Establish the effect of the independent variable on the mediator variable*.

Regression 3: *Establish the effect of the independent variable on the dependent variable, including the mediating variable as an additional control variable*.

Descriptive statistics such as frequency tables and percentages were used to or-

ganise, summarise, and draw conclusions from the data. Inferential statistics, including the Baron and Kenny mediation approach, were used to test various hypotheses. The Statistical Package for Social Science (SPSS) was used for data analysis.

The Likert scale was used for questionnaire items, and Cronbach's Alpha reliability analysis was conducted to ensure construct reliability. Financial reporting quality was quantitatively measured using six key indicators based on a Likert scale. These indicators assess the relevance, faithful representation, comparability, verifiability, timeliness, and understandability of financial reports. This approach ensures a comprehensive evaluation of financial reporting quality and its impact on operational performance. Validation technique (Ghazali, 2014) assessed the significance of the estimated model, parameters, explained variance, distribution normality, and the mediating effect of financial reporting quality on the relationship between computerised accounting and operational performance of SMEs in Douala 5.

We used various validation techniques to ensure the accuracy of its results. These techniques include F-statistics, T-statistics, adjusted R-squared, the normality test and the Sobel test (post-test), which examines whether the relationship between computerised accounting and operating performance was significantly affected after including the quality of financial information.

4. Presentation of Results and Discussion

The reliability analysis results are presented in Table 1. The findings of the reliability test support the appropriateness of the instruments and concepts used in this study. It is evident that the value of Cronbach's Alpha coefficient ranges from 0.705 to 0.935, all of which are considered good for analysis. This justifies that there is a good level of internal consistency in the research instruments, and the scale used in measuring the variables is reliable and appropriate.

Table 1. Cronbach's Alpha results.

Variables	Number of items	Cronbach's Alpha value
Computerised accounting	10	0.872
Financial reporting quality	6	0. 935
Operational performance	5	0.705

Source: Authors, SPSS 26.

The multicollinearity test for this study used the variance inflation factor (VIF), which measures how much the standard error of the coefficient estimate is increased due to multicollinearity. Acceptable VIF values indicate the absence of multicollinearity, typically ranging from below 10. The closer the values are to 0, the better the results are considered. The multicollinearity test is presented in Table 2 and shows that multicollinearity did not exist among the independent latent constructs, as all VIFs were < 10, for computerised accounting and financial reporting quality. Therefore, following the suggestion of Hair et al. (2011), there is no evidence of high multicollinearity.

Table 2. Multicollinearity test results.

Variables	Tolerance (TV > 0.1)	VIF (VIF < 10)
Computerised accounting	0.289	3.461
Financial reporting quality	0.289	3.461

Source: Authors, SPSS 26.

The normality test result is presented on a histogram in Figure 1.

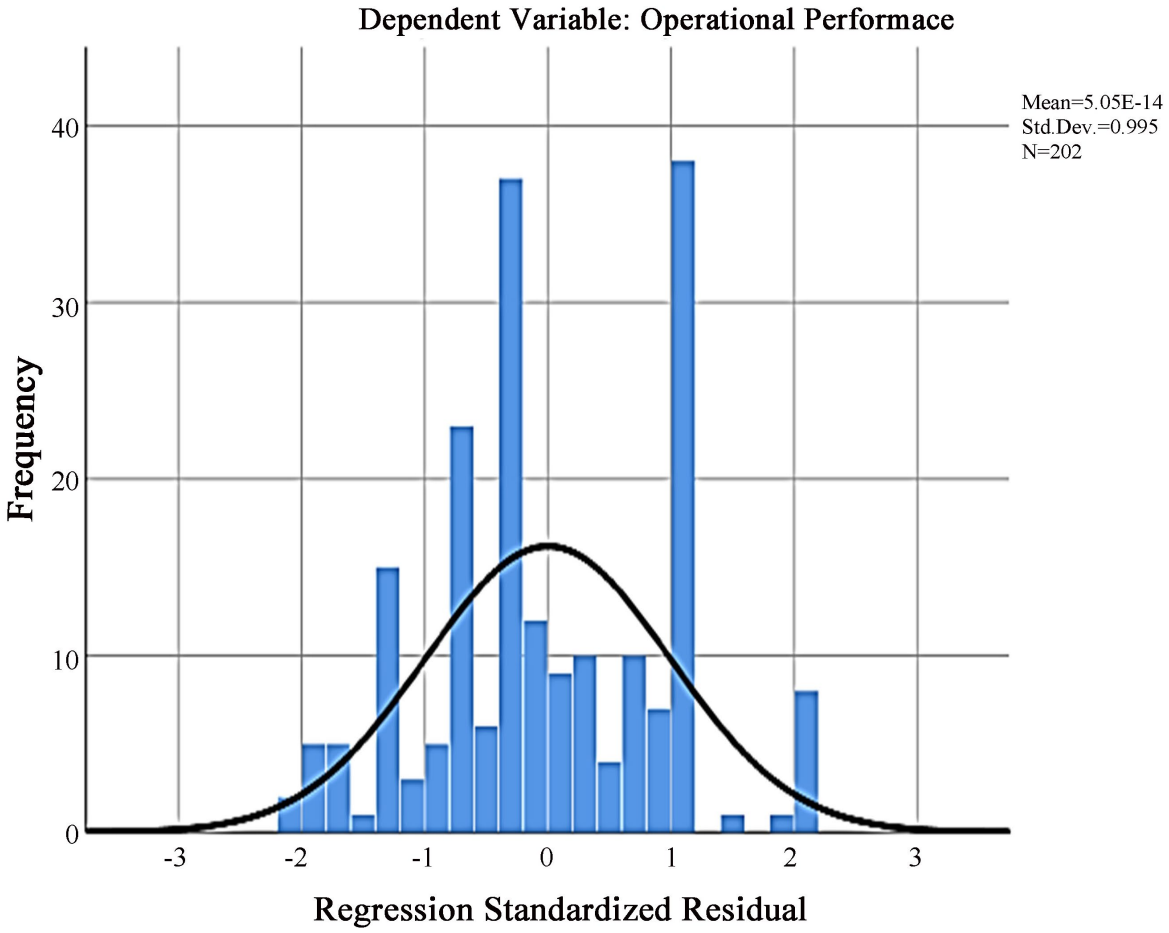

Figure 1. Normality statistics.

The normally distributed histogram indicates that the data is symmetrically distributed around the mean, with most of the data clustered around the center of the distribution. This is consistent with the histogram below. Additionally, there was independence of observation for each questionnaire item. Among all the variables studied, there were no significant outliers in the dataset. Therefore, we proceed with the regression analysis.

The regression results will be discussed according to the four specific research objectives formulated in the introductory part of our study.

Table 3. Regression results.

Variables	Coefficients		t	F	*P*-value	R^2 Adjusted
	b	Sd. Error				
Effect of computerised accounting on operational performance (b_1)						
Constant	3.718	0.033	111.037	755.864	0.010	0.785
Computerised accounting (CA)	0.233	0.008	27.712			
Effect of computerised accounting on financial reporting quality (b_2)						
Constant	3.861	0.045	85.173	488.450	0.000	0.706
Computerised accounting (CA)	0.252	0.011	22.184			
Effect of financial reporting quality on operational performance (b_3)						
Constant	1.134	0.169	6.704	421.898	0.000	0.675
Financial reporting quality (FRQ)	0.719	0.035	20.540			
Effect of computerised accounting on operational performance when financial reporting quality is controlled (b_4)						
Constant	2.871	0.196	14.671			
Financial reporting quality (FRQ)	0.219	0.050	4.388	428.632	0.000	0.810
Computerised accounting (CA)	0.177	0.015	11.861			

Source: Computed by authors.

The results of the regression analysis in Table 3 are presented as follows, according to the research objective.

4.1. The Effect of Computerised Accounting on Operational Performance (Model 1)

Model 1 examines the effect of computerised accounting (CA) on operating performance (OP). The results indicate that computerised accounting has a positive and significant impact on operational performance. The constant term in the regression equation is 3.718, representing the predicted operating performance when the coefficient of the CA variable is zero. The coefficient of the CA variable is 0.223 points and is positive and statistically significant at the 1% level. This indicates that for each unit increase in computerised accounting, operating performance should increase by 0.233 points. It should also be noted that the regression model is statistically significant and fits the data well. Computerised accounting is a statistically significant predictor of operating performance and 78.5% of the variation in operating performance can be explained by the computerised accounting variable.

4.2. The Effect of Computerised Accounting on the Quality of Financial Information (Model 2)

Model 2 examines the effect of computerised accounting (CA) on the quality of

financial information (QIF). The results indicate that computerised accounting has a positive and significant impact on the quality of financial information. The coefficient of the CA variable is 0.252 and is statistically significant at the 1% level. This means that for each unit increase in computerised accounting, the quality of financial information should increase by 0.252 points. It should also be noted that the regression model is statistically significant and fits the data well. Computerised accounting is a statistically significant predictor of financial reporting quality and 70.6% of the variation in financial reporting quality can be explained by the CA variable.

4.3. The Effect of Financial Reporting Quality on Operational Performance

This model examines the effect of the financial reporting quality (FRQ) on operating performance (OP). The regression results show that the coefficient of the FRQ variable is 0.719. This means that for each unit increase in the financial reporting quality, operating performance would increase by 0.719. This coefficient is positive and statistically significant at the 1% level. This means that the financial reporting quality is a statistically significant predictor of operating performance and 67.5% of the variation in operating performance can be explained by the financial reporting quality.

The effect of computerised accounting on operating performance is mediated by the financial reporting quality.

Finally, the fourth model examines the extent to which the financial reporting quality (FRQ) influences the relationship between computerised accounting (CA) and operating performance (OP). The results show that the coefficient of the FRQ variable is 0.219. This means that for each unit increase in the financial reporting quality, operating performance should increase by 0.219 when computerised accounting is considered. Also, the coefficient on the CA variable is 0.177, indicating that for each unit of increase in computerised accounting, operating performance is expected to increase by 0.177 when controlling for the financial reporting quality. These coefficients are positive and statistically significant at the 1% level. The model is globally significant with 81% of the variation in operating performance explained by the CA and FRQ variables.

Therefore, given that mediation analysis is a statistical technique used to examine the indirect effect of an independent variable (CA) on a dependent variable (OP) via a mediating variable (FRQ). The regression results indicate that the financial reporting quality (FRQ) is a partial mediator of the relationship between computerised accounting (CA) and operational performance (OP). The direct effect of computerised accounting on operational performance is significant (b_1), but the presence of the quality of financial information as a mediator reinforces the effect of computerised accounting on operational performance (b_4).

4.4. Sobel Test Results

The Sobel test is used to test if the indirect effect of the independent variable (Com-

puterised accounting) on the dependent variable (operational performance) through the mediator (financial reporting quality) is statistically significant.

Therefore, Figure 2 is a test of the mediating effect of financial reporting quality, which can be explained as follows.

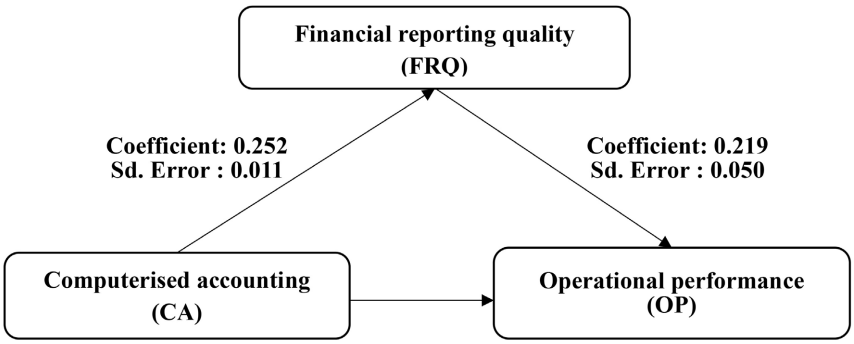

Figure 2. The model of mediation effect with the descriptions of numbers needed for the Sobel test calculation.

From the results of the Sobel test (Table 4), it produces a z value of 4.3021 > 1.976 with a significance level of 0.000 < 0.05. These results indicate that there is an indirect effect of CA on OP mediated by FRQ. Thus, it can be stated that hypothesis 4 is rejected, because FRQ significantly mediates the relationship between CA and OP. Therefore, we can conclude that the Sobel test confirms the results obtained from Baron and Kenny's (1986) mediation model, which confirms that financial reporting quality significantly mediates the relationship between computerised accounting and operational performance of SMEs in Douala.

Table 4. Results of the Sobel test.

Sobel test statistic	4.30207707	Sobel test statistic
One-tailed probability	0.00000846	One-tailed probability
Two-tailed probability	0.00001692	Two-tailed probability

Source: Daniel Soper's statistics calculator.

5. Conclusion

This paper used a descriptive survey research design, with questionnaires as the main data collection tool. The study used a sample of 202 SMEs using computerised accounting in the Douala municipality using the Baron and Kenny (mediation) approach to test the hypotheses.

The regression results indicate that computerised accounting positively and significantly affects the operational performance of SMEs in the Douala 5 municipality. On the other hand, the quality of financial information is a partial mediator of the relationship between computerised accounting and operational performance.

We recommend that SMEs fully computerise their accounting systems in order to reap the benefits and remain competitive in today's business environment. Com-

panies that do not yet have an accounting system are also advised to set one up. SME owners who use computerised accounting systems effectively can see that these systems improve financial reporting, increase operational efficiency and have a positive impact on performance and profitability.

Furthermore, the results showed that computerised accounting significantly improves the performance of SMEs. However, the presentation of the results showed that the "internal control" component was the least used. The study identified several weaknesses in the internal control systems of the sampled SMEs. The most critical weaknesses include the lack of segregation of duties in the accounting process, which increases the risk of fraud and errors, the absence of formal procedures for validating financial transactions, and inadequate monitoring of cash flows and accounts receivable. These deficiencies compromise the reliability of financial statements, delay decision-making, and expose businesses to financial and operational risks. Strengthening internal controls is essential to enhance trust in financial information and improve overall operational performance. This is why internal control needs to be specifically addressed and improved. It is recommended that SMEs increase their use of internal controls to enhance system security, verify the accuracy of data entry, improve compliance with financial regulations and increase stakeholder confidence. This will help prevent information theft and data manipulation. SMEs should have their financial statements audited by qualified auditors to ensure the accuracy and reliability of their reports.

We also recommend that companies focus on their financial reporting and increase its frequency. While the majority of SMEs are satisfied with the frequency of financial reporting, there is still room for improvement. More frequent reporting can help SMEs to understand their performance more effectively and efficiently, and to identify potential problems at an early stage. SMEs should improve the relevance and usefulness of financial reports for decision-making. Although the majority of SMEs are satisfied with the relevance and usefulness of their financial reports, there is still room for improvement. SMEs can improve their financial reports by adapting them to the specific needs of their decision-makers. For example, presenting financial information in a clear and concise manner and comparing current performance with past performance and industry benchmarks can help decision-makers identify trends and areas for improvement.

One of the limitations of this study is the timing of data collection, as technological advancements in computerised accounting are continuously evolving. Future studies should consider a longitudinal approach to better capture the long-term effects of digitalization on SMEs' financial reporting quality and operational performance. Finally, there is a need to improve the quality of financial information, as high-quality financial information will reinforce the effect of computerised accounting on operational performance. Policy makers and SME managers should focus on promoting the use of computerised accounting and improving the quality of financial reporting in order to improve the operational performance of SMEs.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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