Editorial

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SMEs play a central role in most economies. This sector represents over 90% of all businesses worldwide and employs up to 60% of the total workforce. In Europe, SMEs form 99.8% of non-financial companies and generate 57.4% of investments. However, SMEs face many obstacles that prevent them from growing. This special issue has been dedicated to dealing with various topics related to the accounting and financial requirements that weigh on SMEs.

The presentation of quality financial statements constitutes an important lever for SMEs. However, the diversity of accounting practices has made it difficult to compare financial information between companies at the international level and therefore constitutes a real handicap for the analysis and interpretation of financial statements and decision-making linked in particular to investment operations. In this special issue, the

Guest Editors have curated a collection of papers that investigate various topics related to accounting and auditing for SMEs.

The paper authored by Ben Slama and Amara explores the impact of the quality of the accounting environment, through the IFRS experience of the country and the extent of disclosure, on the perception of less corruption after controlling for the legal, political, economic, fiscal and social environments. The paper uses a sample of 49 African countries over the period 2012–2017. The perception of the less-corruption variable is based on the Transparency International (TI) index. The authors find evidence that the IFRS experience is associated with lower-perceived corruption, while the extent of disclosure does not play a significant role in limiting the perception of corruption. The level of legal enforcement, Gross Domestic Product (GDP) per capita democracy and education contribute to the perception of less public corruption. However, the tax rate favours the perception of greater corruption. This study contributes to the international standard-setting literature by testing the relevance of IFRS adoption over time in Africa.

In addition, the globalisation of the economy and the development of international trade have increasingly emphasised the need to design a common set of accounting standards to ensure the comparability and relevance of financial information. It is within this framework that the IASB itself promulgated the IFRS PME standard, the application of which deserves to be analysed. In their paper, Hsu and Reid challenge policymakers' claims that the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) is 'fit for purpose' in private firms, using the mixed method and fieldwork evidence from Taiwanese companies. They exploit a unique research window during 2012–2016, when the Taiwanese accounting regulators considered adopting IFRS for SMEs, but finally chose a new hybrid standard: The *Enterprise Accounting Standards* (EAS), involving elements of IFRS and IFRS for SMEs. They find that companies' attitudes towards IFRS for SMEs were strongly influenced by their plans and strategies (e.g., being acquired), and the accounting standard used by their parent companies. Hence, while introducing IFRS for SMEs or EAS seems a sound policy, accounting regulators should beware of their challenges to private firms (e.g., no ambitions to go public). Compliance costs could be attenuated by providing firms with clear accounting choices, whilst ensuring adequate financial reporting comparability.

SME managers operate in a proxemics context marked by the informality of relations with stakeholders. Not very visible to the public, these companies often operate within a radius of local or even regional activity. Managers are close to their employees, their suppliers and creditors, their partners as well as their clients. Ownership of capital is little diluted so that the functions of ownership, direction and control are often united in the hands of a strong person (the owner-manager) or his relatives. Under these conditions, the principles of corporate governance, as they exist, are difficult to implement by SME managers so the modes of governance they adopt are little influenced by corporate governance and its mechanisms. The study conducted by El Hamma aims to examine BSC use and its perceived benefits according to organisational decentralisation in Moroccan SMEs. The main results obtained, by using linear logistic regression and Student's t-test for a difference in means, show that 30% of the surveyed SMEs use the BSC. In addition, the study finds that in centralised SMEs, the impact of the BSC use on the three dimensions of the global firm's performance (competitiveness, profitability and productivity) is significant. However, in decentralised SMEs, this impact is not significant.

In their study, Nagirikandalage et al. argue that the information derived from Management Accounting Practices (MAPs) is invaluable for the strategic decision-making processes of businesses and thereby enables better environmental performance. Businesses have recognised MAPs as a viable approach to drive their businesses towards sustainability. Hence, their study was carried out in an emerging economy, i.e., Sri Lanka, where this research aims to explore the application of MAPs within SMEs for managing ecological issues. Two qualitative studies, netnography followed by semi-structured interviews, were implemented to obtain an in-depth perspective of the application of MAPs and their impact on managing ecological issues of SMEs. The findings imply that although MAPs assist SMEs with their internal control in terms of ecological costing, there remain some challenges for SMEs especially regarding waste management due to other barriers.

SME audit requirements are an interesting and problematic topic for policymakers. On the one hand, there is a strong desire to lighten regulatory burdens on SMEs. On the other hand, it is important that all incorporated businesses should meet certain minimum standards of competence and integrity in their accounting and that the information published is credible and certified. Chabchoub's study is conducted in an emerging context to assess the impact of agency costs on the demand for audit quality at the time of an Initial Public Offering in an emerging market. It is based on IPOs of the Tunis Stock Exchange for the period 2005–2015. The results show the importance of the impact of incumbent-potential shareholder agency costs on audit quality demand. However, shareholder-manager agency costs didn't show any impact on the audit quality demand in an IPO context. The study is important because the Tunisian government has been encouraging Tunisian firms to list on the stock exchange by providing them with tax incentives, but no specific restrictions have been placed on the IPO prospectus auditing. It is therefore an arbitration between higher and less audit quality demand made by the newly introduced firm to its costs.

Financing problems are also a major obstacle to the development of SMEs. Several studies have looked at the issue without finding the magic recipe that would allow SMEs to ensure growth and sustainability. The paper by Kumar et al. is based on secondary data pulled out from the Money Control website for ZEE Entertainment Enterprises Limited (ZEEL). Regression analysis was done on the income data for the past years for the media entertainment company. The target prices that are calculated will be meaningless unless and until they are analysed properly. By taking a careful look at the forecasted prices and the prevailing prices, an investor can figure out whether the stock is under-priced or over-priced.

The goal of the paper of Bolek and Gniadkowska-Szymańska is to demonstrate that insolvency related to financial liquidity can influence earnings per share growth which is a measure of companies' economic condition related to the creation of shareholders. Both solvency and economic condition represented by financial liquidity and EPS growth are important factors related to bankruptcy law. To analyse the influence of financial liquidity on the growth of EPS, the linear and logit models are applied to compare the relationship between these variables. The results show that financial liquidity affects the earnings per share growth in Germany to a higher degree, while in Poland and Austria, such an influence is much weaker.