



MANAGING BUSINESS RECORDS IN SMALL AND MEDIUM ENTERPRISES AT VIGAENI WARD IN MTWARA-MIKINDANI MUNICIPALITY, TANZANIA

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ABSTRACT

Small and Medium Enterprises (SMEs) play an essential role in contributing to economic growth and development of Tanzania. Managing business records is an essential requirement for the success of these SMEs. Good record keeping for instance enables entrepreneurs to make appropriate business decisions, ensure survival of the business and also monitor and evaluate business success. This paper reports part of the findings of a study that sought to investigate the management of business records at Vigaeni Ward in Mtwara-Mikindani Municipality with a view to proposing appropriate strategies to enhance sound record keeping of business records that will lead to profitability in SMEs. The study was based on the Records Continuum Model and Decision Usefulness Accounting Theories. It adopted a qualitative approach and a case study design where interviews and observation were used to collect data from 83 respondents comprising of SME owners/ managers, employees and business officers. The study revealed that the majority of SMEs in Mtwara-Mikindani Municipality were not practicing sound records management; there is a lack of appreciation of the importance of business records, absence of business policies and guidelines as well as enforcement mechanisms which undermined business performance in SMEs. The study concluded that although business records have importance in business performance, these records were poorly managed. The study recommends that the municipality should prepare training program on proper record keeping; and the Ministry of trade and industry should consider implementing a policy that makes records management mandatory for SMEs owners, managers and employees.

Keywords: Small and Medium Scale Enterprises; Knowledge base; Business records; records keeping; Municipality.

INTRODUCTION

Record keeping plays a key role in development by providing recorded information which is essential in the strategic formulation of national development policies and plans (Reed, 2010). Records are particularly important since they assist governments to maintain a consistent pattern in policy formulation and implementation (URT, 2012). They also act as raw data for research in various disciplines including science, which is an important ingredient of socioeconomic development (Shepherd and Yeo, 2003). The uses and functions of records can be summed up as ranging from cultural, historical, legal, economic and scientific to promotion of good governance and accountability (Ibid).

The term SMEs covers a wide range of definitions varying from country to country. Although there is no universally agreed definition, the common criteria used is number of employees, value of assets, value of sales and size of capital as well as turnover. Ademola *et. al.*, (2012) argue that, most people define Small scale enterprises in terms of the number of the employees, volume of sales, value of assets, or the volume of deposit in banks. In Tanzania, the SMEs categorization is used to mean micro, small and medium enterprises. It is sometimes referred to as micro, small and medium enterprises (SMEs). The SMEs cover non-farm economic activities mainly manufacturing, mining, commerce and services (Tanzania Policy Reviewed, 2012). Although there is no universally accepted definition of SMEs, in the context of Tanzania, micro enterprises are those engaging up to 4 people, in most cases family members or employing capital amounting up to Tshs.5.0 million. Most of micro enterprises fall under the informal sector. Small enterprises are mostly formalized undertakings engaging between; Small 5-49 employees and >5-200mil capital; large 100 and above employees and 800mil capital. This study will use the categorization of SMEs provided by Tanzania policy as the basis for this study.

Small and Medium Enterprises (SMEs) play an essential role in contributing to economic growth and development of Tanzania (URT, 2003). Over the years, this sector has played a critical role in developing Tanzanian economy through creation of employment opportunities, income generation, and equitable distribution of income hence contributing towards poverty reduction. It is estimated that about a third of the GDP in Tanzania originates from the SMEs sector. The International Finance Company (IFC) of the World Bank (2012) estimates that there are approximately 2.7 million enterprises in Tanzania. A large majority of these (98%) are micro enterprises (employing less than 5 people). At present, unemployment is a significant problem that Tanzania has to deal with.

Record keeping is an essential requirement for the success of small and medium enterprises (SMEs). Good record keeping has positive impacts on SMEs as they enable entrepreneurs to make appropriate business decisions, ensure survival of business and monitor and evaluate business success (Beyene, 2004). Despite these crucial roles played by good record keeping practices, SMEs in Tanzania have shown unsatisfactory record keeping practices, a factor that continues to affect their business performance and productivity. The evidence from the previous studies indicates that most of the SMEs in Tanzania run their businesses without proper record keeping (Danford et al, 2014).

However, there are limited studies on records management that have paid attention to records keeping practices in SMEs in local government (Masuke, 2010; Mboma et al, 2010). Moreover, it is noted that, most of those few studies conducted in SMEs in Tanzania, focused on challenges facing the SMEs. No one has examined managing business records in small and medium enterprises in local government. Therefore, this study aims to investigate managing business records in small and medium enterprises at Vigaeni Ward in Mtwara-Mikindani Municipality with a view to proposing appropriate strategies to enhance sound record keeping of business records that will lead to profitability in SMEs in Tanzania local government.

RESEARCH OBJECTIVES

Three research questions are addressed in this paper:

- i. Why do owners of SMEs need to understand the importance of business records?
- ii. Why is it important for business records to be managed properly from creation to disposition?
- i. What best practices can be adopted to promote good records of SMEs and improve the management of business records in SMEs?

LITERATURE REVIEW

The research questions outlined above are addressed through review of empirical and theoretical literature underpinned by Records Continuum Model (RC) and The Decision Usefulness Accounting Theory. The records continuum model was developed in response to criticisms of the Life Cycle Model (Shepherd and Yeo, 2003). The model provides a graphical tool for framing issues about the relationship between records managers and archivists, past, present and future, and for thinking strategically about working collaboratively and building partnerships with other stakeholders. In a continuum, there are no separate steps. Managing records is seen as a continuous process in which one element of the continuum passes seamlessly into another.

The Records Continuum Model takes a higher-order intellectual view of records, since it follows an integrated approach rather than one made up of stages (Shepherd and Yeo 2003; Pemberton 2003). The model stresses the need for records professionals to be involved in the earliest planning stages of an information system. The Records Continuum Model has four actions of records care which are outlined below (Millar, 1997):

Identification and acquisition; this involves both records management and archives management actions. Records management actions relate to creation and acquisition of records while archives management actions relate to the selection and acquisition of archives. Intellectual Control; In intellectual control, records management actions include classification of records based on a logical classification system or file plan, while in archives management the actions relate to the arrangement and description of archives. Access; as for access, records management actions relate to the maintenance and use of records, while archives management actions relate to access, retrieval and use of archives. Physical control; physical control is closely related to intellectual control. However, in physical control, records management actions relate to disposal of records by destruction while archives management actions relate to preservation of archives.

The model identifies and recognizes: -Key evidential, recordkeeping and contextual features of the continuum and places them in relationship to each other; The multidimensional nature of the recordkeeping function; The need to map the evidential, recordkeeping and contextual features of the continuum against dimensions of the recordkeeping function; The need to place records in a broader social-legal and technological environment. The records continuum model will form the theoretical foundation of the current study, as it is an all-encompassing model that includes all the records management issues that this study aims to investigate.

The Decision Usefulness Accounting Theory in relation to business records

This paper also draws upon the Decision Usefulness Accounting Theory. This theory describes accounting as a process of providing the relevant information to the relevant decision makers. Since the theory sets out a formal procedure that enables individuals to make the best decisions given their subjective probabilities, it is relevant to this study. The SMEs managers are expected not only to monitor their business transactions but also, to make the most accurate decisions that will enable business enterprises to flourish. Clell and (1961) explains how entrepreneurs succeed in their business. He contends that successful business operators consider profit to be a measure of success and competency. They set personal but attainable goals for their business and are concerned about their performance. They are conscious of every transaction accruing from their business and hence are in a better position to control loss. The Decision Usefulness Accounting Theory emphasizes documentation of business transactions for the purpose of effective decision making. This endorsement of the importance of documentation for business is very important for records management. This paper therefore, links two theories namely, the records continuum theory and The Decision Usefulness Accounting Theory. Both theories are centered on information and documentation upon which business managers and individual business owners rely on in order to make informed business decisions. Much of this information which is held in the form of records is crucial for business success. Therefore, there is need for records to be created, well maintained and used since they provide evidence of business transactions in all types of businesses including SMEs.

There is link between record keeping and SMEs performance. Dwomo (2012), established that due to poor record keeping, companies encountered difficulties in accessing financial assistance from both banks and non-banking institutions. Apex Global Limited of Ghana also noted that all five Companies applying for loans from banks and non-banking institutions such as Ghana Commercial Bank and Kwaebibirem Rural Bank had their applications rejected on ground of inadequate and poor book keeping. This situation similarly exists in Tanzania. Therefore, improving record keeping in SMES is likely to help SMEs to contribute more to economic growth and profitability in Tanzania.

According to Onaolapo (2014), there are very few SMEs which have knowledge and understanding about the importance of business records, which are used to reduce operating costs, improves efficiency and productivity. He explains that business records are very essential for decision making and majority of the SMEs do not prepare yearly financial statements. Muchira (2013), asserts that accurate record keeping of SMEs transactions is essential to the growth of the enterprises as it enables them to calculate the business profit more accurately. The SMEs are also able to have some documents to back up their tax records and hence can avoid losses by paying salaries and other bills accurately.

Profitability of business enterprises rely on proper recordkeeping that refers to the ability of business to meet the required standards, increase market share, improve facilities, and ensure a return on investment. An accurate record of the business' financial performance is a vehicle to performance monitoring in specific areas. Accounting records provide a basis for the complete and accurate income tax computation, a basis for sound planning for the

future and a basis for discussions with partners, potential investors, and lenders. All these are important aspects which enhance performance of the business (Mitchell, 2000). Businesses also rely on correct transaction and accounting records to make good decisions about the firm. Decision such as expansion, drop or maintain and size of product. Therefore, if proper records are kept, they will facilitate efficient, proper timely decision making and enhance performance in small scale industries.

Record keeping is crucial in any business small or large. Records to an organization act like blood in the human body; without it there is no survival, it is exactly the same for business regardless of the means of transaction. In this age of technological advancement, there are different ways of conducting business. These include electronic payment, e-banking, e-marketing and even e-record keeping. Eric and Gabriel (2012) equate bookkeeping to record keeping and states that record keeping is an essential tool which helps managers or business owners to exercise proper financial control and identify the strengths and weaknesses of their business. This in turn assists them to make appropriate decision to improve business performance because they get to know the financial positions of their businesses and thus take certain control measures to improve profitability. Generally, records provide rich information that is useful to managers, business owners, investors, leaders, customers, suppliers and regulators in running their businesses smoothly.

According to (IRMT, 2009), records management seeks to manage and control business records throughout their life cycle, from their creation and distribution, through their filing and use, and ultimately to their final disposition or permanent retention. Records management is more than retention, storage, and disposition of records. It entails all recordkeeping requirements and policies guidelines that allow an organization to establish and maintain control over information flow and administrative operations.

Management of business records has many benefits including proper decision making, planning, efficiency and effective of service delivery, space saving, expenditure reduction for filing equipment, efficiency in retrieval of information, protect vital records, control over creation of new records, identification of historical records and compliance with legal retention requirements and the establishment of administrative fiscal, and historical retention requirement (ICA, 2009). IRMT (2004) indicates that the management of business records promotes cost effective business practices. At the same time proper records management program will reduce the volume of records stored; improve storage and retrieval systems and help to get the right record to the right person at the right time more effectively and efficiently. It is crucial that the record keeping practices of SMEs supply complete and relevant business information needed to improve economic decisions made by entrepreneurs (Amidu and Abor, 2005). Business managers, individual business owners or organizations should determine which documents created or received during business transactions should be captured as records into a recordkeeping system, and how long they should be maintained within the system, based on an analysis of the legal and regulatory environment, business and accountability requirements and the risk of not capturing or retaining the records. This will ensure that adequate and necessary records are captured to meet business needs. This process is also important since proper disposal of records

facilitates easy retrieval of records in active use, and minimizes costs for maintaining and storing records (Richard, 2003).

According to Amuako (2013), the best strategy is to educate business owners, managers as well as employees on the need to keep business records. Also, government must make the use of business records mandatory in order to ensure every business owner or manager keeps business records. Additionally, there is need to hire consultants for SMEs for the purpose of conducting of financial statements as well as offer accountancy services and strengthen monitoring and supervision to keep accounting records (Muchira, 2007). Mutua (2015) asserts that education is critical to enable small business owners to acquire more knowledge and skills on record keeping. This is by organizing seminars, workshops and training sessions where such knowledge transfer can take place. Universities and colleges should also offer more courses related to bookkeeping apart from the general business courses.

METHODOLOGY

The study adopted a qualitative approach and a case study design where interviews and observation were used to collect data. A total of 83 respondents comprising of SME owners/managers, employees and business officers took part in the study. The specific SMEs targeted included pharmacy shops; Hardware Shops; Whole Sale Shops; Retails Shops; and Clothing Shops. The business officers (local government staff) were also included as key informants since they were seen to have vital information relating to the study. The data collected was then analyzed according to themes gleaned from the objectives of the study such as establish the knowledge base and understanding among the owners of SMEs about the importance of business records; examine the manner in which business records affect business performance of SMEs; determine the manner in which business records are managed from creation to disposition; and propose records management best practices and strategies to improve the management of business records to enhance profitability in SMEs

Discussion of Findings

The findings of this study are organized around the themes of the research questions, namely: knowledge base and understand the importance of business records, the management of business records form creation to disposition, and best practices can be adopted to improve the management of business records in SMEs.

Knowledge Base and Understanding of the Importance of Business Records

The first objective of the study was to determine the knowledge base of both business owners and employees in various small and medium businesses on the importance of business records. The question was meant to determine the relationship between knowledge of records management practices and the management of records in SMEs.

Knowledge base is very crucial influencing the creation, uses and management of business records in SMEs (Ademola *et. al.*, 2012). Poor practice of business record keeping is a result of business owners and employees lack of knowledge and skills on proper business records keeping (Uwonda *et. al.*, 2013). According to Danford (2014) knowledge base has direct impact in influencing business managers and owners who have knowledge and skills of

business records management processes. They are more likely to generate business records and use them to make informed decisions.

The first question to business owners and employees was about their understanding of the importance of record keeping to their businesses. Asked whether they needed to understand the importance of business records, all 80 (100%) business owners responded with a “Yes” answer. Further, all respondents, including both business owners and employees, were asked to explain the importance of business records to their businesses.

In response to this question, respondents gave various answers. They indicated that business records helped them in calculating business profits and loss; knowing items with high demand, as well as the progress being made by their business. They also added that business records helped them to calculate insurance payable, prepare business reports, know the expiry date of products, know the priority months for doing business; and last but not least they admitted that recordkeeping was also a means of accessing loans from financial institutions. Further, it was revealed that, to a certain extent, business owners as well as employees were aware of certain aspects which illustrated the importance of record keeping to their businesses. The respondents noted that the knowledge was derived from their long experience in business. Another reason was because of their interactions with other institutions. They noted that their knowledge of record keeping was not as a result of formal training. For example, many business owners referred to the importance of records in accessing loans because whenever they sought loans from banks, they were always asked about various records that they generated and maintained. This shows that many business owners of SMEs did not have understanding of the importance of business records prior to the establishment of their businesses. They admitted to realizing the importance of business records after they established their businesses. Also, through observation, the researcher noted that some of the aspects mentioned to illustrate importance of record keeping were not realized in day-to-day business undertakings.

The findings above are in line with those of previous studies by Agwu and Emeti (2013), which found that many business owners of SMEs in Nigeria considered some aspects of record keeping being important to their businesses. However, when probed for more information, the business owner’s answers did not reflect professional knowledge or understanding of record keeping but more of personal experience in business. Dawud and Azeko (2015), in their assessment of SMEs in Ghana, also found that many SMEs owners and employees lacked professional knowledge on recordkeeping as most of them possessed low levels of education.

Owners of SMEs were also asked to state the knowledge and skills that their employees had in record keeping. 11 (%) business owners admitted that their employees did not have skills in recordkeeping. Nine (9) business owners indicated that their employees received informal instructions from them on how to keep business records. Five business owners noted that employees knew how to keep records based on the owners’ experiences. All the above responses revealed one important thing, that business employees in SMEs did not have proper knowledge and skills on recordkeeping. When business owners were further asked if their employees had undergone any training on records management, they all responded with a

“NO” answer. They were then asked to state how their employees managed their records if they did not have any training. The findings indicated according to 13(52%) business owners that their employees kept records through trial and error. This meant that they did not apply any skills but simply did what seemed to work for them. Twelve (48%) business owners indicated that they kept records based on experience. This meant that in their trial and error they reached a point when they developed certain routines on how to keep records and thus followed this path even though they were not professionals.

On their part the business officers (local government staff) were asked to explain the role played by business officers in promoting SMEs. The following were noted from their response: One business officer indicated that SME owners were trained through various presentations. Another business officer noted that business owners and employees attended seminars during which they were trained. One business officer responded that training of SMEs was through face-to-face meetings in order to enhance their knowledge in different areas related to recordkeeping. Muchira (2012), in his investigation of the extent to which the owners and managers of micro- and macro enterprises in Thika Municipality in Kenya kept records, came up with similar results. He found out that business owners, managers and employees did not keep records properly due to lack of knowledge and because of the cost of hiring record keeping professionals. These findings tally with the findings in this study and also with other findings in Tanzania, like those by Danford, John and Lazaro (2014).

The interpretation above of findings are Mtwara-Mikindani municipality record keeping was poor due to lack understanding the importance of business records contributed by inadequate knowledge and skills and inadequate role played by business officers from municipality.

Managing Business Records from Creation to Disposition

The second question of the study was to determine the recordkeeping practices in SMEs in the Mtwara-Mikindani Municipality. A number of questions were designed to elicit information from both business owners and employees in order to get insights into how they maintained business records. Respondents were asked to explain how they generated and maintained their business records.

Findings on how SMEs maintain records were as follows: 43 (54%) respondents stated that they maintained their records in strong drawers; 32 (40%) said they displayed them on walls; and only five (6%) said that they maintained them in computers. It can be observed from the responses that recordkeeping was indeed weak in the SMEs. Thirty-two (32) respondents out of 80 stated that they displayed their records, such as business licenses and receipts, on walls.

One business employee from a hardware shop indicated that they used both manual and electronic systems to manage their business records. He said the two systems complemented each other in the sense that when something went wrong or missing in the electronic system, they could check manually to verify what exactly it was. He said that the current system for managing business records was very useful in facilitating access to information as and when it was needed. Another business owner from a pharmacy said that employees who dealt with the computerized record system are not competent enough to solve technical issues arising from the system.

One business employee from a clothing shop noted the number of employees in the business area was inadequate, for example, only two employees managed all activities required which did not facilitate the creation of business records. At the same time, the business was conducted poorly which sometimes led to some transactions not being recorded. She also said employees were so busy and recording of every transaction is time consuming.

It can be observed that in managing business records from creation to disposition, was poor and as much as there were facilities for keeping records they were not well utilized. This concurs with the findings of previous studies, for example, Mordi, Adisa and Abdulraheem (2014) who found record keeping in small businesses in Nigeria to be poor and there was a lack of facilities for keeping records. The study also revealed poor recordkeeping and lack of information management to be common among SMEs in Dodoma, Tanzania.

Due to poor recordkeeping in SMEs, business owners and employees were asked to explain the challenges they encountered in record keeping. In this regard, the majority, i.e., 43 (54%) respondents pointed out that retrieving information was difficult as a result of the way the records were kept. A total of 21(26%) respondents expressed the view that poor recordkeeping was a challenge which they attributed to lack of knowledge and skills on proper recordkeeping. Three (4%) others mentioned the high insurance charges as a challenge; seven(9%) mentioned lack of standardized methods of recordkeeping in the same business; and six (7%) respondents noted that they did not encounter any challenges in record keeping or in any other matters related to record keeping. However, the challenges of managing records not only in Tanzania but in the whole of East and Southern Africa region are not confined to SMEs only, but seem widespread. Mnjama and Wamukoya (2006) observed that Eastern and Southern Africa member countries continue to face numerous challenges in the capture and preservation of records. The general impression was absolutely clear, i.e., owners and employees of SMEs in Mtwara-Mikindani Municipality faced many challenges due to poor record keeping. These challenges imply was that the retrieving of records was difficult and since they did not manage their records properly, there was a possibility of the loss of important information as well.

Two business employees stated that there was no policy which guided the management of business records. They said business employees lacked relevant knowledge and skills in the use of computers, which led to them facing these challenges. One business owner of a hardware shop pointed out that:

Lack of policy for business records management has resulted in so many challenges which affected the management of business records, including a lack of clear methods of records creation, such as what should be created and how they should be managed. Thus, business records were created and managed in exercise books or any type of books in the business area whereby I am not sure if record management principles were well practiced.

Business officers were on their part asked to mention the problems affecting recordkeeping in SMEs. One business officer indicated problem to do with poor record keeping because most of them were not well trained in bookkeeping; while one business officer noted that most employees were poor in records management. One business officer noted that most business

owners and their employees deployed to work in the business area did not have the necessary skills required to manage business records. The business owners simply assigned poorly educated relatives to the record-keeping unit. Further, she said they did so because this way they paid inferior salaries which in turn contributed to low morale and motivation among employees which ultimately led to poor performance.

Previous studies, for example, by Mrope and Mhechela (2015) in Mbeya Tanzania, also found that SMEs faced many challenges in keeping their records. They found that some of the challenges had to do with difficulties in retrieving of information and lack of uniform financial records, among others. They also noted a lack of knowledge and skills on financial records management, in general. Another challenge faced in record keeping in SMEs was to do with the issue of retention schedules, i.e., how long to maintain records before disposal. This study found that all business owners of SMEs and their employees had no knowledge on the time needed to keep records before they could be disposed of. They also did not know the procedures for disposal of records.

The results of this study point to the fact that there were a number of problems associated with recordkeeping in SMEs, ranging from poor records management systems, to lack of knowledge and skills, manual operations, inadequate computers, insufficient mobile phone transactions, in effective retrieval, retention and disposal schedules, as well as lack of policies and guidelines. In summary, the study noted that recordkeeping in SMEs in Mtwara-Mikindani municipality was poor and recordkeeping procedures were not followed. These findings are in line with similar studies done on SMEs in Nigeria (Agwu & Emeti, 2013; Mordi, Adisa and Abdulraheem, 2014); in Ghana (cf. Dawud&Azeko, 2015); in Kenya (cf. Muchira, 2012; Waari, Angaine & Kamaku, 2016); and in Tanzania (Danford, John & Lazaro, 2014; Mrope & Mhechela, 2015). All the above studies reported poor record keeping which was similar to the situation in the Mtwara-Mikindani Municipality.

The findings above indicate that Mtwara-Mikindani Municipality face a number of challenges such lack of retention and disposal schedule, inadequate facility and storage of records, these was contributed by lack of policy and guidelines from the municipality which led it not rely on business records.

Proposed Record Keeping Practices for Improving the Management of Business Records in SMEs

The third question of the study was to identify and propose best recordkeeping practices aimed at improving the management of business records in SMEs. To accomplish this, business owners and employees of SMEs were asked to propose ways to address the problem. From their responses, various common themes were discernible:

- “That business officers from local government authorities organize trainings on record keeping for the owners of SMEs and their employees”.
- “That business officers should ensure that all seminars/workshops organized at any time in the public community incorporate a module on records management to enable business owners and employees to appreciate the importance of records for quality business delivery”.

➤ “That there should be guidelines provided by local government officers which should be followed by all owners and employees of SMEs on recordkeeping. They proposed that part of the taxes they paid for licenses be used to organize training on records management”.

These views from respondents indicate that business owners and employees in SMEs need training and guidelines to follow in order to improve the management of their business records. Both parties agree that training and guidelines are necessary as it will make them knowledgeable on various aspects of record-keeping.

The business officers emphasized the importance of improving the quality of business records management as a basis for decision-making, planning and overall control of business performance. All respondents said that training in record-keeping for all SMEs must be organized. The business officers made recommendation as follows:

➤ “The top management should embrace the importance of business records management and the role played by business officers by providing them total support towards developing a comprehensive records management program for the municipality”.

➤ “Allocation of funds for records management programs, such as training, seminars and workshops, in order to enhance the skills and competencies of business owners and their employees in records management to improve performance”.

➤ “Develop and implement appropriate business records management policies which should define the role of SMEs, business officers from municipality as well as TRA.

➤ The study revealed that there were no policies to guide business officers from local government authorities (LGAs) and owners of SMEs on record keeping matters. Consequently, there was lack of mechanisms which give LGA officers the mandate to enforce record keeping practices in SMEs. As a result, business owners and employees did not consider record-keeping as a mandatory task.

CONCLUSION AND RECOMMENDATIONS

This study has provided insights into Managing Business Records in Small and Medium Enterprises at Mtwara-Mikindani Municipality, Tanzania. The study concluded that although business records have importance in business performance, these records were not properly managed. The SMEs were faced with a myriad of challenges that if not addressed will continue to affect the SMEs negatively. The study therefore proffered specific recommendations that if implemented will alleviate these challenges and consequently propel the SMEs to greater heights which are: the municipality should prepare training program on proper record keeping; and serious measures be taken by the municipality to develop and implement a business records management policy in order to improve record keeping practices in the municipality. This policy should clearly define the guidelines, procedures and responsibilities of SME’s owners and employees with regard to records management.

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