

**EFFECTIVENESS OF COMPUTERISED ACCOUNTING SYSTEM ON FINANCIAL
REPORTING OF NON-GOVERNMENTAL ORGANISATIONS (NGOS) IN UGANDA**

CASE STUDY: AFRICAN FIELD EPIDEMIOLOGY NETWORK (AFENET)



UGANDA MARTYRS UNIVERSITY

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**A POSTGRADUATE DISSERTATION PRESENTED TO FACULTY OF BUSINESS
ADMINISTRATION AND MANAGEMENT IN PARTIAL FULFILMENT OF THE
REQUIREMENTS OF THE AWARD OF A MASTER OF BUSINESS
ADMINISTRATION**

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DEDICATION

To my wife Dianah Asimwe Tugume who endeavored to pay my tuition in time and pray for me,
My children Davis, Elis, Celine, Darlene, Alistair and Samara, and lastly my late parents Mr. and
Mrs Y.K Mutsimba.

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LIST OF ABBREVIATIONS

ACCA	Association of Chartered Certified Accountants
AFENET	African Field Epidemiology Network
CAIS	Computerized Accounting Information Systems
CAS	Computerized Accounting Systems
EU	European Union
FMIS(s)	Financial Management Information Systems
IASB	International Accounting Standards Board
ICPAU	Institute of Certified Public Accountants of Uganda
IFRSs	International Financial Reporting Standards
IFRSs	International Financial Reporting Standards
IMF	International Monetary Fund
IT	Information Technology
NGO	Non-Government organisation
USAID	United States Agency for International Development

ABSTRACT

The study examined effectiveness of computerised accounting system on financial reporting of non-governmental organisations (NGOs) in Uganda. It was guided by three research objectives which were; to examine the effectiveness of accounting software on timeliness of financial reports, to examine the effectiveness of accounting skills on the reliability of financial information provided by NGOs and to investigate the effectiveness of accounting policies on comparability of financial performance and position.

The study used a cross sectional survey design with both qualitative and quantitative results. Data was collected from 80 respondents using questionnaires and interview guide. The data was analysed using SPSS statistical version 16 to provide descriptive statistics, carried out correlation as well as regression analysis.

The findings of the study revealed a positive significant relationship between accounting software ($r = 0.0.439, p < 0.01$) with timeliness, a positive significant relationship ($r = 0.387, p < 0.01$) between accounting skills and reliability, a positive significant relationship ($r = 0.462, p < 0.01$) between accounting policies and comparability. It was therefore concluded that effectiveness of computerised accounting system has a positive and significant relationship with financial reporting. Furthermore, the results of the regression analysis conducted revealed that the most influential predictor of financial reporting among the variables tested by the study was accounting policies ($R^2 = 0.467$), indicating that accounting policies strongly correlated with financial reporting.

It was therefore concluded that since the respondents seem to agree that computerized accounting system affects the financial reporting of the organization, management of NGOs should invest in computerized accounting systems to ensure quality financial reporting.

It was recommended that in order for NGOs to ensure timeliness of financial reports, reliability of financial information prepared and comparability of financial performance and position; they should invest in computerized accounting system since the study concluded that computerized accounting systems are effective in ensuring quality financial reporting of organisations.

The study further recommended that it was important that the personnel handling transactions are trained so as to improve on their accounting skills.

The study recommended that non-governmental organisations should document the policies and procedures it follows for meeting the applicable accounting and regulatory standards, donor requirements, as well as any governance policies the organization has chosen to adopt in order to achieve high quality financial reporting.

CHAPTER ONE

GENERAL INTRODUCTION

1.1. Introduction

This study presented critical issues concerning financial reporting of Non-governmental organisations particularly the quality of financial reports produced as explained by computerized accounting system. Under computerized accounting system, the study explored how soft factors such as accounting software, accounting skills, and accounting policies as advanced by Hermanson et al (1987), Vidya Sethy (2001), Alan and Frankwood (2005) affect financial reporting. To explore the gaps in literature, the study examined the systems theory (Kaufmann, 1966: Bartalanffy, 1968), the positive accounting theory (Watts, 1978: Zimmerman, 1986) and the resource-based view theory (Barney, 1991), plus other studies on computerized accounting system. The study considered the financial reporting of non-governmental organisations as an important aspect that management of non-governmental organisations need to consider if they are to sustain external funding from donors and also gain trust from other stakeholders such as the government including other prospective funders of their various activities and the general public. To examine and investigate financial reporting by non-governmental organisations in Uganda, the study explored soft factors such as timely production of financial reports, reliability of financial information presented to donors, faithful representation of financial position of the NGO and comparability of financial performance between the various NGOs in Uganda. The study therefore presented discussions from various scholars such as Frankwood (1999), Omonuk (2009), Drury (2009) and excerpts from reports published by international organizations such as the ActionAid and USAID.

1.2. Background of the study

The influence of computerized accounting systems on financial reporting has been linked to the benefits of applying computer systems while generating financial reports (Mc Rae, 1998; Carol, 2002; Lancouch, 2003; Lewis, 1998; Mihir, 2002; Nash, 2003). Financial reporting is a means of portraying financial accountability in order for an organisation to review the financial activities of the past years and make plans for the future (Collins, 1978).

In the global accountancy arena, there have been several calls for the world to embrace the idea of a single global high quality accounting standard. These calls have been stronger following the recent financial crisis as the world continues to pursue globalization strategies and capital flows across borders became even more pronounced (Solomon, 2013).

In Britain and other European countries, up to 17th and 18th Century, one of the main purposes of accounting was pure record keeping with records being used by the owner for such purposes as monitoring debts or checking the honesty of employees (Chatfield, 1977; Gamsey, 1931; Edwards, 1989). As a consequence of growing international shareholding and trade, financial reporting has progressed as a global language for business affairs (Pecter, 2010). The development of international financial reporting standards (IFRSs) has further enhanced to a significant extent harmonization of accounting globally (Bruce, 2011). In all the excitement over economic growth, Brazil, Russia, India and China have acknowledged the importance of harmonisation and will soon embrace international accounting standards and reporting (Ncube, 2012).

In the past decade the rise in the use of the International Financial Reporting Standards (IFRS) in many countries around the world has moved the wave towards developing countries considering adopting these standards (Solomon, 2013). There is no doubt that Africa is also focused on rapidly

expanding economies elsewhere. Comparable and credible financial reporting has played its part in strengthening of the story of economic growth (IMF, 2011). As a need to deepen Africa's capital markets, there is need to create an investor friendly environment in Africa by moving away from local accounting standards and adopting international financial reporting standards.

Uganda like many of her counterparts has embraced and is currently adopting international financial reporting standards and has set up institutions that can regulate and promote the use of international financial reporting standards and procedures such as the Institute of Certified Public Accountants of Uganda (ICPAU). A number of entities in Uganda now fully comply with international financial reporting standards and procedures in the preparation of financial statements and have moved to computerise their accounting systems and abandoning manual accounting (Mulooki, 2014). A European Union (EU) audit conducted in 2013, revealed that various non-governmental organizations were not enjoying the benefits of computerization of accounting system as they had continued to present inaccurate and untimely financial statements sighting increased number of interruptions due to system failure or breakdown; leading to the reliability of such reports left in question.

Other studies on computerization of accounting systems in NGOs reveal on the other hand that computerization of accounting systems has registered a number of benefits that include among others saving time on transaction recording and processing consequently leading to timely, accurate and reliable information being generated (Lewis, 2009).

With the development of comprehensive and robust accounting software such as Sunsystems and Vision used by AFENET, introduction of high quality international financial reporting standards

and procedures by the International Accounting Standards Board (IASB) and the strengthening of accounting bodies such as ICPAU and ACCA, entities today would be expected to build on this strong foundation to ensure that they improve on the quality of financial reports to be able to attract potential funders and investors; however, current media reports and publications seem to reveal the contrary.

Sunsystems is a financial platform with the depth to adapt to any market and any kind of Business, with a strong and secure databases to store and manage Information, Quick access on both Local Area Network (LAN) and Wide Area Network (WAN), User friendly with graphical User Interface.

Sunsystems provides **integrated financial management, purchasing, inventory, and sales management solutions**. It's widely used by more than 9,000 customers in 190+ countries. (<http://www.infor.com/product-summary/efm/sunsystems/>)

Sunsystems provides immediate access to all finance and accounting information hence one can make fast and effective decisions about all aspects of financial management, including nominal ledgers, payable and receivable ledgers, consolidation, corporate allocations, multiple currencies, dual-base currencies, fixed assets, and debtor management. Using Sunsystems one is able to meet multiple and evolving accounting and reporting requirements, because its solutions are highly flexible. Rest assured one will comply with local requirements, multiple GAAP standards and evolving reporting requirements such as IFRS.

The computerized accounting software further simplifies budgeting, forecasting and other financial planning processes with Sunsystems' budgeting and planning solutions. One can turn

their data into meaningful information, and then deliver it to the right people, in the right format, at the right time.

Sunsystems helps get a tighter grip on an entity's purchasing processes and activities with a complete purchase cycle, web-based spending control and management solution. Sunsystems takes control of the entity's sales, purchasing, and inventory management, and integrate the organisation's operations with other trade contacts such as customers, and suppliers.

On the other hand, Vision is the Sunsystems analysis & reporting module. Infor Query & Analysis (Sunsystems Vision) is a dynamic, multi-language, multi-currency set of business intelligence tools that is powerful, flexible, secure, and easy to use. Query & Analysis is integrated with Microsoft Office enabling quick user adoption with minimal training and technical skills. Using familiar desktop applications, users can quickly and efficiently create reports that highlight trends, patterns, and exceptions. And since minimal IT support and involvement are required, maintenance is easy too.

1.3. Problem statement

Despite the fact that Non-governmental Organisations heavily depend on external funding in most developing countries, they often face great constraints regarding financial reporting. As Kukundakwe et al (2013) observes, most NGOs in Uganda are pre-occupied with emergencies, diseases, illiteracy and poverty eradication and are unwilling to invest in Financial Management Information Systems.

Non-governmental Organisations are confronted with both local and international competition for funding and they often lack general skills in financial reporting and consequently, funds from donors are poorly managed and most of the accountability mechanisms leave desirable efforts

among NGOs in Uganda. Most NGOs in Uganda do not have qualified accountants and have problems preparing accurate, timely and reliable financial reports, which is one of the donor requirements (Mulooki, 2014). These constraints substantially limit the capacity of most NGOs to compete within the context of a globalised world for funding (Ocici, 2003).

The question arises as to why private organisations – particularly NGOs which have no public accountability and often characterised by limited human and financial resources compared to larger enterprises – should engage in financial reporting (Turyakira, 2012; Collins, 2007). While there is a great deal of optimism for the role that NGOs can play in improving the welfare and quality of life of the citizens, most researchers such as Silberhorn and Warren (2007) have focused their research efforts on large and public enterprises. Most initiatives tend to take the tried and tested “business models” developed in large and public enterprises / governmental organisations and shrink them to fit Non-governmental Organisations (Jenkins, 2006).

Despite the widespread practical and academic interest in computerized accounting system and its effect on the competitiveness of NGOs, few theoretical and empirical contributions exist. Conclusions resulting from quantitative and qualitative research with respect to the effectiveness of computerized accounting system on financial reporting of NGOs are limited in Africa and in Uganda in particular. In light of the perceived effects of computerized accounting system on financial reporting of NGOs, a closer examination of the relationship between computerized accounting system and financial reporting of NGOs in Uganda is therefore necessary. Thus, this study analyses and documents the effectiveness of computerized accounting system on financial reporting of NGOs and identifies possible mechanisms of enhancing the financial reporting within the framework of computerized accounting.

1.4. Purpose of the study

The study aimed at examining the effectiveness of computerized accounting system on financial reporting of Non-governmental Organisations (NGOs) in Uganda.

1.5. Objectives of the study

To achieve the above purpose, the study employed the following objectives;

- (i) To examine the effectiveness of accounting software on timeliness of financial reports of AFENET.
- (ii) To examine the effectiveness of accounting skills on the reliability of financial information provided by AFENET.
- (iii) To investigate the effectiveness of accounting policies on comparability of financial performance and position of AFENET.

1.6. Research questions

In order to achieve the above objectives, the study sought answers to the following questions:

- (i) What is the effectiveness of accounting software on the timeliness of financial reports of AFENET?
- (ii) What is the effectiveness of accounting skills on the reliability of financial information provided by AFENET?
- (iii) What is the effectiveness of accounting policies on comparability of financial performance and position of AFENET?

1.7. Research Hypothesis

The following hypotheses were derived from the literature review and have been tested in this study;

H1: Accounting software are related with timeliness of financial reports.

H2: There is a relationship between accounting skills and the reliability of financial information.

H3: Accounting policies are related with comparability of financial performance and position.

1.8. Scope of the study

The scope is divided into subject scope, geographical scope and time scope. The subject scope defines the concepts covered while geographical scope defines the geographical area covered by the study. The time scope defines the period covered by the study.

1.8.1. Conceptual scope

The study will focused on the effect of computerized accounting system on financial reporting of non-governmental organisations (NGOs) in Uganda, and took a case of AFENET. Computerised accounting system was examined by its components of accounting software, accounting skills and accounting policies whereas financial reporting was measured by timeliness of financial reports, reliability of financial information and comparability of financial performance and position. The study futher recognised the fact that, there are other factors that may influence the financial reporting of non-governmental organisations such as donor requirements, statutory requirements and financial and operating manual etc. The study is not an exhaustive coverage of these factors. It only considers the aspect of computerized accounting system.

Furthermore, computerized accounting system falls under the broader area of Management Information system. The researcher was aware of the multiple factors that may affect the effectiveness of computerized accounting system towards financial reporting of non-governmental organisations.

1.8.2 Geographical scope

The study covers AFENET, an international non-governmental organisation with its head office located in Kampala District, the capital city of the Republic of Uganda. This branch was chosen because of the fact that being the head office of the organisation, all the other branches in the rest of Africa are required to report to the head office activities and events executed. Therefore, AFENET Uganda office is charged with the role of consolidating all financial reports produced by other branches and subsequently report to all stakeholders.

1.8.3. Time Scope

The study was conducted in 2016 and focused on the period from 2013 to 2016. This period was chosen due to the fact that the study organisation (AFENET) implemented a number a financial reporting reforms including a shift from simplex accounting system with only five users to a more comprehensive and robust computerized accounting system with over 50 users linked to all other branches in the rest of Africa. The researcher was therefore able to collect a lot of relevant information for the study within this period.

1.9. Significance of the study

The study outlines the feasibility factors to be considered by companies who want to adopt Computerised Accounting System in their Corporate Financial Reporting, and the importance of Computerised Accounting Systems in Corporate Reporting of companies. This subsequently enables firms which have not yet incorporated Computerised Accounting Systems in their Corporate Reporting to do so.

Furthermore, the study identifies and addresses some possible challenges associated with the use of a Computerised Accounting Systems in Corporate Reporting.

Lastly, the study generates more interest for further work by researchers.

1.10. Justification of the study

This study is vital and timely considering the current stiff competition for donor funding. Timely and quality financial reporting as a result of computerisation can be a winning edge over competitors in NGO sector.

The study findings will enhance NGOs capability to build mechanisms in order to increase the quality of financial reports through computerised accounting systems.

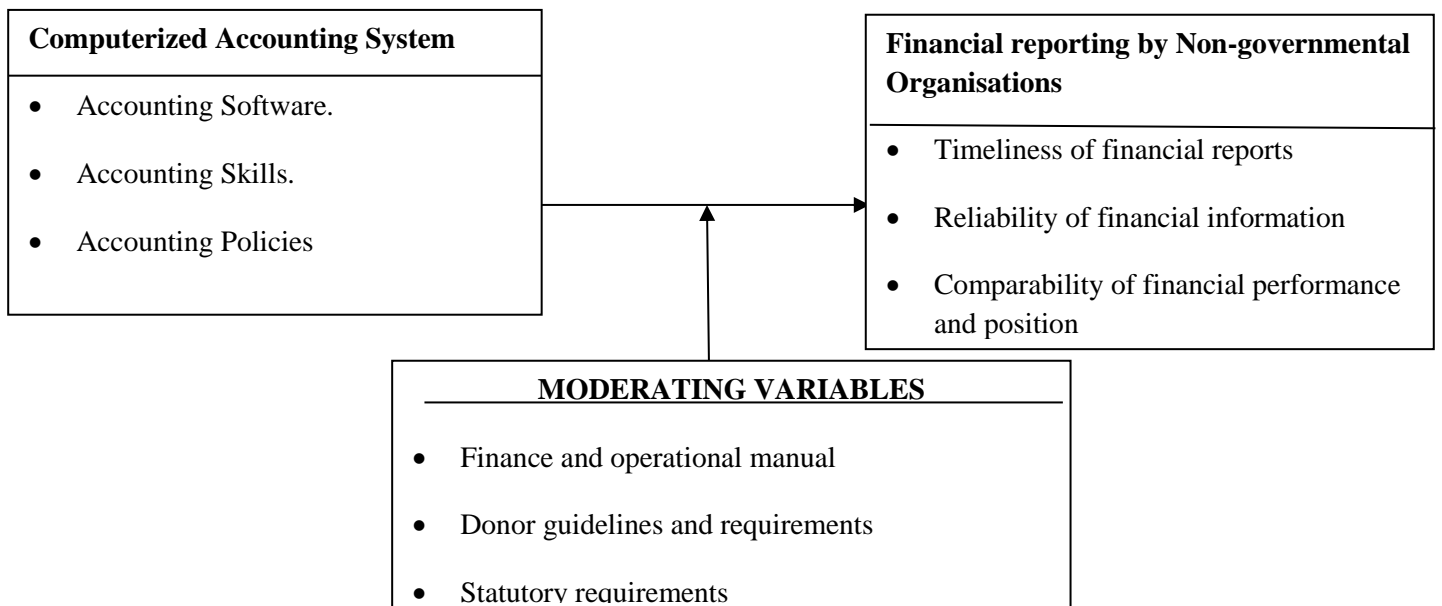
The donor agencies can use the findings of this study to identify what kind of technical support they should provide the NGOs before giving them any funding in order to ensure acceptable quality of financial reports.

1.11. Conceptual Framework

The conceptual framework was developed from critical review of existing literature which helped the researcher to understand the research problem and the variables studied under this research.

A computerized accounting system is a computer based system, which combines accounting principles, concepts as well as the concept of information system to record, process, analyze and produce financial information to its users to make economic decisions (Gelinas et al,2005). The illustrative figure 1 below relates the CAS to systems theory since it involves multiple components which interact to generate usable results.

Figure 1: Conceptual Framework



Source; *Adopted from Alan and Frankwood (1999), Hermanson (1987), Alshebeil A. H (2010), As modified by the researcher.*

The conceptual framework shows the relationship between computerized accounting system (independent variable) and financial reporting (dependent variable). Computerised accounting system was based on the works of Alan and Frankwood (1999), Hermanson (1987), and Alshebeil A.H (2010) based on earlier works of Kaufmann (1966) and Bartalanffy (1968) who assert that a computerized accounting system components comprise of accounting software, accounting skills and accounting polices.

The influence of computerized accounting systems on financial reporting has been linked to the benefits of applying computer systems while generating financial reports (Mc Rae, 1998; Carol, 2002; Lancouch, 2003; Lewis, 1998; Mihir, 2002; Nash, 2003). Therefore, the study explored financial reporting by looking at the benefits derived from computerized accounting system such as timeliness of financial report, reliability of financial information and comparability of financial performance and position. Hence, with the presence and implementation of a computerized accounting system, an organisation shall enjoy these benefits hence quality financial reporting.

The study considered three major moderating variables believed to influence the relationship between computerized accounting system and financial reporting of an organisation. These include Finance and operational manual, donor guidelines and requirements and statutory requirements. The financial and operational manual may change from time to time which may influence the reliability of financial information and affect the comparability of financial information from one

period to another, donor guidelines and requirements may be voluminous and hence influence the timeliness of financial reports as preparers of financial reports may need a lot of time to ensure that they comply with all the donor requirements whereas statutory requirements may affect the comparability of financial performance and position of an organisation with other organisations that are outside the statutory jurisdiction.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents some of the previous empirical and theoretical studies on computerized accounting system and financial reporting in general. It also provides a general platform and investigation on how the components of a computerized accounting system enhance financial reporting. It further provides a basis for the choice of the appropriate methodology of the study.

2.2 Theoretical framework

Financial reporting as an organizational function aims at measuring, processing and communication financial information which is crucial for business success as well as organization for effective decision making whether it is a Non-profit making organization such as most NGOs in Uganda or profit making because they have to report to the stakeholders of the organization through financial reports.

2.2.1 Systems Theory

Kaufmann (1966) developed the systems theory to explain historical development as a dynamic process and was more fully developed by biologist Bertalanffy (1968). Bertalanffy argued that everything is interconnected and therefore, we should study the interconnectedness as a means of understanding the world. The systems theory method of analysis involves, first the deconstruction of what is to be explained, that is, the phenomenon under consideration, secondly, the formulation of explanation that account for the behavior of properties of the component separately, and finally the synthesis of these explanations into an aggregate understanding of the whole.

General systems theory like other innovative frameworks of thought passes through phases of ridicule and neglect. It has benefited, however, from the parallel emergence and rise to eminence of cybernetics and information theory.

Systems theory is relevant to this study because the methods proposed by the theory is to model complex entities created by multiple interaction of components by abstracting from certain details of structure and component and concentrating on the dynamics that define the characteristics, functions, properties and relationships that are internal or external to the system.

Computerized Accounting System is a computer based system, which combines accounting principles and concepts as well as the concept of information system to record, process, analyze and produce financial information to its users to make economic decisions (Gelinias et al,2005).

Indeed, a Computerised Accounting System is related to the systems theory since it involves multiple components which interact to generate usable results; these are input, processing storage, users and output (Gelinias et al, 2005).

2.2.2 Positive Accounting Theory

Positive accounting theory was developed by Watts and Zimmerman in 1978 and 1986. The theory emerged with empirical studies that proliferated in accounting in the late 1960s and seeks to predict and explain why managers elect to adopt particular accounting methods in preference to others. Positive theories are concerned with explanation and prediction (what does/ will happen) and are grounded in empirical data (Ryan et al, 2002). Since they are grounded in empirical data, they appear to offer accounting researchers the prospects, the validity of Johnson and Kaplan's (Relevance Lost) criticisms of management accounting practice. This form of research draws on a wide range of theoretical frameworks to address financial management accounting issues.

Different research methods and methodologies are not viewed as competing but are rather used together to provide a variety of insights into a wide range of management accounting research questions (Ryan et al, 2002).

2.2.3 Resource-Based View Theory

The origin of Resource-Based View Theory can be traced back to earlier research. Barney (1991) developed the strategic factor markets and the role of expectations can be seen within resource based framework. Barney's framework proved a solid foundation upon which others might build up. The current dominant view of business strategy resource-based theory or resource-based view (RBV) of firms is based on the concept of economic rent and the view of the company as a collection of capabilities. This view of strategy has a coherence and integrative role that places it well ahead of other mechanisms of strategic decision making (Kay, 2005).

The resource-based view (RBV) offers critical and fundamental insights into why firms with valuable, rare, inimitable, and well organized resources may enjoy superior performance (Barney, 1995). Building on the RBV, Hoopes, Madsen and Walker (2003) suggest a more expansive discussion of sustained differences among firms and develop a broad theory of competitive heterogeneity. The Resource Based View's lack of clarity regarding its core premise and its lack of any clear boundary impedes fruitful debate. Given the theory's lack of specificity, one can invoke the definition based or hypothesis-based logic. We can also argue that resources are but one potential source of competitive heterogeneity. Competitive heterogeneity can obtain for reasons other than sticky resources (or capabilities) (Hoopes et al. 2003).

Competitive heterogeneity refers to enduring and systematic performance differences among close competitors. The theory is relevant to this study because NGOs need to be competitive in their performance in order to achieve their objectives, mission and vision.

2.3 Computerised Accounting System

A computerized accounting system involves the computerization of accounting information systems which is established in order to facilitate decision making. These are associated with a numbers of benefits like speed of carrying out routine transactions, timeliness, quick analysis, accuracy and reporting. Effective and efficient information flow enhances managerial decision-making, thereby increasing the firm's ability to achieve corporate and business strategy objectives (Manson, McCartney, and Sherer, 2001). This in turn, may increase the prospects of the firm's survival (Platt and Platt, 2012). This can be evaluated by the procedures, accounting records and tools used (Keating and Frumkin (2003).

Indira (2008) pronounced the improvement in business performance as a result computerization of the accounting systems as it is a highly integrated application that transforms the business processes with the performance enhancing features which encompass accounting, inventory control, reporting and statutory processes. He then says, this helps the company access information faster and takes quicker decisions as it also enhances communication.

McBride (2000) stated that managers cannot easily satisfy statutory and donor reporting requirements such as profit and loss account, balance sheet and customized reporting without using computerized accounting systems. With the system in place, this can be done quickly and with less effort.

Computerized accounting systems ease auditing and have better access to required information such as cheque numbers, payments, and other transactions which help to reduce the time needed to provide this type of information and documentation during auditing.

According to Carol (2002), it is easy to do accounting functions using computerized accounting systems. Posting transactions to the ledger, the principle of double entry can largely be automated when done through the use of computerized accounting system.

Every business has numerous processes; some simple, others complex and cumbersome. But as the business grows, acquires new customers, enters new markets and keeps pace with constant changes in information technology, companies need to maintain highly accurate and up-to-date accounting, inventory and statutory records. This is where a Computerised Accounting System helps simplify, integrate, and streamline all the business processes, cost-effectively and easily and helps presents the true picture of all the business undertakings to users of financial reports. With the decrease in the price of computers and accounting programs, this method of keeping books is becoming popular (Raymond and Bergeron, 1992).

2.3.1 Accounting Software

Accounting Software is a class of computer programs that perform accounting operations. Accounting Software is an application software that records and processes accounting transactions within functional modules such as accounts payable, accounts receivable, payroll, and trial balance. Accounting software packages allow the whole accounting system to be run on a computer hence the name Computerised Accounting System. (Daniel Bricklin, 1985).

At the turn of the millennium, internationalization of economic trade and globalization of businesses have been on the ascendancy. Businesses are going international for various reasons which include: the presence of cheap resources overseas, better tax regulations, trade liberalization, and other favourable legal requirements (Manson, 2001). Other businesses are expanding internally. All these activities have bearing on the accounting procedures and processes of an organisation. With a substantial increase in the volume of accounting transactions and increase in exposure of information to errors due to complexity of these accounting systems, there was a need for a system which could store and process accounting data with increased speed, storage, and processing capacity. This led to the development and introduction of accounting software packages (Collins and Collins, 1999).

According to Sugut (2014), computerized accounting software is the application of the computer based software used to input, process, store, and output accounting information. This application is in support of the ever advancing technology that enables firms to use computer programs to perform tasks that were previously done manually. A computerized accounting system therefore involves the computerization of accounting information systems which is established in order to facilitate decision making. These are associated with a numbers of benefits like speed of carrying out routine transactions, timeliness, quick analysis, accuracy and reporting. Marivic (2009) argued that computerized packages minimize human errors in transactions recording as in the system there is the existence of reference of every transaction.

According to McBride (2000), computerized packages can quickly generate all types of reports needed by management for instance budget analysis and variance analysis. Data processing and

analysis are faster and more accurate which meets the managers need for accurate and timely information for decision making. Frank wood (1999) consented to the speed with which accounting is done and further added that a computerized accounting system can retrieve balance sheets, income statement or other accounting reports at any moment. He consented that computerized accounting system allow managers to easily identify and solve problems instantly.

2.3.2 Accounting skills

According to Okoro (2012), in the competitive landscape of the 21st Century, a sustainable competitive advantage of an organisation depends on the skills and abilities of the organisation's workforce who can manage diversity and implement increasingly complex business strategies. If an enterprise wants to be successful in the highly fluctuating global business environment, management must ensure that the workforce can exhibit a range of technical and generic skills (Lange et al., 2006).

Basic accounting software demands not only ICT knowledge, but also thorough accounting skills (Hardy, 2009). In contrast, Simmons (2011) asserts that current accounting software can be run with only a simple understanding of the accounting practice. He further empathizes that, nowadays, resources to assist users in their use of accounting software are easily to come by, with in depth help menus and also the vast information that can be sourced online free of charge.

A study conducted by Keating & Frumkin (2003) concluded that most NGOs that do not have skilled accountants have problems and challenges of preparing accurate and timely financial reports, which is one of the major donor requirements. Ebrahim, (2003) notes that NGOs respond to issues of accountability with both tools and processes. Tools are created by stakeholders that have considerable leverage over an NGO like a donor or a government regulator. Familiar tools

are annual reports, financial accounts, performance assessments, quarterly reports, independent evaluations and audits.

Schnelder (1989) stresses that the heart of fiscal management in any organization is a good accounting system that is appropriate to that organization accompanied by a skilled personnel to man it. In order to achieve consistent financial accountability to enhance the reliability of financial information, it is necessary to establish standards for accounting skills and a system for accounting practices. Keating and Frumkin (2003), state that in order to determine the effectiveness of a financial reporting system, one must understand its objectives.

2.3.3 Accounting Policies

One of the fundamental requirements of a sound and strong financial management system is for organizations to document their policies used in establishing and maintaining internal controls, accounting and reporting (Gordon et al, 2010). An organization must document all of the policies and procedures it follows for meeting the applicable accounting and regulatory standards, requirements of the organization, as well as any governance policies the organization has chosen to adopt (Samuel, 1991).

The organization's accounting policies should help ensure that the institutional memory of how and why things were done in the past is not lost and serve as an important model to capture how things are done currently. The policy document is an important tool for clarifying roles, responsibilities and ensuring accurate financial data is used for decision making. The document should be a useful training tool for new and existing accounting personnel, educating them and providing guidelines to support daily accounting operations and processes (Gordon et al, 2010).

According to Larson & Pyle (1988) an accounting system consists of business papers, records, reports and policies that are used by an organization in recording transactions and reporting their effects.

Policies and procedures should be reviewed on a regular basis to determine if they should be changed or improved, but it is not expected that they will change frequently. As Ceasor (2014) observes, some organizations find it most effective to create separate policy documents for different lines of business, even if the different areas or divisions are included in the definition of the organization. The organization should attempt to make their policies as clear and unambiguous as possible so that they can be easily understood. The organization's policies and procedures can be outlined in separate documents or combined into one consolidated manual. Further, policies and procedures can be documented in either hardcopy or electronic format. Many organizations also chose to create detailed step-by-step "desktop procedures" (separate from formal policies and procedures) to help employees consistently complete ongoing tasks (Mulooki, 2014).

2.4 Financial reporting

Financial report is a means of portraying financial accountability. In order for an organization to review the financial activities of the past year and make plans for the future it prepares and publishes annual accounts or financial reports (Collins and Collins, 1978). Saleemi (1981) defined

financial reporting as the process of supplying financial information which is reliable, accurate and complete to the various stakeholders for making economic decisions. This is always in form of financial statements such as statement of comprehensive income, statement of financial position and cash flow statement which provide an overview of the company's current financial strength.

According to Samuel (1991), financial reports are outputs of an accounting system and they are prepared at the end of the year, hence the name final accounts. According to Horne (1998), the financial reports should include a narrative description of the organization's activities and a report of independent auditors. He argues that these enable the stakeholders to see the organization's performance and the overall financial situation of the organization.

Samuel (1991), states that managers and accountants are usually required to defend the results shown in the financial reports as part of the accountability process.

2.4.1 Timeliness of financial reports

According to Indira (2008), timeliness is an important characteristic of quality financial information. To benefit users, financial information must be presented at the right time otherwise it loses relevance. Relevance is also a characteristic of quality of financial reports. Frankwood (2005) indicates that financial information is relevant if it is capable of making a difference in decisions made by helping users to form predictions about the outcomes of the past, present and future events either to confirm or correct prior expectations.

2.4.2 Reliability of financial information

Information is said to be reliable if it is free from material errors and bias and represents faithfully that is purports to represent emphasized Frank wood (1999).

Nash (2003) noted that the quality of accounting information and performance of the accounting systems is a great concern to management. A computerized accounting system is a delivery system of accounting information for purposes such as providing reliable accounting information to users, protecting the organization from possible risks arising as a result of abuse of accounting data and system among others.

According to Amongin (2011), reliability is regarded as one of the main qualities of financial reporting. People must be able to depend on the figures and the facts printed on your financial statements and to make sure that they are true. It must be verifiable. Free from error.

2.4.3 Comparability of financial performance and position

Comparability is another characteristic of quality of financial reports. Frankwood (2005) also stresses that users must be able to compare the financial statements of the enterprise over time in order to identify trends in its financial position and performance.

Comparability is affected by consistency of presentation and disclosure of accounting policies particularly when comparing items among entities that might use different (but equally valid) methods like straight-line/ reducing balance depreciation or FIFO/ average cost method. This indicates that comparable financial statements are not necessarily uniform, but merely allow suitable comparisons (Derrell, 2010)

According to Pallai (2007), understandability is a quality of financial reports that enables users to perceive the significance of financial information. He argues that users are assumed to have reasonable knowledge of business and willingness to study and understand the information.

Naturally the information produced must be understandable (Marquez, 2001). A guideline is to provide information that people, who are willing to understand it, can understand it: professionals or nonprofessionals. As a business owner, you have to think of the different accounting backgrounds of the different types of people who will be reading your reports and match that accordingly. Information can only be useful to end users if they are able to understand it (Comelab, 2012).

2.5 Effectiveness of computerized accounting system on financial reporting

The influence of computerized accounting systems on financial reporting has been linked to the benefits of applying computer systems while generating financial reports. The presentation of scheduled reports can be triggered and simplified and prepared at regular interval with ease (McRae, 1998).

With the application of computerization, generation of financial reports will be easy since information can be easily generated and updated on a timely basis. With the substantial increase in the number of transactions and increase in the need for real time information, maintenance of accounting data on a real time basis has become essential. This is achievable using computerized systems hence promoting the quality of financial reporting.

Carol (2002) says that computerizing business general ledger, payroll and other accounting tasks increases office efficiency. Computerized accounting systems have also been credited for their

quick processing speed and large storage capacity. Using computerized accounting systems ensure up to date account balances are available at any time to aid management in decision making (Lancouch 2003).

Computerization saves time on transaction hence leading to quality of financial reporting for instance timely, accurate and reliable information can be generated (Lewis 1999). The influence of computerized accounting systems depends on the end users satisfaction. Mihir (2002) stressed that higher end users satisfaction leads to a positive attitude towards using the satisfaction and in turn increases the voluntary usage of the system.

Nash (2003) noted that the quality of accounting information and performance of the accounting systems is a great concern to management. A computerized accounting system is a delivery system of accounting information for purposes such as providing reliable accounting information to users, protecting the organization from possible risks arising as a result of abuse of accounting data and system among others.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the methodology used in collecting and analyzing data relating to the study questions. It also covers the research design, area of study, study population, sampling procedure, sample size, sampling techniques, data collection methods and instruments, quality control methods, data management and processing, data analysis and interpretation tools and limitations of the study.

3.2 Research design

The study employed a cross sectional research design. The researcher believed that this research design was appropriate for this study due to the anticipated time frame within which this study was to be completed. A cross sectional research design would hence provide an opportunity for a thorough analysis of individual cases in examining the effectiveness of comprised accounting system on financial reporting of non-governmental organisations in Uganda.

Furthermore, case studies emphasize detailed contextual analysis of a limited number of events and their relationships which would greatly help to clearly bring out the relationships of all the objectives in this study.

3.3 Area of the study

The study covered the AFENET secretariat on plot 42, Lugogo by-pass in Kampala district of The Republic of Uganda. Kampala district is located in the central region and is the capital city of the republic of Uganda.

3.4 Study Population

Population is the entire group of people, events or things of interest which the researcher wishes to investigate (Sekaran, 2003). The study population comprised of 80 finance and administration staff of AFENET. The study targeted the personnel that use the organisation's computerised accounting information system and the preparers of the organisation's financial statements. The study population also comprised members of the management team whom are considered to be the immediate users of the financial reports and usually forward them to many other users and stakeholders.

3.5 Sample Size

According to Sekaran (2003), a sample size larger than 39 but smaller than 500 is appropriate for most research. Due to the small size of the target population, the researcher included all the members of the population in the sample. Therefore the study was conducted by reaching 80 respondents.

3.6 Data Collection Sources

Both primary and secondary sources of data was used in the study. While the secondary sources of data were the available documents that included existing literature on computerized accounting system and financial reporting, which supplemented the primary sources and also enabled comparison of the findings of the analysis and trends regarding the subject of investigation.

3.7 Data Collection Tools

In order to collect sufficient and appropriate data a combination of tools were used. These included; questionnaires and document analysis.

3.7.1 Questionnaire

The questionnaire comprised a set of questions arranged and printed in a definite order (Kothari, 2004). A self-administered questionnaire was used on the management members, administrative staff, finance staff and support staff. These were closed ended questions due to the large number of respondent and to provide specific responses that are easier to analyze, while at the same time provide an opportunity for comparison among different groups of respondents (Amin, 2005). It comprises sections systematically organized to include the components of the independent variables and the demographic characteristics of respondents. The information from the questionnaires was more accurate and genuine due to the confidentiality. The questionnaires are good because they provided frequencies of responses to the questions, they are very easy to use, they are cheap and less time consuming. They however have some limitations such as only giving the frequencies of the responses and does not give in-depth information. This can be solved through ensuring that each questionnaire is checked thoroughly for completeness, correctness and accuracy.

3.7.2 Document Analysis Guide

An evaluation check list for document analysis was used. Secondary data is to supplement the primary sources (Amin, 2005).

3.8 Data Collection Procedures

The following procedure was followed: For quantitative data a questionnaire was administered to selected respondents. Properly validated questionnaires were delivered to the respondents assuring them of confidentiality, anonymity and their voluntary participation. Collection of completed questionnaires was done after two days and checked for completeness and correctness.

3.9 Reliability and Validity

3.9.1 Validity

The study adopted content validity to test and ascertain the validity of instruments. Validity of the research tools used for data collection was achieved by repeated reviews with fellow students and with guidance from supervisor. The researcher asked them to evaluate the items on the questionnaires for their relevance to the stated objectives of the study. The researcher further ensured content validity of the instruments by making sure that questions or items in them conform to the study's conceptual framework and research questions. The researcher proceeded to assess their content validity by using the content validity index (CVI) to further ascertain their validity. A formula whereby the number of items rated as relevant was divided by the total number of items on the questionnaire was adopted to achieve the content validity index (CVI) to compute content validity thus:

$$CVI = \frac{\textit{Total of items rated as relevant}}{\textit{Total number of items in the questionnaire}}$$

Since the outcome of the validity analysis was above 0.7, the researcher regarded the instrument as valid.

3.9.2 Reliability of Research Instruments

In testing the reliability of instruments, the study adopted Cronbach's Alpha coefficient value analysis. According to Dobson (2002), Reliability refers to the measure of the degree to which research instruments yield consistent results after repeated trials. Given that the coefficient obtained from this analysis was above 0.6, the instrument was considered reliable.

3.10 Ethical Considerations

A letter of authorization was obtained from the university and was presented to the study organisation (AFENET) to gain access to the respondents in order to facilitate the data collection process. Getting letters of support to the research project was intended to enhance the confidence and freedom for participants to actively participate or to withdraw from the study anytime they so wished. The researcher endeavored to obtain any form of authorization that was necessary for the study to take place. Throughout the study, the researcher refrained from any practice deemed inconsistent with research ethics.

The researcher accorded due respect to all respondents and acknowledged all scholarly works to which the study referred. The researcher further desisted from any tendencies towards plagiarism and imposition of personal viewpoints in the data.

The researcher endeavored to protect the respondents by keeping the information they gave confidential. This assurance was given to all respondents and was indicated on the data collection instruments.

1 Data Analysis

3.11.1 Qualitative analysis

After successfully collecting and editing the data from the various sources, qualitative data was analyzed using thematic analysis by translating the narratives into a set of equivalent statements (themes). Secondary data was analyzed to provide further evidence and clarify the situation on the ground. Triangulation method of analysis was used to ensure that appropriate conclusions and recommendations are made.

3.11.2 Quantitative analysis

For quantitative data analysis, the process was began by checking each response for completeness, correctness and accuracy, after which coding was done using SPSS Version 16. The data was then compiled, sorted, classified and entered into a computer for analysis. Frequency distributions and percentages were then derived and some data was presented in form of tables. A general description of data was done using descriptive analysis such as measures of dispersion (standard deviation and range) and measures of central tendency (mean, median and mode).

Correlation analysis was used to examine the relationships between computerized accounting and financial reporting as well as ascertain the strength of that relationship. Regression was used to establish the cause, effect and used to test the objectives and hypotheses. Regression analysis was also conducted to ascertain which one of the dimensions of computerized accounting affects financial reporting more than the others or which one explains more the variation in financial reporting.

3.12 Measurement of Variables

Computerised accounting was measured using a tool with 15 items modified to 8 items by the researcher. The respondent was to respond as themselves on a 5-point scale ranging from “Strongly agree” (5) to “Strongly disagree” (1).

Financial reporting was measured using 15 items modified by researcher to 8 items. Again, the respondent answered as self to questions arranged on a 5-point scale ranging from “Strongly agree” (5) to “Strongly disagree” (1).

In summary, the study used a five point Likert with the level of agreement ranging from strongly agree as response 1 to strongly disagree as response 5 (Sekaran, 2003). The nominal scale was

applied on cases which have asset of common characteristic such as sex, marital status, religion, employment status e.t.c, while the ordinal scale categorized elements and rank them in some order. The numbers in the ordinal scale represented relative position or order among the variables (Mugenda & Mugenda 2003).

3.13 Limitations of the study

Low response rates: Mail surveys tend to have low response rates, especially if no incentive is provided since respondents' control the survey in terms of sending back answered questionnaires as they might not send it in on time or at all due to lack of someone to clarify questions or encourage respondent. Respondents' who feel strongly about the topic of study might be the only ones to take the trouble to complete the survey and send it back causing a non-response bias.

Longer timeline: Respondents' control the self-administered surveys in terms of sending back answered questionnaires as they might not send it in on time or at all due to lack of someone to clarify questions or encourage respondent. These may require waiting for reasonable periods of time for respondents to return completed surveys and the researcher sending reminder postcards and second and third copies of the questionnaire, add weeks to the timeline.

Incomplete surveys: When filling out a survey on their own, respondents are likely to answer questions out of order and to skip questions. There might be no control for misunderstood questions, missing data, untruthful responses or improperly recorded plus the results could be skewed.

Less depth of information: Respondents might not provide detailed and thoughtful responses to open-ended questions if there is no probing of responses. Open-ended questions are more likely to be skipped hence causing a limitation for information to support the quantitative data.

Nature of the questionnaire: Long questionnaires may not hold respondents' attention, which may result in a lower response rate. Also, respondents may not be keen to carefully follow complex instructions for answering some questions and skipping others, which makes a simple and easy-to-follow questionnaire necessary.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

The study examined the effectiveness of computerized accounting system on financial reporting of Non-Governmental organisations with specific reference to AFENET. The study adopted three research objectives which looked at examining the effectiveness of accounting software on timeliness of financial reports of NGOs, examining the effectiveness of accounting skills on the reliability of financial information provided by NGOs and investigating the effectiveness of accounting policies on comparability of financial performance and position of NGOs in Uganda. The study presents descriptive results from questionnaire in form of means and standard deviations. Furthermore, the study presents qualitative results from interviews, in form of quotations and narrative themes as per respondents' views in regard to each objective of the study, the study also presents correlations and regressions to show the nature of relationship and magnitude effect the independent variable has on the dependent variable. The chapter also presents the response rate, which shows the number of participants that actually participated in the study. The study also presents the background information of respondents which shows the common demographic characteristics of respondents that participated in the study.

4.1 Response Rate

The study sample size was 80 but 75 respondents actually participated representing a response rate of 93.75% in both questionnaires and interviews, others did not participate in the study with claims of being busy. This response rate was well above the recommended 60% response rate as per Guttmacher Institute, (2006) which asserts that for a study to be considered with satisfactory results

it should have a response rate above 60% in the overall study. Therefore, the study results can be relied upon for academic and non-academic purposes by readers and users.

4.2 Background Information of Respondents

4.2.1 Gender of Respondents

Table 4.1: Gender of Respondents

		Sex			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	43	57.3	57.3	57.3
	Female	32	42.7	42.7	100.0
	Total	75	100.0	100.0	

Source: Primary Data (2016)

The study findings in table 4.1 above show that 57.3% of the respondents were male and 42.7% were females. The findings reveal that more males than females participated in the study. Despite the fact that more males than females participated in the study, the percentages scored against males and females are so close, therefore indicating that the study achieved a balance between the views of males and females.

4.2.2 Duration in service at AFENET

The study sought to establish the duration in service of respondents at AFENET which was categorized as less than 1 year, 2 - 5 years and 6 - 10 years.

Table 4.2: Period served at AFENET

Period served at AFENET					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Less than 1 year	24	32.0	32.0	32.0
	2 - 5 years	30	40.0	40.0	72.0
	6 - 10 years	21	28.0	28.0	100.0
	Total	75	100.0	100.0	

Source: Primary Data (2016)

Results in table 4.2 above reveal that the highest number of respondents that participated in the study have served between 2 – 5 years (percentage composition: 40%), followed by the group that have served for less than 1 year (percentage composition: 32%), followed those that have served between 6 – 10 years (percentage composition: 28%). All in all, the findings indicate that that most of the respondents that participated in the study have served at AFENET between 2 - 5 years and hence have a necessary experience to give valid responses on the effectiveness of computerized accounting on financial reporting at AFENET.

4.2.3 Highest level of education of the respondents

The study sought to ascertain the education level of respondents which was categorized as Degree, post graduate and any other. The respondents were requested to indicate their education level and the findings were analyzed using descriptive statistics as presented in table 4.3 below

Table 4.3: Education Level of Respondents

		Level of Education			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Degree	33	44.0	44.0	44.0
	Post graduate	40	53.3	53.3	97.3
	Other	2	2.7	2.7	100.0
	Total	75	100.0	100.0	

Source: Primary data (2016)

The results in table 4.3 above reveal that a big number of respondents that participated in this study have acquired a post graduate qualification (percentage composition: 53.3%), followed by those that are degree holders (percentage composition: 44%), and other qualifications (2.7% percentage composition). Given the fact that majority of the respondents that participated in the study had acquired a postgraduate qualification and degrees, they were able to understand the research instrument very well hence giving valid response to the research questions.

4.3 Descriptive statistics on computerized accounting system

4.3.1 Accounting Software

The study sought to establish the influence of accounting software on financial reporting. Findings from questionnaires were analysed to obtain means, standard deviations, correlations and regressions. Findings from interviews were obtained and are presented in thematic statements and presented in the table below. Respondents were required to respond to a number of statements on accounting software used at AFENET. The following were the results;

Table 4.4: Descriptive statistics on Accounting Software

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
1. Our organisation uses an accounting software to process and produce financial information used in decision making	75	3	5	4.68	.549
2. Our organisation's accounting software is user friendly	75	3	5	4.23	.727
3. Financial reports are generated in a timely fashion because of the accounting software	75	3	5	4.43	.681
4. There is accuracy and efficiency in account record keeping through the accounting software	75	3	5	4.35	.726
5. The accounting software simplifies accounting functions such as posting transactions to ledgers	75	3	5	4.52	.644
6. Arithmetic errors are easily minimised through application of the accounting software	75	3	5	4.21	.703
7. Auditing of the financial statements is eased with the use of the accounting software	75	3	5	4.32	.640
8. Errors from computerised accounting software result in errors in financial reports	75	1	5	4.19	.982
9. Staff get routine trainings and development as upgrades are done	75	1	5	3.79	.920
10. Computerised accounting systems lead to more accurate information for financial reporting	75	2	5	4.28	.831
11. Computerising accounting systems automatically enhances financial reporting	75	2	5	4.27	.875
12. There is need to check the output information from the computerised accounting system before posting to accounting ledgers to enhance reporting	75	3	5	4.33	.704
13. Computerised accounting software leads to timely filing of statutory returns	75	2	5	4.21	.776
14. Computerising accounting systems reduces the time required in preparing financial reports	75	3	5	4.65	.581
15. Computerised accounting systems enhance budget performance	75	2	5	4.41	.790
16. Computerised accounting systems enhance quality donor reporting	75	2	5	4.49	.742
Valid N (listwise)	75				

Accounting software is used

Respondents were required to state whether the organisation uses an accounting software to process and produce financial information used in decision making. The findings indicated a mean of 4.68 which implies that majority agreed to this statement. The standard deviation of these responses was 0.549 indicating that respondents had varying responses on the statement. From the findings, the majority of the respondents agreed that the organisation uses an accounting software to for financial information, there were a number of employees that disagreed.

The software is user friendly

The researcher wanted to ascertain whether the organisation's accounting software is user friendly and the findings indicated a mean of 4.23 which implied that the majority agreed to the statement. Standard deviation was 0.727 which implied that respondents had varying views on the statement. This means that much as the majority agreed to the statement, some employees disagreed.

Timely financial reports

The study sought to find out whether the financial reports are generated in a timely fashion because of the accounting software. The findings indicated a mean of 4.43 which implied that a big number agreed to the statement. Standard deviation was 0.681 which implied that respondents had varying views on the statement. This means that much as a big number of the respondents agreed to the statement, some employees disagreed.

Accuracy and efficiency in account record

The researcher wanted to establish whether there is accuracy and efficiency in account record keeping through the accounting software. The findings indicated a mean of 4.35 which implied that a big number of the respondents agreed to the statement. The standard deviation was 0.726 which implied that respondents had varying views on the statement.

Simplifies accounting functions

Respondents were required to state whether the accounting software simplifies accounting functions such as posting transactions to ledgers. The findings indicated a mean of 4.52 which implied that majority of the respondents agreed to the statement. Standard deviation was 0.644 which implied that respondents had varying views on the statement, meaning that much as many of the respondents agreed to the statement, a big number of the respondents also disagreed.

Arithmetic errors are minimised

Respondents were further required to state whether arithmetic errors are easily minimised through application of the accounting software. The findings indicated a mean of 4.21 which implied that the majority of the respondents agreed to the statement and a standard deviation of 0.703 which implied that the respondents had varying views on the statement. This means that much as the majority agreed to the statement, there are some few respondents that disagreed.

Auditing is eased

The study sought to find out whether auditing of the financial statements is eased with the use of the accounting software. The findings indicated a mean of 4.32 which implied that a big number agreed to the statement. Standard deviation was 0.640 which implied that respondents had varying views on the statement. This means that much as a big number of the respondents agreed to the statement, some employees disagreed.

Errors reflect in the financial reports

The researcher wanted to ascertain whether errors from computerised accounting software result in errors in financial reports and the findings indicated a mean of 4.19 which implied that the majority agreed to the statement. Standard deviation was 0.982 which implied that respondents had varying views on the statement. This means that much as the majority agreed to the statement, some employees disagreed with the statement.

Routine trainings and development

Respondents were further required to state whether staff get routine trainings and development as upgrades are done. The findings indicated a mean of 3.79 which implied that the many of the respondents agreed to the statement and a standard deviation of 0.920 which implied that the respondents had a many varying views on the statement. This means that much as the majority agreed to the statement, there are some respondents that total disagreed because they do not get the routine trainings and developments programs as needed.

More accurate information

The researcher wanted to ascertain whether the computerised accounting systems lead to more accurate information for financial reporting. The findings indicated a mean of 4.28 which implied that the majority agreed to the statement. Standard deviation was 0.831 which implied that respondents had varying views on the statement.

Computerised accounting enhances financial reports

Respondents were required to state whether computerised accounting systems automatically enhances financial reporting. The findings indicated a mean of 4.27 which implied that majority of the respondents agreed to the statement. Standard deviation was 0.875 which implied that some respondents had varying views on the statement, meaning that much as many of the respondents agreed to the statement, a big number of the respondents also disagreed.

Checking of output information

Respondents were required to state whether there is need to check the output information from the computerised accounting system before posting to accounting ledgers to enhance reporting. The findings indicated a mean of 4.33 which implied that majority of the respondents agreed to the statement. Standard deviation was 0.704 which implied that some respondents had varying views on the statement, meaning that much as many of the respondents agreed to the statement, some respondents also disagreed.

Timely filing of statutory returns

Respondents were further required to state whether computerised accounting software leads to timely filing of statutory returns. The findings indicated a mean of 4.21 which implied that the many of the respondents agreed to the statement and a standard deviation of 0.776 which implied that the respondents had many varying views on the statement. This means that much as the majority agreed to the statement, there are some respondents that disagreed because they do not concur with the statement.

Reduced time in preparing financial reports

The researcher wanted to ascertain whether computerised accounting systems reduces the time required in preparing financial reports and the findings indicated a mean of 4.65 which implied that the majority agreed to the statement. Standard deviation was 0.581 which implied that respondents had varying views on the statement. This means that much as the majority agreed to the statement, some employees disagreed.

Enhanced budget performance

The study sought to find out whether computerised accounting systems enhance budget performance. The findings indicated a mean of 4.41 which implied that a big number agreed to the statement. Standard deviation was 0.790 which implied that respondents had varying views on the statement. This means that much as a big number of the respondents agreed to the statement, some employees disagreed to the view.

Enhanced quality donor reporting

The researcher wanted to ascertain whether computerised accounting systems enhance quality donor reporting. The findings indicated a mean of 4.49 which implied that many agreed to the statement. Standard deviation was 0.742 which implied that respondents had varying views on the statement.

4.3.2 Accounting Skills

The study sought to establish the respondent's opinion on the accounting skills in the organisation. The following were the findings;

Table 4.5: Descriptive statistics on Accounting Skills

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
1. I am a qualified accountant	75	1	5	3.05	1.659
2. I received adequate training and mentoring in regard to my duties and roles	75	1	5	3.63	1.206
3. I participate in generating accounting information needed for management reporting	75	1	5	3.25	1.337
4. I understand the accounting policies of the organisation	75	2	5	3.92	.897
5. Recruitment of highly skilled professionals to handle accounting functions has improved our organisation's financial reporting	75	3	5	4.41	.617
6. Our organisation supports continuous professional development for all staff	75	1	5	4.32	.808
7. Continuous staff professional development programs and training enhances skills of personnel	75	2	5	4.47	.684
8. Without skilled professional accountants an entity cannot achieve sustainable competitive advantage	75	3	5	4.47	.622
9. Basic accounting software demands not only ICT knowledge, but also thorough accounting skills	75	3	5	4.48	.601
10. Our donors and providers of finance require employment of skilled accounting personnel	75	3	5	4.60	.615
11. Accounting skills are part of a well-functioning computerised accounting system	75	2	5	4.23	.815
12. Employment of skilled accountants enhances the reliability of financial information presented in financial reports	75	3	5	4.63	.632
Valid N (listwise)	75				

Qualified accountants

Respondents were required to state whether they are all qualified accountants. The findings indicated a mean of 3.05 which implied that the majority of the respondents agreed to the statement

and a standard deviation of 1.659 which implied that the respondents that had varying views were many on the statement.

Received adequate training and mentoring

The study sought to find out whether respondents received adequate training and mentoring in regard to their duties and roles. The findings indicated a mean of 3.63 which implied that a reasonable number agreed to the statement. Standard deviation was 1.206 which implied that respondents that had varying views on the statement were many. This means that much as a big number of the respondents agreed to the statement, a big number of employees disagreed to the view.

Participate in generating accounting information

The researcher wanted to ascertain whether respondents participate in generating accounting information needed for management reporting and the findings indicated a mean of 3.25 which implied that the majority agreed to the statement. Standard deviation was 1.337 which implied that respondents had varying views on the statement. This means that much as the majority agreed to the statement, many employees disagreed.

Understand the accounting policies

Respondents were further required to state whether they understood the accounting policies of the organisation. The findings indicated a mean of 3.92 which implied that many of the respondents agreed to the statement and a standard deviation of 0.897 which implied that the respondents had varying views on the statement. This means that much as the majority agreed to the statement, there are some respondents that disagreed because they do not concur with the statement.

Recruitment of highly skilled professions

The researcher wanted to ascertain whether recruitment of highly skilled professionals to handle accounting functions has improved our organisation's financial reporting. The findings indicated a mean of 4.41 which implied that the majority agreed to the statement. Standard deviation was 0.617 which implied that respondents had varying views on the statement. This means that much as the majority agreed to the statement, some employees disagreed.

Continuous professional development

The study sought to find out whether the organisation supports continuous professional development for all staff. The findings indicated a mean of 4.32 which implied that a big number agreed to the statement. Standard deviation was 0.808 which implied that respondents had varying views on the statement. This means that much as a big number of the respondents agreed to the statement, some employees disagreed to the view.

Continuous staff professional development programs

Respondents were required to state whether continuous staff professional development programs and training enhances skills of personnel. The findings indicated a mean of 4.47 which implied that the majority of the respondents agreed to the statement and a standard deviation of 0.684 which implied that the respondents that had varying views on the statement.

Without skilled professional accountants

The study sought to find out whether without skilled professional accountants an entity cannot achieve sustainable competitive advantage. The findings indicated a mean of 4.47 which implied that a reasonable number agreed to the statement. Standard deviation was 0.622 which implied that respondents that had varying views on the statement were many. This means that much as a big number of the respondents agreed to the statement, a big number of employees disagreed to the view.

ICT knowledge and accounting skills

The researcher wanted to ascertain whether basic accounting software demands not only ICT knowledge, but also thorough accounting skills and the findings indicated a mean of 4.48 which implied that the majority agreed to the statement. Standard deviation was 0.601 which implied that respondents had varying views on the statement. This means that much as the majority agreed to the statement, many employees disagreed.

Skilled accounting personnel

Respondents were further required to state whether donors and providers of finance require employment of skilled accounting personnel. The findings indicated a mean of 4.60 which implied that many of the respondents agreed to the statement and a standard deviation of 0.615 which implied that the respondents had varying views on the statement. This means that much as the majority agreed to the statement, there are some respondents that disagreed because they do not concur with the statement.

Accounting skills are part of a well computerised accounting system

The researcher wanted to ascertain whether accounting skills are part of a well-functioning computerised accounting system. The findings indicated a mean of 4.23 which implied that the majority agreed to the statement. Standard deviation was 0.815 which implied that respondents had varying views on the statement. This means that much as the majority agreed to the statement, some employees disagreed.

Skilled accountants enhance reliability

The study sought to find out whether employment of skilled accountants enhances the reliability of financial information presented in financial reports. The findings indicated a mean of 4.63 which implied that a big number agreed to the statement. Standard deviation was 0.632 which implied that respondents had varying views on the statement. This means that much as a big number of the respondents agreed to the statement, while some employees disagreed to the view.

4.3.3 Accounting Policies

The study sought to establish the respondent's opinion on the accounting policies in the organisation. The following were the findings;

Table 4.6: Descriptive analysis on Accounting Policies

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
1. Our organisation follows and adheres to a given set of accounting policies	75	3	5	4.45	.599
2. Financial reporting cannot succeed without an established accounting framework and policy	75	3	5	4.59	.522
3. Adherence to accounting policies enhances understand ability of information presented in financial reports	75	3	5	4.55	.599
4. Accounting policies are part of a well-functioning computerised accounting system	75	2	5	4.39	.715
5. Adherence to accounting policies enhances comparability of financial position and performance between organisations	75	2	5	4.56	.721
Valid N (listwise)	75				

Organisation follows accounting policies

The study sought to find out whether the organisation follows and adheres to a given set of accounting policies. The findings indicated a mean of 4.45 which implied that a reasonable number agreed to the statement. Standard deviation was 0.599 which implied that respondents had varying views on the statement.

Financial reporting and an established accounting framework

The researcher wanted to ascertain whether financial reporting cannot succeed without an established accounting framework and policy and the findings indicated a mean of 4.59 which implied that the majority agreed to the statement. Standard deviation was 0.522 which implied that respondents had varying views on the statement.

Adherence to accounting policies

Respondents were further required to state whether adherence to accounting policies enhances understandability of information presented in financial reports. The findings indicated a mean of 4.55 which implied that many of the respondents agreed to the statement and a standard deviation of 0.599 which implied that the respondents had varying views on the statement. This means that much as the majority agreed to the statement, there are some respondents that disagreed because they do not concur with the statement.

Accounting policies are part of computerised accounting system

The researcher wanted to ascertain whether accounting policies are part of a well-functioning computerised accounting system. The findings indicated a mean of 4.39 which implied that the majority agreed to the statement. Standard deviation was 0.715 which implied that respondents

had varying views on the statement. This means that much as the majority agreed to the statement, some employees disagreed.

Adherence to accounting policies

The study sought to find out whether adherence to accounting policies enhances comparability of financial position and performance between organisations. The findings indicated a mean of 4.56 which implied that a big number agreed to the statement. Standard deviation was 0.721 which implied that respondents had varying views on the statement. This means that much as a big number of the respondents agreed to the statement, while some employees disagreed to the view.

4.4. Financial reporting

The study sought to ascertain the respondents' opinion on financial reporting in the organization. The following were the findings;

Table 4.7: Descriptive analysis on financial reporting of NGOs

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
1. Users of financial reports prepared by our organisation are able to compare the financial statements of the enterprise over time	75	3	5	4.48	.685
2. Comparability of financial reports is an important characteristic of quality financial reporting	75	4	5	4.59	.496
3. Comparability is affected by consistency of presentation and disclosure of accounting policies	75	3	5	4.23	.669
4. Our organisation complies with Donor financial reporting guidelines	75	3	5	4.56	.598
5. Application of International financial reporting standards enhance comparability of financial information	75	3	5	4.61	.615
6. Timeliness is an important characteristic of quality financial information	75	3	5	4.72	.508
7. Financial information must be presented at the right time to avoid loss of relevance	75	3	5	4.55	.576
8. Financial information is relevant if it is presented to users in a timely fashion	75	2	5	4.51	.778
9. With the application of computerization, generation of financial reports is easy since information can be easily generated and updated on a timely basis	75	2	5	4.63	.632
10. Computerised accounting systems have enabled our organisation to achieve quick processing speed and large storage capacity of financial transactions	75	1	5	4.45	.776
11. Reliability is an important characteristic of quality financial information	75	3	5	4.59	.548
12. Reliability of financial information is greatly affected by the skills of the accounting personnel	75	3	5	4.60	.569
13. A computerised accounting system is a delivery system of accounting information for purposes such as providing reliable accounting information to users	75	3	5	4.37	.564
Valid N (listwise)	75				

The researcher wanted to know whether users of financial reports prepared by our organisation are able to compare the financial statements of the enterprise over time and the findings indicated a

mean of 4.48 which implied that the majority agreed to the statement. Standard deviation was 0.685 which implied that respondents had varying views on the statement.

Respondents were further required to state whether comparability of financial reports is an important characteristic of quality financial reporting. The findings indicated a mean of 4.59 which implied that many of the respondents agreed to the statement and a standard deviation of 0.496 which implied that the respondents had varying views on the statement.

The researcher wanted to ascertain whether Comparability is affected by consistency of presentation and disclosure of accounting policies. The findings indicated a mean of 4.23 which implied that the majority agreed to the statement. Standard deviation was 0.669 which implied that respondents had varying views on the statement.

The researcher wanted to ascertain whether the organisation complies with Donor financial reporting guidelines and the findings indicated a mean of 4.56 which implied that the majority agreed to the statement. Standard deviation was 0.598 which implied that respondents had varying views on the statement. This means that much as the majority agreed to the statement, some employees disagreed.

Respondents were further required to state whether application of International financial reporting standards enhance comparability of financial information. The findings indicated a mean of 4.61 which implied that many of the respondents agreed to the statement and a standard deviation of 0.615 which implied that the respondents had varying views on the statement.

Respondents were required to state whether timeliness is an important characteristic of quality financial information. The findings indicated a mean of 4.72 which implied that the majority of

the respondents agreed to the statement and a standard deviation of 0.508 which implied that the respondents that had varying views were few on the statement.

The study sought to find out whether financial information must be presented at the right time to avoid loss of relevance. The findings indicated a mean of 4.55 which implied that a reasonable number agreed to the statement. Standard deviation was 0.576 which implied that respondents that had varying views on the statement were there. This means that much as a big number of the respondents agreed to the statement, a number of employees disagreed to the view.

The researcher wanted to ascertain whether financial information is relevant if it is presented to users in a timely fashion and the findings indicated a mean of 4.51 which implied that the majority agreed to the statement. Standard deviation was 0.778 which implied that respondents had varying views on the statement. This means that much as the majority agreed to the statement, many employees disagreed.

Respondents were further required to state whether with the application of computerization, generation of financial reports is easy since information can be easily generated and updated on a timely basis. The findings indicated a mean of 4.63 which implied that many of the respondents agreed to the statement and a standard deviation of 0.632 which implied that the respondents had varying views on the statement.

The researcher wanted to ascertain whether computerised accounting systems have enabled our organisation to achieve quick processing speed and large storage capacity of financial transactions. The findings indicated a mean of 4.45 which implied that the majority agreed to the statement. Standard deviation was 0.776 which implied that respondents had varying views on the statement.

The study sought to find out whether Reliability is an important characteristic of quality financial information. The findings indicated a mean of 4.59 which implied that a reasonable number agreed to the statement. Standard deviation was 0.548 which implied that respondents that had varying views on the statement were there.

The researcher wanted to ascertain whether reliability of financial information is greatly affected by the skills of the accounting personnel and the findings indicated a mean of 4.60 which implied that the majority agreed to the statement. Standard deviation was 0.569 which implied that respondents had varying views on the statement. This means that much as the majority agreed to the statement, many employees disagreed.

Respondents were further required to state whether a computerised accounting system is a delivery system of accounting information for purposes such as providing reliable accounting information to users. The findings indicated a mean of 4.37 which implied that many of the respondents agreed to the statement and a standard deviation of 0.564 which implied that the respondents had varying views on the statement.

4.5 Correlation Analysis

To determine the effect between the different dimensions of the independent variable on the dependent variable, correlation analysis needed to be conducted. The following were the results for the effect of the different dimensions of computerized accounting system on financial reporting.

4.5.1 The effect of accounting software on timeliness of financial reports

Table 4.8: Correlation analysis between Accounting Software and Timeliness

Correlations

		Accounting software	Timeliness
Accounting software	Pearson Correlation	1	.439**
	Sig. (2-tailed)		.000
	N	75	75
Timeliness	Pearson Correlation	.439**	1
	Sig. (2-tailed)	.000	
	N	75	75

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

Correlation analysis showed a positive significant relationship ($r = 0.439$, $p < 0.01$) between accounting software and timeliness. This means that timeliness is positively affected by the presence of an accounting software.

4.5.2 The effect of accounting skills on reliability of financial information

Table 4.9: Correlation analysis between Accounting skills and reliability

Correlations

		Accounting Skills	Reliability
Accounting Skills	Pearson Correlation	1	.387**
	Sig. (2-tailed)		.001
	N	75	75
Reliability	Pearson Correlation	.387**	1
	Sig. (2-tailed)	.001	
	N	75	75

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

Correlation analysis showed a positive significant relationship ($r = 0.387$, $p < 0.01$) between accounting skills and the reliability of financial information. This means that reliability of financial information is positively affected by accounting skills.

4.5.3 The effect of accounting policies on comparability of financial reports

Table 4.10: Correlation analysis between accounting policies and comparability of financial reports

		Correlations	
		policies	comparability
Policies	Pearson Correlation	1	.462**
	Sig. (2-tailed)		.000
	N	75	75
Comparability	Pearson Correlation	.462**	1
	Sig. (2-tailed)	.000	
	N	75	75

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

Correlation analysis showed a positive significant relationship ($r = 0.462$, $p < 0.01$) between accounting policies and comparability. This means that comparability of financial reports is positively affected by accounting policies of an organization.

4.6 Regression Analysis.

It was necessary to determine which of the three dimensions of computerized accounting system (accounting software, accounting skills and accounting policies) influences financial reporting more than the other. This was achieved through conducting regression analysis.

The following were the results;

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

1	.725 ^a	.525	.512	.25701
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a. Predictors: (Constant), policies, skills

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.318	.372		3.541	.001
1 Skills	.268	.066	.371	4.046	.000
Policies	.467	.091	.473	5.151	.000

a. Dependent Variable: financial reporting

Results from the table above show a combination of accounting software, accounting skills and accounting policies in assessing the level to which they can predict financial reporting. These variables can explain the variance in financial reporting (R Square =0.525). Most influential predictor of financial reporting was accounting policies (Beta = .473) with a relative importance of 5.151 (in t-test). Also, accounting skills (Beta=0.371) is a major predictor of financial reporting with a relative importance of 4.046 (in t-test). Also, accounting software (Beta=.) is another non predictor of financial reporting with no relative importance of “.” (in t-test). The implication in this model is that accounting policies is a big predictor of financial reporting meaning that in a situation where accounting policies are effectively implemented there is more likelihood of improvement in financial reporting. These findings are in agreement with Gordon et al (2010) who asserts that one of the fundamental requirements of a sound and strong financial management system is for organizations to document their policies used in establishing and maintaining internal controls, accounting and reporting. Furthermore, Samuel (1991) asserts that an organization must document all of the policies and procedures it follows for meeting the applicable accounting and

regulatory standards, requirements of the organization, as well as any governance policies the organization has chosen to adopt in order to achieve high quality financial reporting.

4.7 Conclusion

In summary, the high positive correlation coefficients between the dimensions of the study and the value of $R^2 = .467$ indicate that accounting policies is strongly correlated with financial reporting.

CHAPTER V

Summary, Conclusions and Recommendations

5.1 Introduction

This chapter summarizes the findings, gives conclusions as well as recommendations made by the study.

5.2 Summary of key findings

5.2.1 Effect of accounting software on timeliness of financial reports

The study findings showed that there is a positive and significant relationship ($r = 0.439$, $P < 0.01$) between accounting software and timeliness of financial reports at AFENET. This implies that non-governmental organisations should invest in accounting software if they want to improve on the timeliness of financial reports.

The study accepted the null hypothesis which stated that “accounting software affects the timeliness of financial reports”.

5.2.2 Effect of accounting skills on reliability of financial information

The study findings showed that there is a positive and significant relationship ($r = 0.387$, $P < 0.01$) between accounting skills and reliability of financial information at AFENET. This implies that non-governmental organisations should put more emphasis on enhancing the accounting skills of the personnel if they want to achieve reliability of financial information prepared by the accounting and finance personnel.

The study accepted the null hypothesis which stated that “accounting skills have an effect on the reliability of financial information.

5.2.3 Effect of accounting policies on comparability of financial performance and position

The study findings showed that there is a positive and significant relationship ($r = 0.462$, $P < 0.01$) between accounting policies and comparability of financial performance and financial position. This implies that non-governmental organisations should ensure that they put in place accounting policies in order to enhance comparability of financial performance and position.

The study accepted the null hypothesis which stated that “accounting policies affect the comparability of financial performance and position”.

5.3 Conclusions

Since all the dimensions of computerized accounting system (accounting software, accounting skills and accounting polices) showed a positive and significant relationship with financial reporting, the study therefore concludes that computerized accounting systems have a positive and significant relationship with financial reporting.

The discussion of the study is presented according to the objectives of the study with back up of reviewed literature to make the discussion more authentic. In regard to computerized accounting system, it was concluded that since the respondents seem to agree that computerized accounting system affects the financial reporting of the organization, management of NGOs should invest in computerized accounting systems to ensure quality financial reporting.

The findings of the study therefore empowered the researcher to conclude that the mere presence of the accounting software is not enough to get ensure quality financial reporting but the accounting skills of personnel and accounting policies must be emphasized to ensure the effectiveness of the computerized accounting system or to ensure that the computerized accounting system is effective in enhancing the quality of an organisation’s financial reporting.

On testing the relationship between computerized accounting system and financial reporting, the study revealed that they have a significant and positive relationship. It is therefore concluded that computerized accounting system has a direct relationship with financial reporting of an organisation.

5.4 Recommendations

On the basis of study findings, discussions and conclusions, the following recommendations in relation to the observations were made;

From the study findings, it was clear that computerized accounting system in terms of the accounting software, accounting skills and accounting policies affects to a great extent financial reporting of the NGOs. The study therefore recommends that in order for NGOs to ensure timeliness of financial reports, reliability of financial information prepared and comparability of financial performance and position; they should invest in computerized accounting system since it is seen to affect the financial reports to a great extent.

The study further recommends that it is important that the personnel handling transactions are trained so as to improve on their accounting skills. With increased improvements and versions of accounting packages, accounting staff need constant and continuous training by the authorized dealers of the packages so that they remain well acquainted with the knowledge and experience of the package. In addition to the training, it is important to constantly appraise the staff to check which staff is falling short of the necessary accounting skills.

Lastly, the study recommends that non-governmental organisations should document the policies and procedures it follows for meeting the applicable accounting and regulatory standards,

requirements of the organization, as well as any governance policies the organization has chosen to adopt in order to achieve high quality financial reporting.

5.5 Areas for further research

The study recommends two areas for further research;

- (i) Further research should be done on the extent of adaption of computerized accounting systems by the NGOs in Uganda.
- (ii) More research needs to be done on the advantages of computerized accounting system compared to manual accounting systems on the quality of financial reports in Uganda.

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APPENDIX 1: QUESTIONNAIRE

A Questionnaire on the effectiveness of computerized accounting system on financial reporting of Non-Governmental Organizations. Case study AFENET

Dear respondent,

I am **Tugume Amon**, a student of Uganda Martyrs University pursuing a Master's Degree in Business Administration and Management. I am conducting a study to determine the "Effectiveness of computerized accounting system on financial reporting of Non-governmental Organisations" as a requirement for the award of the Masters degree. You have been chosen as one of the respondents. You are kindly requested to respond to this survey. Any response given will be used purely for academic purposes and shall be treated with utmost confidentiality.

SECTION A: BACKGROUND INFORMATION

1. Sex

1. Male

2. Female

2. How long have you served this organisation (please tick what applies to you)

1. Less than 1 year

2. Between 2 and 5 years

3. Between 6 and 10 years

4. Above 10 years

3. What is your highest level of education?

a. Primary

b. Secondary

c. Certificate and Diplomas

d. Degree and above

SECTION B: COMPUTERISED ACCOUNTING SYSTEM

Instructions

Please state your position on the following statements on computerized accounting system

(1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree)

I: ACCOUNTING SOFTWARE

	SD	D	N	A	SA
1) Our organisation uses an accounting software to process and produce financial information used in decision making	1	2	3	4	5
2) Our organisation's accounting software is user friendly.	1	2	3	4	5
3) Financial reports are generated in a timely fashion because of the accounting software.	1	2	3	4	5
4) There is accuracy and efficiency in account record keeping through the accounting software.	1	2	3	4	5
5) The accounting software simplifies accounting functions such as posting transactions to ledgers	1	2	3	4	5
6) Arithmetic errors are easily minimized through application of the accounting software.	1	2	3	4	5
7) Auditing of the financial statements is eased with the use of the accounting software.	1	2	3	4	5
8) Errors from computerized accounting software result in errors in financial reports	1	2	3	4	5
9) Manual accounting systems are a better option in ensuring accuracy in financial reports	1	2	3	4	5
10) Manual accounting systems lead to more accurate information for financial reporting.	1	2	3	4	5
11) Computerizing accounting systems automatically enhances financial reporting.	1	2	3	4	5
12) There is need to check the output information from the computerized accounting system before posting to accounting ledgers to enhance reporting.	1	2	3	4	5
13) Computerized accounting software leads to timely filing of statutory returns	1	2	3	4	5
14) Computerizing accounting systems reduces the time required in preparing financial reports	1	2	3	4	5
15) Computerized accounting systems enhance budget performance reporting	1	2	3	4	5
16) Computerized accounting systems enhance quality donor reporting	1	2	3	4	5

II: ACCOUNTING SKILLS

	SD	D	N	A	SA
1) I am a qualified accountant	1	2	3	4	5
2) I received adequate training and mentoring in regard to my duties and roles.	1	2	3	4	5
3) I participate in generating accounting information needed for management reporting.					
4) I understand the accounting policies of the organisation.	1	2	3	4	5
5) Recruitment of highly skilled professionals to handle accounting functions has improved our organization's financial reporting.	1	2	3	4	5
6) Our organisation supports continuous professional development for all staff.	1	2	3	4	5
7) Continuous staff professional development programs and training enhances skills of personnel.	1	2	3	4	5
8) Without skilled professional accountants an entity cannot achieve sustainable competitive advantage	1	2	3	4	5
9) Basic accounting software demands not only ICT knowledge, but also thorough accounting skills.	1	2	3	4	5
10) Our donors and providers of finance require employment of skilled accounting personnel.	1	2	3	4	5
11) Accounting skills are part of a well-functioning computerized accounting system					
12) Employment of skilled accountants enhances the reliability of financial information presented in financial reports					

III: ACCOUNTING POLICIES

	SD	D	N	A	SA
1) Our organisation follows and adheres to a given set of accounting policies.	1	2	3	4	5
2) Financial reporting cannot succeed without an established accounting framework and policy.	1	2	3	4	5
3) Adherence to accounting policies enhances understandability of information presented in financial reports.					
4) Accounting policies are part of a well-functioning computerized accounting system	1	2	3	4	5
5) Adherence to accounting policies enhances comparability of financial position and performance between organisations.	1	2	3	4	5

SECTION B: FINANCIAL REPORTING OF NGOS

Instructions

Please state your position on the following statements on financial reporting of your organisation.

(1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree)

I: TIMELINESS OF FINANCIAL REPORTS

	SD	D	N	A	SA
1) Timeliness is an important characteristic of quality financial information	1	2	3	4	5
2) Financial information must be presented at the right time to avoid loss of relevance.	1	2	3	4	5
3) Financial information is relevant if it is presented to users in a timely fashion.	1	2	3	4	5
4) With the application of computerization, generation of financial reports is easy since information can be easily generated and updated on a timely basis	1	2	3	4	5
5) Computerized accounting systems have enabled our organisation to achieve quick processing speed and large storage capacity of financial transactions.	1	2	3	4	5

II: RELIABILITY OF FINANCIAL INFORMATION

	SD	D	N	A	SA
1) Reliability is an important characteristic of quality financial information	1	2	3	4	5
2) Reliability of financial information is greatly affected by the skills of the accounting personnel.	1	2	3	4	5
3) A computerized accounting system is a delivery system of accounting information for purposes such as providing reliable accounting information to users.					

III: COMPARABILITY OF FINANCIAL PERFORMANCE AND POSITION

	SD	D	N	A	SA
1) Users of financial reports prepared by our organisation are able to compare the financial statements of the enterprise over time.	1	2	3	4	5
2) Comparability of financial reports is an important characteristic of quality financial reporting.	1	2	3	4	5
3) Comparability is affected by consistency of presentation and disclosure of accounting policies.					

4) Our organisation complies with International financial Reporting standards.	1	2	3	4	5
5) Application of International financial Reporting standards enhance comparability of financial information.	1	2	3	4	5

Please list challenges experienced by your organisation in regard to the computerized accounting system

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Please propose other approaches that you consider relevant in improving the quality of financial reporting by your organisation.

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The End

Thank you so much for your cooperation and time