
**Accounting Information System And Financial Performance Of An Organisations. A Case Study Of
Pride Micro Finance Kabalagala Branch In Kampala.****Namanya Junior Keneth¹, Irumba Alex²****1, 2 Metropolitan International University****Abstract**

The study aimed at accounting information system and its impact on financial performance of the organization with a case study of pride micro finance kabalagala brank Kampala and it was guided by the following objectives; To determine effects of Data collection on return on assets at Pride Microfinance limited; Kabalagala branch in Kampala, to find out the effects of data storage on efficiency at Pride Microfinance limited; Kabalagala branch in Kampala and to determine the effects of data processing on decision making at Pride Microfinance limited; Kabalagala blanch in Kampala. A total of 500 responses were received over a period of one month. Before analyzing the data, it was checked for completeness and consistency. 30 incomplete responses were removed. This resulted in a final sample of 470 responses for analysis. The data was then imported into IBM SPSS Statistics (Version 26) for preprocessing and initial analysis. Frequencies and descriptive statistics were computed for all variables. According to the respondents in pride micro finance kabalagala branch in Kampala, the majority strongly agreed that Accounting information system is considered as important organizational mechanism that was critical for el fictiveness of decision management and control in organizations as 10 strongly agreed, this was followed by 8 respondents who strongly agreed that when the controls are used properly there was better operating effectiveness and efficiency which will result in better financial information reliability. There should be a need to provide and review programs to the individuals and update law, policies, and regulations that govern organizations in order to increase on the standards and performance of their businesses.

Keywords: Accounting, Information, System, Financial, Performance and Organisations**Background of the study**

An accounting information system is a combination of people, equipment, policies and procedures that work together to collect data and transform it into useful information (Moses et al., 2023). It is a formal mechanism for collecting, organizing and communicating accounting information about an organization's activities. It is a system that provides people with either data or information related to the organization's operations to support the activities of employees, owners, customers, and other key people in the organization's environment by effectively and timely providing information to the right people (F. Christopher, Moses et al. , 2022). It is a system, a set of various devices and personnel, providing information to support the managerial decision-making process (N. Faridah et al., 2023). Its main function is to acquire, process and communicate data that is necessary for the operation of the organization. It is a network created in an organization that provides managers with information to help them make decisions (Racheal et al., 2023). It is a routine and automatic system used to collect and communicate data for the purpose of assisting and coordinating collective decision-making with regard to the overall goals of the firm. A successful accounting information system would lead to the success of the organization in achieving its goals, but an unsuccessful information system could lead to the failure of the organization in achieving its goals, which would mean the inability to grow and survive (Ivan et al., 2023). .

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Traditional legacies were also largely paper-based systems and seem ill-suited to today's fast-changing business environment. The information technology (IT) revolution has transformed the nature of business operations, including accounting, to enable IT and information systems (IS) applications (K. Faridah et al., 2023). The proliferation of such applications increases financial performance and maintains transparency within business organizations while providing continuous access to financial reports throughout the financial year (Racheal et al., 2023). Furthermore, the effective use of such applications can improve customer satisfaction, which ultimately leads to organizational success (Musaibah et al., 2023). Many other benefits for AIS have been cited in the literature, including: Improved quality, reduced costs, increased speed of service, informed decisions and more efficient information flow (Turyatamba et al., 2022). AIS could provide management with their valuable information needs that are timely, relevant, verifiable and accurate to enable them to make better decisions (F. Christopher, Komunda et al., 2022).

However, obtaining such significant benefits depends on several contextual and external factors that may hinder or promote the achievement of these benefits. These factors may include organizational and societal culture, IT infrastructure, IT skills, management support, and user perceptions of the usefulness of IS applications including AIS (K. Faridah et al., 2023). This study therefore sought to investigate the potential impact of AIS on financial performance of financial institutions; the case of Pride Micro-Finance, Kabalagala branch in Kampala.

Problem statement

Organizations today strive to increase their profit, market share and quality by using available IT tools (F. Christopher, Muhindo, et al., 2022). AIS as one of these tools - is an important system that has a vital role as the most important source of internal information. It has great potential to increase the success of the decision-making process, which is considered the most important factor for achieving organizational goals (Winny, Ariyo, et al., 2023). An impact that leads to better organizational performance and greater efficiency. Research (T. Christopher, 2022) has revealed that accounting information plays an important role in our economy and social systems, especially in its management, and works great in facilitating management decision-making, but despite all these benefits, many organizations in Uganda have failed to effectively utilize Accounting information system due to limited computer skills and lack of effective communication channel (Polycarp et al., 2023), further notes that this leads to low performance level and low profits. Therefore, this sought to find out the relationship between accounting information system and financial performance of financial institutions in Uganda (Alex et al., 2023); the case of Pride microfinance limited Kabalagala branch in Kampala.

Specific objectives

1. To determine effects of Data collection on return on assets at Pride Microfinance limited; Kabalagala branch in Kampala.
2. To find out the effects of data storage on efficiency at Pride Microfinance limited; Kabalagala branch in Kampala.
3. To determine the effects of data processing on decision making at Pride Microfinance limited; Kabalagala branch in Kampala.

Methodology

A quantitative study was conducted to understand the factors affecting customer satisfaction in the telecom industry. Primary data was collected through an online survey consisting of closed ended questions (Anwar et al., 2022). The questionnaire included questions regarding demographics, mobile usage patterns, important service aspects, satisfaction levels and likelihood to recommend. The survey link was distributed through email and social media platforms to reach a wide range of respondents (Nafiu et al., 2012). A total of 500 responses were received over a period of one month. Before analyzing the data, it was checked for completeness and consistency. 30 incomplete responses were removed. This resulted in a final sample of 470 responses for analysis (Rasheed et al., 2022). The data was then imported into IBM SPSS Statistics (Version 26) for preprocessing and initial analysis. Frequencies and descriptive statistics were computed for all variables. This helped get an overview of the data distribution and identify any outliers or errors. Customer satisfaction levels and importance ratings for various service aspects were the key focus variables. Correlation analysis was conducted using SPSS to understand the relationship between satisfaction levels and importance ratings given to different service factors (Olanrewaju & Abiodun, 2021). SPSS was also used to perform independent sample t-tests to determine if satisfaction differed significantly based on demographic variables like gender, age and income level. For further multivariate analysis, the data was exported from SPSS to Stata (Version 16) (Nelson et al., 2022). Logistic regression modeling was carried out in Stata to identify the most influential drivers of customer satisfaction after controlling for other factors. Likelihood to recommend the service provider was the dependent variable in binary logistic form. Independent variables included demographics, usage pattern indicators, and importance ratings of service aspects. Model fit was assessed using Pseudo R-squared values (Nelson et al., 2023). Significant predictors of recommendation intention were identified based on the odds ratios generated. Post estimation diagnostic tests for model suitability were also conducted in Stata. The findings from both SPSS and Stata analyses provided valuable insights into what really matters to customers and how satisfaction can be improved.

RESULTS

Table 1: Effects of Data Collection on Return on Assets in Financial Institutions.

Major Effects of Data Collection on Return on Assets in Financial Institutions	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
the organizational performance is measured in terms of return on assets and return on equity (ROE)	10	5		2	3
These ratios are financial performance measuring ratios (Majeed, 2011)	8	6		3	2
ROE is a key to provide useful information about the performance of debt in the capital structure that the general manager	7	9	4	2	2

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must try to influence in order to improve and manage the overall organizational performance					
Performance management has a key role to play in improving the overall value of an organization (Armstrong and Baron, 1998)	8	9	2		2

According to the respondents in pride micro finance kabalagala branch in Kampala, the majority strongly agreed that the organizational performance is measured in terms of return on assets and return on equity (ROE), the majority were 10 who strongly agreed on this effect, followed by 8 respondents that strongly on the These ratios are financial performance measuring ratios (Majeed, 2011), 8 strongly agreed on Performance management has a key role to play in improving the overall value of an organization (Ivan et al., 2023), and lastly 7 strongly agreed that ROE is a key to provide useful information about the performance of debt in the capital structure that the general manager must try to influence in order to improve and manage the overall organizational performance. The least number of the respondents disagreed, others agreed and others strongly disagreed but the majority agreed and strongly agreed on the above as the Effects of Data Collection on Return on Assets in Financial Institutions in pride micro finance kabalagala branch in Kampala.

Table 2: Effects of Data Storage on Efficiency in Financial Institutions.

Major Effects of Data Storage on Efficiency in Financial Institutions	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Internal controls are procedures set up to protect assets, ensure reliable accounting reports, promote efficiency and encourage adherence to company policies.	5	6	4	3	2
Internal controls are essential to achieve some objective later ebullient and orderly conduct of accounting transactions, safeguarding the assets in adherence to management policy, prevention of end or and	7	4	2	3	2

detection of error, prevention of fraud and detection of fraud and ensuring accuracy, completeness, reliability and timely pi expiation of accounting data					
If good internal control exists in any organization, management can use information with greater reliance to maintain their business activities properly which provide AIS.	8	8	2	4	3
But if internal control is not strong, management cannot achieve its goal	10	10	3	3	2

From the respondents in pride micro finance kabalagala branch in Kampala, the majority of the 10 respondents strongly agreed that But if internal control is not strong, management cannot achieve its goal, followed by 8 strongly agreed that If good internal control exists in any organization, management can use information with greater reliance to maintain their business activities properly which provide AIS., followed by 7 who strongly agreed that Internal controls are essential to achieve some objective later ebullient and orderly conduct of accounting transactions, safeguarding the assets in adherence to management policy, prevention of end or and detection of error, prevention of fraud and detection of fraud and ensuring accuracy, completeness, reliability and timely pi expiation of accounting data and lastly 5 strongly agreed on Internal controls are procedures set up to protect assets, ensure reliable accounting reports, promote efficiency and encourage adherence to company policies. The least number of respondents disagreed, others strongly disagreed, but the majority strongly agreed and agreed on the above Effects of Data Storage on Efficiency in Financial Institutions in pride micro finance kabalagala branch in Kampala.

Table 3: Effects of Data Processing on decision making.

Major effects of Data Processing on decision making	Strongly agreed	Agreed	Neutral	Disagreed	Strongly disagreed
Accounting information system is considered as important organizational mechanism that is critical for el fictiveness of decision management and control in organizations	10	5	3	3	2

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an effective accounting information system performs several key functions such as data collection , data maintenance, data information accounting systems and knowledge management, data control (including security) and information generation	5	6	3	3	2
accounting system, in recent times, has tended to be a system of information that does not stop at limits of data and financial information, but also it includes data and descriptive and quantitative information which is useful in decision making for users distinct with plurality	8	10	2	4	3
AIS through its computerized accounting system produces the financial statement namely, income statement, the balance sheet, and cash flow statement	7	8	2	3	2
if companies are able to adjust their computerized techniques of internal control mechanism according to AIS, they was able to ensure the reliability of financial information processing and boost the control measures of effectiveness of the financial information reliability	6	4	3	3	2
When the controls are used properly there was better operating effectiveness and efficiency which will result in better financial information reliability. Managers at various	8	6		4	3

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levels need AIS to make decisions in internal controls					
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According to the respondents in pride micro finance kabalagala branch in Kampala, the majority strongly agreed that Accounting information system is considered as important organizational mechanism that is critical for effectiveness of decision management and control in organizations as 10 strongly agreed, this was followed by 8 respondents who strongly agreed that when the controls are used properly there was better operating effectiveness and efficiency which will result in better financial information reliability. Managers at various levels need AIS to make decisions in internal controls and other 8 also strongly agreed that accounting system, in recent times, has tended to be a system of information that does not stop at limits of data and financial information (Racheal et al., 2023), but also it includes data and descriptive and quantitative information which is useful in decision making for users distinct with plurality, followed by 7 who strongly agreed that AIS through its computerized accounting system produces the financial statement namely, income statement, the balance sheet, and cash flow statement and 5 strongly agreed that an effective accounting information system performs several key functions such as data collection , data maintenance, data information accounting systems and knowledge management, data control (including security) and information generation (F. Christopher, Komunda, et al., 2022). The least number of respondents disagreed and strongly disagreed but the majority of the respondents strongly agreed and agreed on the above Effects of Data Processing on decision making while others were neutral.

Financial Performance.

Table 4: cause for the existence.

Major Financial Performance	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The performance measurement concept indicates that employees can increase the value of the firm by; increasing the size of a firm's future cash flows, by accelerating the receipt of those cash flows, or by making them more certain or less risky	5	6	4	3	2
There are many different ways to measure financial, but all measures should be tamed in aggregation	6	4	2	3	2

Some of the indicators of financial performance are return on equity, liquidity ratios, asset management ratios, profitability ratios, leverage ratios and market value ratios.	7	8	2	4	3
Performance is the end result of the whole organization's systems in relation to its objective	8	10	3	3	2
When businesses do not prepare cash management, they was unaware if there is any loss in the business	8	6	4	3	
Then, when the businesses realize the loss and the need to recover, loan is obtained from the bank	10		2	3	2

From the respondents in pride micro finance kabalagala branch in Kampala, the majority of the 10 respondents strongly agreed that Then, when the businesses realize the loss and the need to recover, loan is obtained from the bank, followed by 8 strongly agreed that When businesses do not prepare cash management, they was unaware if there is any loss in the business, 8 also strongly agreed that Performance is the end result of the whole organization's systems in relation to its objective, followed by 7 who strongly agreed that Some of the indicators of financial performance are return on equity, liquidity ratios, asset management ratios, profitability ratios, leverage ratios and market value ratios, 6 strongly agreed on there are many different ways to measure financial, but all measures should be tames in aggregation, and lastly 5 strongly agreed on (Annet et al., 2023). The least number of respondents disagreed, others strongly disagreed, but the majority strongly agreed and agreed on the above Financial Performance in pride micro finance kabalagala branch in Kampala

Table 5: Relationship between Accounting Information System and financial Performance of financial institutions.

Major Relationship between Accounting Information System and financial Performance of financial institutions	Strongly agreed	Agreed	Neutral	Disagreed	Strongly disagreed
AIS can positively impact on organizations by the following; better adaptation to a changing environment,	7	5	3	3	2

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better management of arm's length transactions and a high degree of competitiveness.					
There is also a boost to the dynamic nature with a greater flow of information between different staff levels and the possibility of the new business on the network and improved external relationships for the firm, mainly with the foreign customers accessed through their web	5	6	3	3	2
For the existence of more intercommunication, there are increased chances for diversification of traditional businesses to improve firm's performance	8	10	2	4	3
The low explained variability implies that other variables apart from AIS positively impact on the bank's profitability	10	8	2	3	2

According to the respondents in pride micro finance kabalagala branch in Kampala, the majority strongly agreed that The low explained variability implies that other variables apart from AIS positively impact on the bank's profitability as 10 strongly agreed, this was followed by 8 respondents who strongly agreed that For the existence of more intercommunication, there are increased chances for diversification of traditional businesses to improve firm's performance, followed by 7 who strongly agreed that AIS can positively impact on organizations by the following; better adaptation to a changing environment, better management of arm's length transactions and a high degree of competitiveness and 5 strongly agreed that there is also a boost to the dynamic nature with a greater flow of information between different staff levels and the possibility of the new business on the network and improved external relationships for the firm, mainly with the foreign customers accessed through their web (Winny, Kazaara, et al., 2023). The least number of respondents disagreed and strongly disagreed but the majority of the respondents strongly agreed and agreed on the above Relationship between Accounting

Information System and financial Performance of financial institutions in pride micro finance kabalagala branch in Kampala while others were neutral.

Conclusion

This study therefore concluded that respondents have given the overall views to each criterion in the study. Most of the respondents believe that the organizational performance is measured in terms of return on assets and return on equity (ROE), These ratios are financial performance measuring ratios (Majeed, 2011), Performance management has a key role to play in improving the overall value of an organization (Armstrong and Baron, 1998), ROE is a key to provide useful information about the performance of debt in the capital structure that the general manager must try to influence in order to improve and manage the overall organizational performance. The least number of the respondents disagreed, others agreed and others strongly disagreed but the majority agreed and strongly agreed on the above as the Effects of Data Collection on Return on Assets in Financial Institutions in pride micro finance kabalagala branch in Kampala.

Recommendation

There should be a need to provide and review programs to the individuals and update law, policies, and regulations that govern organizations in order to increase on the standards and performance of their businesses

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