

**COMPUTERISED ACCOUNTING SYSTEM AND ORGANIZATIONAL
PERFORMANCE/PRODUCTIVITY AT ARUA DISTRICT LOCAL GOVERNMENT, HEADQUARTERS**

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ABSTRACT

The study aimed at computerized accounting system and organizational performance/productivity at Arua district local government, headquarters and it was guided by the following objectives; To assess the Importance of computerized accounting system in the organization, to assess the effect of computerized accounting system on organizational performance, to assess the challenges encountered with the use of computerized accounting systems at Arua District Local Government and to examine the relationship between computerized accounting system and organizational performance. A qualitative method was used to explore computerized accounting system through an organizational level by reviewing the perceptions and practices of communication business leaders, accountants and auditors who have had at least 1 year of proven success with computerized accounting systems. The study population was constituted mainly by the employees of Arua district Local Government Headquarters. These include Chief Administrative Officer, Deputy Chief Administrative Officer, Principle Human Resource Officer, Chief Finance Officer 9 Head of departments, 4 accounting officers, and operational staff totaling to 20 staff. In investigating more on organization performance, the researcher requested respondents to rate the organization performance. The results indicated that organization performance ranged from 45% to 99% and about 76% on average. This meant that organizations had a good performance on average. This performance was consistent with the stated response regarding the agreement that Computerized Accounting System increases organization performance. Government has to set policies, strategies and programs that enable majority of the people to get education. Education is a key to productivity. The use of computerized accounting system requires someone with computer knowledge and accounting knowledge.

Key words: Accounting, systems, organization and performance

Background of the study

The innovation of information and communication technology (ICT) has drastically revolutionized the application of financial management and accounting practices. It has become instrumental in providing a competitive edge for corporation, financial institutions, and manufacturing industries and many others (Alex & Kazaara, 2023). Information Communication Technology has been a major factor of efficient and reliable accounting system hence improved organizational performance (Taiwan and Edwin 2016).

In regards on the subject of accounting, it is an essential part of any business whether large or small entity. It has major role in measuring the financial performance of a company activities during a course of a stipulated time. For this reason, accounting plays a very important role in the management and the success or failure of Business or Institutions (Alex et al., 2023). Therefore, it is convenient to set a computerized accounting system to record, analyze and interpret

Received: 16.10.2023

Accepted: 20.10.2023

Published on: 30.10.2023

Corresponding: Author: research.miu.ac.ug/publications

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financial or accounting information to management (Paul et al., 2023). This is due to the fact that computerized accounting system ensures speed, accuracy and reliability of financial information compared to other traditional manual system of accounting system (Shirj 2015; Ware 2015) Organizations and Individuals Day by day hire accountants to help them carry out the mathematical requirements of accounting and balancing of books. Before the introduction of information technology into accounting, these accounting protocols were being performed manually (Paul et al., 2023). However, today many accountants and non-accountants use computer software to perform these duties, (Osmond, 2011). Business owners use accounting to record, report and analyze their company's financial information and in doing this, companies often generate several pieces of financial information from business transactions (Akankwasa et al., 2022), and compile this information into general ledgers and journals, (Osmond, 2011). Accounting information system being an asset of methods, people, procedures and devices regularly used to process business transactions, Herman son et al, (1987), information is therefore much more useful when it is conveyed through a proper reporting system which gives it good qualities such as accuracy and reliability among others and this can be achieved by use of computerized accounting system (Winny et al., 2023).

Problem statement.

Arua District Local government is one of the oldest Districts in Uganda, Arua district has been using manual accounting system for managing finance in the district (Innocent et al., 2023). However computerized accounting systems like integrated financial management system (IFMS) was introduced and extended to all twenty-two (22) ministries and central government agencies in 2003 by ministry of finance with the aim of improving efficiency in Budget preparation, execution and financial reporting (Moses et al., 2023). Despite the fact that both public and private institutions have a well-established computerized accounting system called integrated financial system(IFMS).This system has also got loopholes such as a few experts, limited number of computer, possibility of information leakage since computers are few and used for other purpose by other personnel, Delays in processing and presentation of financial report due to few experts, slow internet connections and outdated computers among others which has affected the performance of Arua District Local Government (Ntirandekura et al., 2022). Given that computerized accounting system was put in place, such instances are not expected to occur, there for the researcher is prompted to carry out research to find possible solutions on how to increase organizational performance like quality financial reports and other aspects, through training more experts purchasing more computers (Racheal et al., 2023), restrict access to computers to only accounts personnel, upgrading to updated computers like high processing Intel core processing i7 which are faster in data processing and internet connection.

Specific Objectives

1. To assess the Importance of computerized accounting system in the organization.
2. To assess the effect of computerized accounting system on organizational performance.

Received: 16.10.2023**Accepted: 20.10.2023****Published on: 30.10.2023*****Corresponding: Author: research.miu.ac.ug/publications***

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3. To assess the challenges encountered with the use of computerized accounting systems at Arua District Local Government.
4. To examine the relationship between computerized accounting system and organizational performance.

Methodology

Research Design

Qualitative Research.

A qualitative method was used to explore computerized accounting system through an organizational level by reviewing the perceptions and practices of communication business leaders, accountants and auditors who have had at least 1 year of proven success with computerized accounting systems.

In qualitative research, the researcher is the data collection instrument (Silverman, 2015). Data collection for this study was consisted of participation, interviews and collection of prior archived research. Use of data collection techniques from previous studies and findings from studies on computerized accounting systems at corporate level reduced the risk of researcher bias (Bansal & Corley, 2012). Using this framework can allow the reader to understand the basis for the findings of this study.

Quantitative Research

The intent of this research was to understand strategies and accounting information systems that some business/organization leaders, accountants and auditors use in computerized accounting to increase profitability, business growth and quality financial reporting. (Carlo et al, 2014; Larson- Hall & Plonsky, 2015; Ragin, 2014). The study also captured details of the numerical terms like percentages, ratios, population and sample size among others.

Study Population

The study population was constituted mainly by the employees of Arua district Local Government Headquarters. These include Chief Administrative Officer, Deputy Chief Administrative Officer, Principle Human Resource Officer, Chief Finance Officer 9 Head of departments, 4 accounting officers, and operational staff totaling to 20 staff.

Category	Number
Chief Administration Officer	2
Chief Finance Officer	4
Operational staff	14
Total	20

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Sampling Design**Sampling Techniques**

The study employed both statistical and non-statistical sampling techniques. Statistical sampling techniques include random sampling, systematic and cluster sampling where by the respondents were grouped into different clusters mainly; The chief Administrative Officer, Deputy Chief Administrative Officer, Principle Human resource, Chief Finance Officer, Accounts Assistants other departments and operational staff.

Sample size and composition.

The sample size was of 62 respondents comprised of 62 operational staff and 13 head of departments and the assistants. This is presented in the table below.

Category	Population	Sample size	Selection Method
Head of departments	13	13	Purposive sampling
Operational staff	62	56	Simple Random and Systematic sampling
Total	75	66	

Data Collection methods**Questionnaire**

This study used self-administered questionnaires for the respondents. These were distributed among the respondents. The justification for using this instrument was because questionnaires are easy to quantify and analyze. In addition; the questionnaires were used because the study was focused on opinions, attitudes and perceptions of respondents.

Interview.

An interview guide consisting of structured questions was administered to the respondents. Information solicited by this instrument helped the researcher enhance Responses from the self-administered questioners and this made it possible for the researcher to cross examine some key issues in the research. This is a good method for producing data based on informants, priorities, opinions, and ideas.

Data analysis

Qualitative data analysis was carried out using research instruments such as interview guides, questionnaires and research surveys using SPSS (Nelson et al., 2022). Also, narratives were recorded during face-to-face interview and through observation. The researcher used a quick impressionist summary in analyzing qualitative data; summarize key findings by noting down the frequent responses from the respondents during the interview on various issues relating to quality of work, efficiency in operations and the competency of the of the staff after training. This technique of qualitative data analysis was chosen because it saves time and was not expensive. Interviews were intended to

Received: 16.10.2023**Accepted: 20.10.2023****Published on: 30.10.2023*****Corresponding: Author: research.miu.ac.ug/publications***

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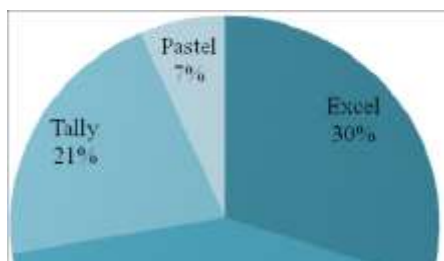
keenly identify the emerging themes alongside sorting, recording, reflection and interpretation of the meaning of data. (Amin et al 2005).

RESULTS

Importance of computerized accounting system Usage

The study found that, all respondents surveyed use Computerized Accounting System. It was further found that about 42 per cent of respondents use Integrated Financial Management System in accounting system in organization, 30 per cent use Excel, 21 per cent use Tally, and the remaining 7 per cent use Pastel.

Figure 1: Computer Program Used in Accounting System in Organization



Source; Author (2020)

The researcher asked the frequency of use of these programs. The results show that, about 52 per cent of respondents use the computerized accounting system daily, 27 per cent use often, and the remaining 21 per cent use few times. It was also found that about 96 per cent of respondents acknowledge that Computerized Accounting Systems improves accounting records. About 96 per cent of respondents attend training programs on how to operate Computerized Accounting System, and about 99 per cent confessed that these trainings take place semi-annually. Again, it was found that about 97 per cent of respondents reported that only authorized users are allowed to use the accounting software and about 64 per cent reported that the computer installed with accounting software are not used for other purpose; for security reasons (Lucky et al., 2023).

Organization Performance

Respondents were asked to state if the usage of computerized accounting system increases or decreases organization performance. The results indicated that about 75 per cent of respondents agreed that a Computerized Accounting System increases organization performance (Kucuol, 2023).

Table 1: Impact of Computerized accounting system has increased Organization performance.

Variable	Total	Mean	Std. Dev.	Min	Max
No	15	16.7	16.7	16.7	16.7
Valid Yes	73	83.3	83.3	83.3	83.3
Total	90	100.0	100.0	100.0	100.0

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Source: Author (2020)

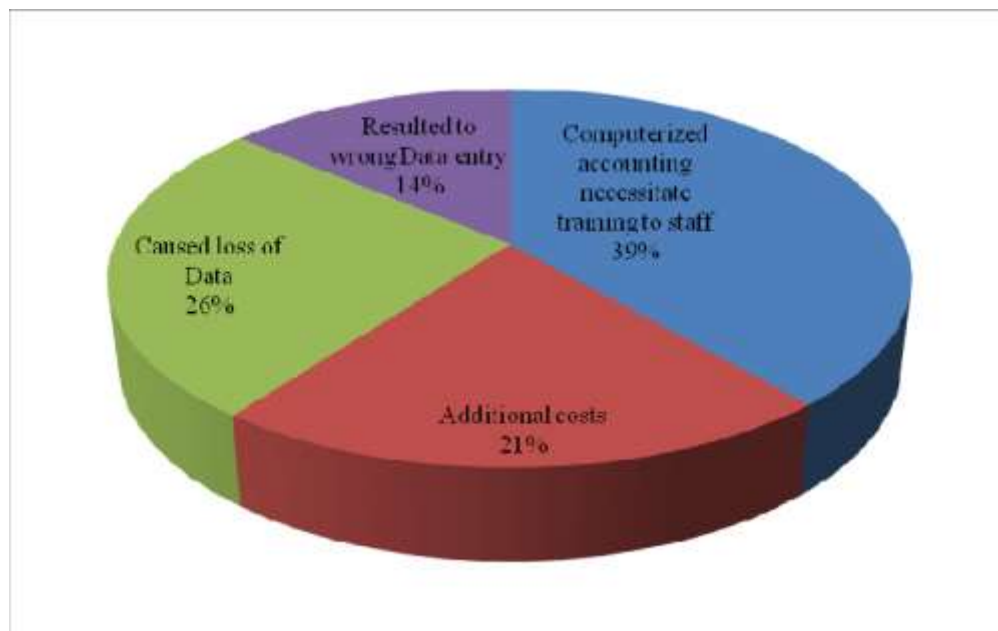
In investigating more on organization performance, the researcher requested respondents to rate the organization performance. The results indicate that organization performance ranged from 45% to 99% and about 76% on average. This means organization had a good performance on average. This performance is consistent with the stated response regarding the agreement that Computerized Accounting System increases organization performance.

Table 2: Organization Performance.

Variable	Total	Mean	Std. Dev.	Min	Max
Marital status	90	0.67	0.47	0	1

4.5.3 The Challenges Encountered with the Use of Computerized Accounting Systems

The results indicate that, about 39 per cent reported that computerized accounting system necessitates training staff which is a challenge, about 26 per cent reported that computerized accounting system caused loss of data, 21 per cent are challenged with the associated additional costs, and about 14 per cent claimed it has resulted into wrong data entry (see Figure 2) (Bank et al., 2023).

Figure 2: The challenges encountered on the use of CAS.

Source Author (2017)

The researcher asked if there are any measures taken to solve these challenges. The results indicate, about 61 per cent of respondents reported that the organization is taking measures to overcome these challenges. About 92 per cent claim that simplification of Computerized Accounting System will improve organization performance. Respondents

Received: 16.10.2023

Accepted: 20.10.2023

Published on: 30.10.2023

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also listed some of the advantages of Computerized Accounting System include improving accounting records (96%), increase performance (90%), and save cost (86%) (Faridah et al., 2023).

Since the challenges are related to the choice of computerized accounting software, the researcher investigated the factors that are considered in choosing the accounting software. The results show that about 57 per cent of respondents stated cost of training is considered in choosing accounting software, about 23 per cent claimed initial cost of installation, and about 20 per cent consider the acceptance by users (Frank et al., 2023).

Table 3: Correlation Analysis

	Gender	Marital status	Schooling Years	Experience	Awareness	Training	Access to Use	Other Use
Gender	1							
Marital Status	-0.43	1						
Schooling Years	0.13	0.00	1					
Experience	-0.07	0.01	0.11	1				
Awareness	-0.03	-0.05	-0.07	0.19	1			
Training	-0.07	-0.04	-0.16	0.10	-0.08	1		
Access to Use	-0.03	-0.13	-0.15	0.15	-0.07	0.26	1.00	
Other use	-0.10	0.03	-0.06	0.05	-0.01	0.01	1.00	

Source: Author (2020)

The researcher also tested tolerance and variance inflation factor (VIF), which are the two commonly used measures of the strength of the interrelationships among the variables. Tolerance is an indicator of the degree of multicollinearity that a regression analysis can tolerate and Variance Inflation Factor is an indicator of the extent of the inflation of the standard error which might be caused by multicollinearity (Lydia et al., 2023). If all of the explanatory variables are completely uncorrelated with each other, then both the tolerance and VIF are 1 (Nelson et al., 2023). If a variable is very closely related to another variable or variables, the tolerance approaches to 0, and the VIF is very large.

There is no clear cut-off point for the VIF. For example, Hair *et al.* (1995) claim the VIF should not exceed 10 if there is no multicollinearity problem while Ringle *et al.* (2015) claims it should be less than 5. From the result presented in Table 4, the tolerance is close to 1 and the mean VIF is 1.14 which is very small indicating no multicollinearity problem.

Conclusion

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Accepted: 20.10.2023

Published on: 30.10.2023

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The results indicated that, about 39 per cent reported that computerized accounting system necessitates training staff which is a challenge, about 26 per cent reported that computerized accounting system caused loss of data, 21 per cent are challenged with the associated additional costs, and about 14 per cent claimed it has resulted into wrong data entry. About 61 per cent of respondents reported that the organization is taking measures to overcome these challenges.

Recommendations

Government has to set policies, strategies and programs that enable majority of the people to get education. Education is a key to productivity. The use of computerized accounting system requires someone with computer knowledge and accounting knowledge.

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Received: 16.10.2023

Accepted: 20.10.2023

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