MIDLANDS STATE UNIVERSITY

FACULTY OF COMMERCE

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An investigation of impacts that a Partially Non-Integrated Computerized Accounting System cause on Financial Reporting in Local Authorities: Case Study of Chiredzi Town Council

BY

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APPROVAL FORM

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DEDICATION

This research project is dedicated to my parents and the late Mrs. Marcia (my education sponsor) for their extra ordinary support and encouragement during my study.

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My sincere gratitude goes to Almighty Jehovah for his blessing. Special thanks to Miss Mutsetse and Mr. Taputsa for granting me the authority to carry out this research. I am very grateful for their support in coming up with this project and special thanks to my supervisor Mr. Kazembe for his patience in guiding me to accomplish this project.

ABSTRACT

The Computerized Accounting System (C.A.S) is of extreme importance in providing the financial information for decision making purposes within the organization. The research is about the impact that a Partially Non-Integrated Computerized Accounting System causes on Financial Reporting in Local authorities. For the past years Chiredzi Town Council has been facing challenges due to the operation of Non-Integrated CAS. The Local Authority used three different accounting packages which are Pastel, PROMUN and ADASK. The organization was facing risks such as data manipulation, errors and perpetration of frauds by the system users taking advantage of the weak system and this resulted in poor decision making. There was also delayed financial reporting which was caused mainly by the company's accounting system. The research showed that the degree of Non-Integrated AIS was very high at the organization though integrated systems Enterprise Resource Planning (ERP) were in place. To reduce the risks the company was encouraged to use fully Integrated Accounting software for example PROMUN alone. There was also encouragement for management to put more supervision on the staff, motivation of staff and consistence in training of staff to have skills and experience on new versions of the accounting software.

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LIST OF ACRONYMS

CTC   Chiredzi Town Council

ERP   Enterprises Resource Planning

C.A.S   Computerized Accounting System

EDI   Electronic Data Interchange

EFT   Electronic Funds Transfer

IFRS   International Financial Reporting Standards

IAS   International Accounting Standards

IPSAS   International Public Sector Accounting Standards

PHD   Doctor of Philosophy

Chapter 1

Introduction

1.0 INTRODUCTION

This chapter contains the background of the study and the statement of problem area of study. It goes on to state the main research objective, sub-research questions, significance of study and assumptions. Furthermore, there are other sections which are scope of study, limitations and summary of the chapter.

1.1 BACKGROUND TO THE STUDY

The use of information and technology for Financial Reporting has affected local authorities in Zimbabwe both negatively and positively such as Chiredzi Town Council. The most common Accounting software packages used in Zimbabwe by local authorities include Pastel version, PROMUN and SAPP. In the case of Chiredzi Town Council the Accounting Software packages used are PROMUN, Pastel and ADASK for payroll. These accounting packages are partially used by other offices apart from Accounts Section in the organization including Internal Auditors, Human Resource Management, Salaries Sections and Engineering.

Table 1.1 Number of errors corrections for the year 2012 to 2014

Financial Statements for the year ended 31 December	Years		
	2012	**2013**	**2014**
Period between reporting date and auditing date (days)	127	187	240
No// of Journal Entries correcting errors	27	127	173

Source: Chief accountant's reports of years December 2012 to 2014

   Journal Books from year 2012 to 2014

From Table 1.1 above, in the year 2012 the period between reporting date and auditing date was 127 days. That was a fair period because the employees were used to the system. 27 errors occurred as the accounting office was used to the system at that time.

In 2013, the introduction of PROMUN Accounting System caused 370,37037% increase in errors as compared with the previous reporting period. Chiredzi Town Council initiated parallel Accounting System, which were Pastel and Promun. Those 127 errors triggered (187-120) 67 days delay for auditing to start.

More orientation lessons and workshops were done but the problem increased by 36.220472% in 2014. New government requirements of presentation of financial statements aggravated the matter. 173 errors were corrected in 2014 Financial Statements preparation due to the problem. Some of the corrections for the errors started on the expected day of which led to 120days delay to start audit process.

In the meeting of feedback of the audit made beginning August 2015, the problem was highlighted by the Finance Director. He said that, they are facing a continuous problem of delay in making Financial Statements ready for auditing. The problem was said to be caused by high rate of error correction which results mostly from the Partially Non-Integrated Computerized Accounting System.

1.2 STATEMENT OF THE PROBLEM

The introduction of Computerized Accounting System caused challenges to Financial Reporting of Chiredzi Town Council due to a Partially Non-Integrated System. Chiredzi Town Council has been facing problems of failure to present Financial Statements in the time. Its financial statements of the year 2014 were audited in August 2015, which is about 240 days (twice the required period).

1.3 OBJECTIVE

- ➢ To investigate the impacts of Computerized System in Financial Reporting.
- ➢ To describe the risks in using a Non-Integrated Partially Computerized Accounting System.
- ➢ To describe the quality of financial reports generated by Computerized Accounting System.
- ➢ To discuss the reason of late Financial Reporting.

1.4 RESEARCH QUESTIONS

- ➢ What are the impacts of using a Computerized Accounting Systems in Financial Reporting?
- ➢ What are the risks using a Non-Integrated Partially Computerized Accounting System?
- ➢ What are the qualities of financial reports created by a Computerized Accounting System?
- ➢ What are the causes of failure to present financial statements in time?

1.5 SIGNIFICANCE OF THE STUDY

To the researcher

The study is done in partial fulfillment of the requirements of the Bachelor of Commerce Accounting (Honours) Degree.

To the university

The study will provide the university with literature that help scholars who may wish to undertake further studies on computer based accounting system in local authorities.

To the organization

The study is vital to Chiredzi Town Council and its stakeholder in improving the organization's Computerized based Accounting System enhancing accurate Financial Statements of the Local Authority.

1.6 ASSUMPTIONS

The researcher assumes that participants or respondents will cooperate during the research process and contribute to the research without bias.

1.7 SCOPE OF THE STUDY

The research will be carried out in the case of Chiredzi Town Council. The study is focused mainly on the computer based Financial Management Systems of Chiredzi Town Council. It also focuses mostly on the accounting computerized based systems. The period of the study is focused mainly from January 2013 to December 2015.

1.8 LIMITATIONS

i.   The researcher can be limited on getting as much data as needed for an in-depth analysis of Chiredzi Town Council's Financial Reporting Computer based System. The investigation will use the data accessed from the organization or inquire date indirectly from employees of that organization through questionnaires and interviews.

ii.   Inadequate financial resources especially on the collection of primary data limited the scope of the study. The researcher will try to save costs of travelling to the organization through online communications with the Accounting Department and Personnel.

iii. Since the researcher is doing lectures during the research, it may result in limited data for the research. This time constraint can be reduced through use of free periods and when lectures are not around.

1.9 DEFINITION OF TERMS

The definitions that are given below are there for a better understanding of the study.

Computerized Accounting System- is the system designed for use by business to record inputs (Primary Financial Data), processing it to financial information for making decisions.

Partially Computerized Accounting System- is the accounting system which is not fully computerized, that is work is done using both the manual and computerized system.

Non-Integrated Computerized Accounting System- is accounting system which uses two or more different accounting software for different tasks.

Accounting- refers to the process of identifying, analyzing and communicating economics transactions so as to enable decision making.

Financial Reporting- is recording of how an entity is running its financial activities. It is in a formal manner and organized status when presented to interested parties.

Accounting Software- refers to program that is used to capture and process business transactions within functional modules such as creditors, debtors, payroll, general ledger and trail balance.

Technology- It refers to the making, modification, usage and knowledge of electronic devices. Its aim is to solve a problem, achieve a goal or perform certain functions.

Local Authority- It is an institution which provides public services to its community at affordable prices. These include town council, municipality and cit**y.**

1.10 SUMMARY

The focus of this proposal has been the investigation of impacts of Computerized Accounting System in Financial Reporting. The significance of the study, assumptions, limitations and scope of study were given. Chapter 1 also highlighted the objective of the study, the research questions and the statement of the problem. The following chapter will try to find ways of solving negative impacts. It is also a detailed examination of literature which is useful in the research.

Chapter 2

Literature review

2.0 INTRODUCTION

Hargreaves and Farasacco (2015) highlighted that, literature review make the researcher to be modern with appropriate facts which forms a basis of validation for the investigation. Chapter 2 is there to view ideas from other scholars about impacts of Non-Integrated Partially Computerized Accounting on Financial Reporting. It will be targeted on the overview of Computerized Accounting System, the quality of financial reports generated by Computerized Accounting System, risks in using a Non-Integrated Partially Computerized Accounting and causes in failure of presenting financial statements in time.

2.1 OVERVIEW OF C.A.S

Soudani (2012) viewed Computerized Accounting System (C.A.S) as a process which involves recording, organizing, summarizing, analyzing and interpretation of financial data about organization's transactions and reporting it to stakeholders through accounting packages. Genil and Valencia (2013) also defined it as a method that a business can use in recording its financial data. C.A.S produces financial statements that can be internally and externally in make suitable decisions. An organization's decisions are greatly influenced when using a well-controlled Computerized Accounting System through responding to various requirements of IASs (Hurt, 2010).

Ware (2015) said that there are two ways in which computerized accounting transactions are recorded, these are cash basis accounting and accrual basis accounting.

Cash basis of Accounting

Under this basis, revenue transactions are recorded when only cash is received. Also expenses transactions are recorded when only a payment is made. This basis of accounting does not show an accurate value of liabilities, assets, expenses or revenues (Gnanarajah, 2014).

Bartlett (2015) held that Cash basis accounting is used by users of financial statements to have information in connection with sources of cash paid, the reason for using the cash and reporting date cash balance.

Accrual basis of Accounting

When using this basis, transactions are recorded on the time they occur. Gnanarajah (2014) pointed out that Accrual Basis Accounting brings a true view of how the business has been doing its business. Government financial statements are prepared using the Accrual basis of Accounting (Allison and Johnson, 2014).

Financial Reporting

Braunbeck (2010) pointed out that Financial Reporting deals with granting useful information to users, so that they may be able to make decisions affecting the reporting entity. Financial Reporting does not include financial statements only, but it includes non-financial and other additional information (Elliott and Elliott, 2011).

For financial statements to be usable they must fulfil the fundamental qualitative characteristic of information namely relevance and faithful representation.

2.2 PROS AND CONS OF C.A.S

There are many scholars who have analyzed the impacts C.A.S has on the operations of any business. If misused, C.A.S can be a serious burden to a company. However many researchers concluded that C.A.S has greatly improved Accounting System. Introduction of use of computers in storage and processing since 1950s, made it easier and quicker to control huge volumes of data and produce more accurate and timely report results (Kharuddin et al., 2010). Magdalene (2011) noted that Computerized Accounting System is very important to the day to day operations of a business. However it has its limitations which affect efficiency in running of the business.

Accuracy

Magdelene (2010) asserted that Computerized Accounting System is also accurate. Massive volume of figures can be aggregated simply through electronic system without any calculation

error. C.A.S helps in reducing human error which are a result of manual data processing. For information to be accurate when using a computerized system it depends on the accuracy of the input (Ware, 2015). For example when capturing revenue figures into the system, the debtors' clerk may omit a figure and that omission can result in a phrase known as garbage in garbage out (no accuracy).

Security

Comparing C.A.S with manual, important information is securely kept in case of harsh environment. Perkins (2015) argued that information security brings confidentiality, integrity and availability of information which supports the good governance of an entity. Secure storage includes backups and networks. Use of electronic authorized access to vital information of a business edifies information security. However there, are numerous methods used to crack passwords, especially those which are easy to guess and most commonly used (Vijayan et.al, 2014).

Increased Speed on preparing financial reports and its storage

It is of great value in any entity to have a process which stores information. Ware (2015) pointed out that C.A.S is capable of transferring massive amounts of data at a fast rate from storage, editing it and storing it again for future use. Companies perform backups on the system regularly to avoid losing any information. Deusidedit (2014) stated that the ability to view the real-time of financial position of an entity is possible through C.A.S. There is increased speed on preparation of financial reports as compared to manual system.

Magdalene (2010) however cited that some Computerized Accounting System are like manual accounting for they require much time and resources. She added that it is difficult to choose a system which is fast and economic. Storage system is sometimes corrupted if there is no maintenance and updating of antivirus software. Yose and Choga (2016) highlighted that, damage of memory, hacker attacks, unexpected power outages and computer viruses could cause system problems and loss of data.

Lower cost of operations

Much of the manual accounting system was eliminated as a way of reducing costs. Some tasks were observed to be unnecessary doing them manual for they were expensive (Deusidedit, 2014). Staff members on those posts were retrenched so as to lower cost of operations. Magdalene (2010) nevertheless cited that it is highly expensive to have the best computerized accounting software. Abuse of access to internet has increased cost of operations: these include computer games and social networks (Bob, 2009). Most of the working hours are wasted in these activities which lead to non-productive operations.

Scalability

Weinstock and Goodenough (2010) defined scalability as the ability to control workload as it increase using a C.A.S without improving it. As an organization increase in size, accounting work will be enhanced and its complexity is boosted. Rajapakse (2012) cited scalability as a way in which a C.A.S is changed for it to match the concurrent business challenging activities. C.A.S is capable of keeping records in a flexible status sincere viewing through huge volume of data is easier as compared to examining a pile of worksheets. Kumar (2010) however said that scalability might be affected when changing either the amount of data or nature of the application.

Better External Reporting

Reporting issued to outside investors and stakeholders have been improved by computerized Accounting System (Magdelene, 2010). Improved reporting allows investors to determine if a company is a good investment for growth opportunities and has the potential to be a high-value company. Companies can utilize these investors for equity financing, which they use for expanding their operations.

Increased Functionality

Standard functionality of accounting sections is possible with C.A.S through increased timeliness of accounting statements. A true view of business current operations is achieved by improvements of the financial statements' timeliness (Ghasemi et.al, 2011). Through the use of C.A.S various statements are prepared within a moment. The following table shows sets of

financial statements according to International Accounting Standard Board (AIS) and International Public Sector Accounting Standards Board (IPSASB).

Table 2.1 Set of Financial Statements for Private and Public

Public Sector	Private Sector
Statement of financial position	Statement of financial position
Statement of financial performance	Statement of Comprehensive Income
Statement of changes in net asset	Statement of changes in equity
Cash flow statement	Cash flow statement
A comparison of budget and accrual amounts	
Notes to Financial Statements	Notes to Financial Statements

Source: IPSAS 1.21 and IAS 1.10

Furthermore low-end accounting software can perform all the functions of accounting system using the same software (Ghasemi at.al, 2011). The following are functions that computerized accounting system can perform.

Income tax ÷ Corruption in tax system has increased because of tax laws and procedures' complexity. Manual tax preparation has been difficult and time consuming. Therefore, tax preparation software was made available for many companies. With C.A.S, detection of defaulters is easy, errors are reduced, sorting and analyzing tax files efforts is reduced and corruption is reduced through limited personal interaction of tax men and taxpayers (Maisiba and Atambo, 2016). Same functions of processing tac manually can be done using computer software.

Maisiba and Atambo (2016) however argue that some authors said electronic tax system cannot increase revenue collection but other factors can. Hamel (2016) pointed out that e-filling may not be possible if the company have a complex tax return.

Audit ÷ Computerized System is also available in the auditing profession. Auditors now use auditing software in auditing client with a Computerized Accounting System. The auditor should choose compatible software which fits the client's C.A.S. It takes time, if the auditing is performed through a manual system. Ghasemi at.el (2011) pointed out that trial balance software is one currently used audit software package. He added that the software enables input of

working trial balance, adjusting of all types of entries and computing automatically the adjusted trial balance.

However, the auditing software package is not being taken in operation by some audit firms (Jacob, 2011). In addition, he said that for some audit firms it is not yet clear that this software can improve the quality of their work (auditor's significant objective).

Word processing÷ Word processing is an application program that allows the user to create, edit, correct, manipulate, store and print any word document. Accountants use word processor in the preparation of memos, billings and financial statements reports. It is comfortable to manipulate and format document using word processors.

Graphics software ÷ There are graphics software which are used to view graphics. Graphics software enables printing of graphics either on paper or displayed on slides. When doing presentation in meetings accountants usually use graphics in order to share a simple understanding of trends in profit or any accounting related aspect.

Electronic Data Interchange (EDI) ÷ EDI enables communication of interrelated companies electronically. It enables electronic exchange of documents among the related companies. A transaction is completed quickly between two companies through a computerized network. With this network exchange of purchase orders and invoices between purchaser and the supplier is possible electronically.

Electronic Funds Transfer (EFT) ÷ EFT enables companies to connect to banks. Payment and collection between companies can be done electronically using this system. When processing sales transaction through EFT, the transaction is debited to consumer's bank A/C and credited to company's A/C. Accounts receivable and cash are updated as they are entered through a computerized system. C.A.S has the automation of accounting information system which is more effective and reduce costs when performing accounting functions.

C.A.S can help accountants in creating budget and various business decision aspects. It enables limited number of data entry errors because of the automated input of business' accounting information. In addition, accounting software has feature such as standard defaults and mathematical verification processes.

2.3 RISKS IN USING A NON-INTEGRATED PARTIALLY COMPUTERIZED ACCOUNTING SYSTEM

Organizations lacking integrated C.A.S usually spend much resource during the development of information which should have been done easily (Gumbura 2014). Bradford (2010) said that errors and manipulation in decision making usually reside in a Non-Integrated C.A.S because of failure to keep information in line, which is common between systems. Gumbura (2014) natural disasters, data risks and computer viruses are risks associated with a Non-Integrated C.A.S.

Business software that allows an integrated C.A.S to be used to organize automatically the business functions which are connected to all departments in an entity is named an Enterprise Resource Planning (ERP). All aspects found in running business are considered by the software. The diagram below illustrates an integrated system.

Fig 2.1 Wholly Integrated Computerized Accounting System
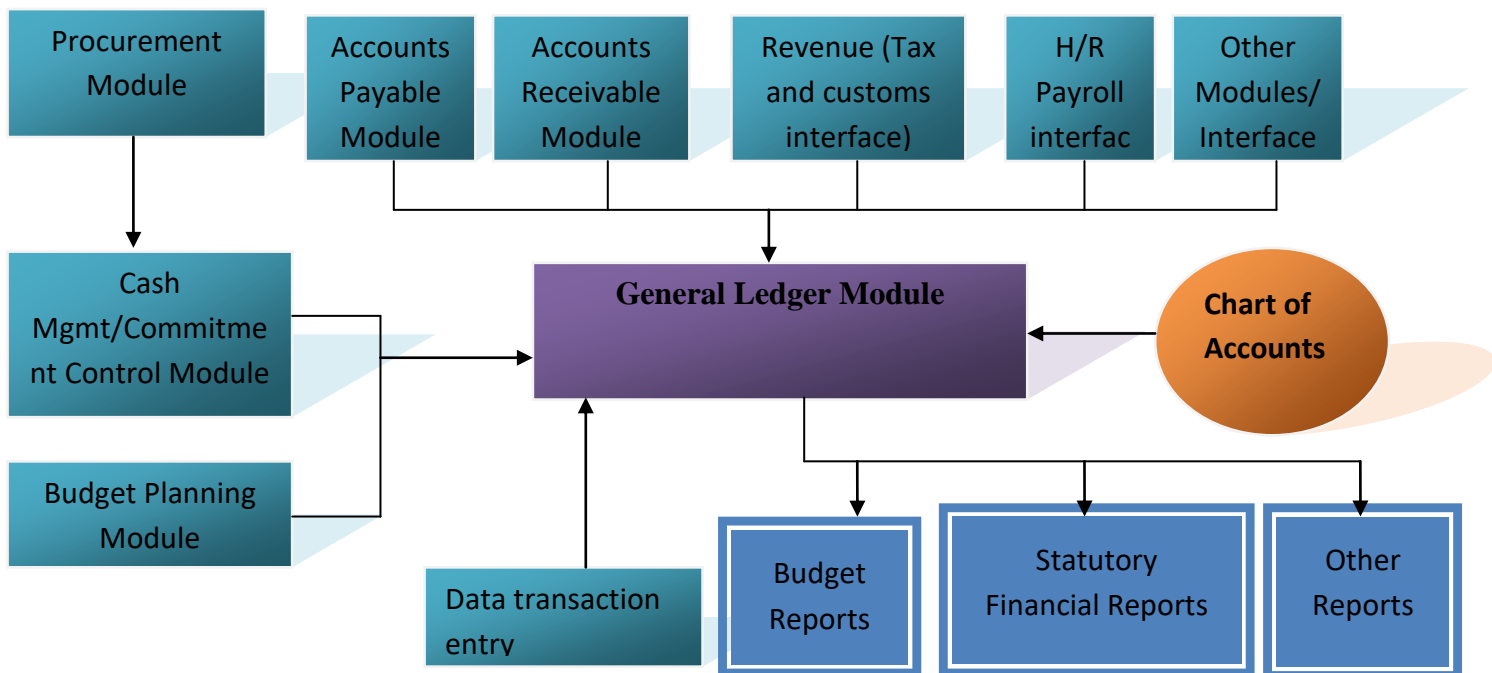
Source: Wanyama and Zheng (2011:133)

The Controller is the Centre of the system, which is central core point of an Integrated Computerized Accounting System. The general ledger is the controller where every input is posted to the general ledger. Every transaction is posted to the general ledger as it happens and is connected to all correct modules following the programs set in the C.A.S (Wanyama and Zheng, 2011).

Bradford (2010) is of the view that, as the input of data takes place, the data will be also available on-line and authorized departments will be able to access the data. An integrated C.A.S is essential in improving the organization's departmental operation performance (Turban et.al, 2013). Therefore it brings great visibility and transparency in organization because of the simplified updates of organization's information and communication. In addition, organization's process of tracking information and planning is improved leading to a better control of business running costs (Turban et.al, 2013).

Cosmin (2015) pointed out that, the upside of setting up (ERP) is that coordinating organizational forms spares time and cash. Administration can settle on choices quicker and information gets to be noticed over the association with less or without mistakes (Pereless, 2014).

The moment when (ERP) system is executed, the clients can act freely and there will be no reliance on skilled personnel when recording money related exchanges (Sudalaimuthu and Raj, 2011). He added that, the database is easy to use, it guarantees faster preparing of data and decrease printed material.

Mukwasi and Seymour (2015) contends that the isolated way of (ERP) data framework opens an association to altogether hazards than customary (legacy) PC frameworks. ERP frameworks symbolize more than enhanced data handling innovation increment data security concern, make routine interdependencies among business forms and much of the time include essential rebuilding endeavors subsequently.

Bradford (2010) likewise contends that, the expanded range of ERP frameworks can lead potential money related proclamation errors and delicate business, defalcations and

misclassifications. Sadalaimuthu and Raj (2010:34) additionally contends that, "ERP needs a lot of money and time for it to succeed".

Seo (2010) said that, the amount required to fund training and legal setting costs might be more voluminous than the advantages of the ERP.

Bradford (2010:24) further contends that, "representatives possibly are friendly with the system they work with and they have control over it. Therefore, employees may frequently oppose the (ERP) framework". On account of extra cost in preparing, process change and hierarchical change that might happen, the organization may likewise restrict fitting in with atypical information structure in the implementation of ERP.

It likewise requires cooperation among workers. The effective joining of various system and offices under General Ledger unit, obliges representative in having bolster, responsibility and collaboration (Gumbura, 2014). On the off chance that the representative neglected to corporate, it will be difficult to effectively use ERP and results will be unfavorable to entity.

Cosmin (2015) cited that the management of an organization has the obligation to roll out certain business improvements in all segments of the association as an attempt to adjust to ERP. He added that, those adjustments in the management act as confinements to the execution of the whole framework.

As per Lockwood (2010) ERP framework are well known utilized by huge associations internationally. As of late, legislative associations have wound to ERP in an offer to supplant old partially C.A.S and in planning for ERP frameworks.

Cosmin (2015) viewed that there are some risks associated with the partially computerized accounting system. These include reconciliation difficulties, late financial reporting, manipulation of data, fraud and errors. An Integrated Computerized Accounting System can bring solutions of risks from an Integrated Non-partial C.A.S (Hendriks, 2012).

2.4 THE QUALITY OF FINANCIAL REPORTS GENERATED BY COMPUTERIZED ACCOUNTING SYSTEMS.

This objective tries to describe the financial reports generated by Computerized Accounting System. C.A.S is when mechanisms are associated putting them together with the aim of organizing accounting raw data and changing it into financial reporting information to enable decision making (Salehi and Torabi, 2012). Computerized Accounting System is a system that uses computers to input, process, store and output accounting information in form of financial reports (Genil and Valencia, 2013).

Elliot and Elliot (2011) defined Financial reporting as the process of producing statements that disclose an organization's financial status to management, investors and the government. They added that, financial reporting includes items like press release and conference calls regarding quarterly earnings and related information. With a well-orientated system the work is easily done.

Lately numerous scholar have asserted that Computerized Accounting System plays an important role in the preparation of Financial Statement (Magdalene, 2011). Hurt (2010) also pointed out that an organized C.A.S can influence improvement in making decisions about a company taking into account the Conceptual Framework.

Fig 2.2 Process of producing financial reports using Computerized Accounting System

INPUT
- Capturing data on the elements of financial statements

PROCESS
- Transforming those data into relevent and reliable information

OUPUT
- Recognizing and adapting to the cost-benefit constraint
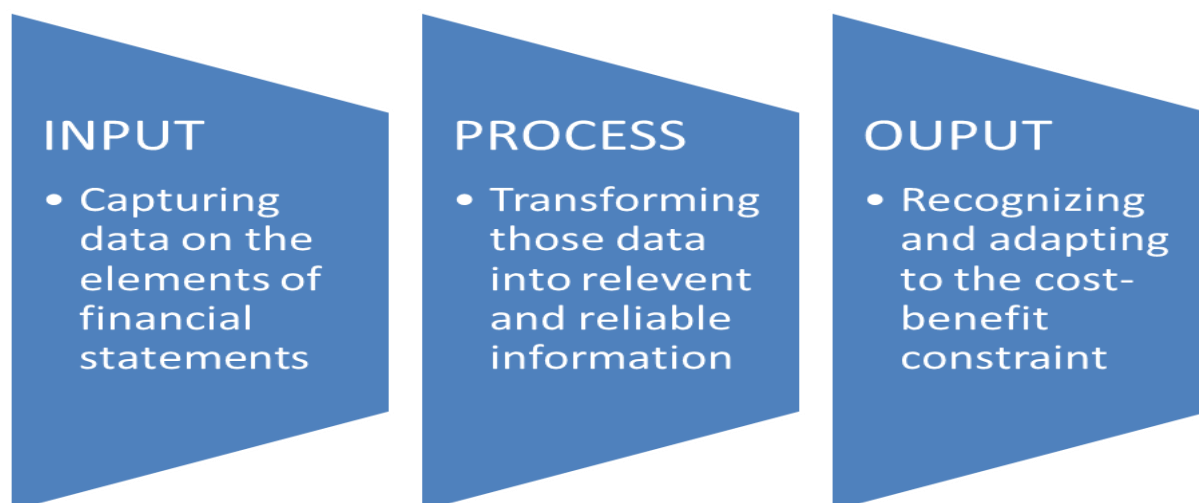
Source: Hurt (2010:23) & Genil and Valencia (2013:19)

- *Inputs of data.* Despite C.A.S utilized, financial information changes information changes in terms of elements of financial statements (income, expenses, equity, asset and liability) (Hurt, 2010). Some adhered on the traditional way of input of data, which is debit/credit format.

  Hurt (2010) said that there are some examples of inputs to the C.A.S which are purchases orders, payment vouchers and sales invoices. Input of data is done through keyboard mostly or mouse. Data can be captured in batches or as single entry. Real time (online) capturing usually it's for single transactions (Romney et.al, 2012).

  C.A.S can gather much data further than just capturing elements mentioned above. It takes into consideration a room for capturing customer behavior and transactions history, demand for inventory item and vendor quality (Sofal and Hiro, 2010). By providing those items investors and other stakeholders can improve their decision making.

- *Processing of data to Information.* A well-integrated C.A.S is capable of transforming primary data into information which is relevant and reliable (Hurt, 2010). Through the programme in the software, data is converted into information useful for decision making (Eierle and Schultze, 2013). They further said that for data to be useful for decision making processed into meaningful information. As from the illustration Fig 2.1, the general ledger module of a C.A.S generates trial balance and financial statement reports as outputs of the financial accounting cycle.

- *Output and Reporting.* The benefit of gathering data, processing it and reporting it should outweigh its costs (Hurt, 2010). Management usually prefer to give out information to potential investors on a real time basis (Trigoa et.al 2014). Kapardis and Clark (2010) viewed that, financial information from Local Governance Institutions is limited. Users of Public Sector financial statements comprises of employees, taxpayers, the media, government, suppliers and rate payers (IPSAS 1.3). While those of Private sector are existing and potential investors, lenders and other creditors.

Time and money of the organization can be saved through a well implemented C.A.S. One of the components financial reporting statements (Statement of Profit and loss and other comprehensive income) shows the profit of an organization as per period (IAS 1). IFRS Foundation (2010) cited that performance of a business is mostly measured using profit. Therefore, there is combination between the organizational performance and financial reporting.

Soudani (2012) is of the view that C.A.S design, organization performance and strategy are strongly related. Recent scholars have been supporting this view that C.A.S and financial performance are correlated. Financial reporting information are generated by C.A.S for shareholders to make investment decision (Nkuhi, 2015). Deusidedit (2014) said that Computerized Accounting System generates accounting information of better quality than Manual System.

Purpose of Financial Reporting

IFRS Foundation (2010) highlighted that financial reporting has one purpose which is:

- Helping management to engage in effective decision-making about whether to provide resources to the reporting entity. Information presented in the financial statements gives a clear view of whether the company has interesting returns or not, as well as its overall financial health. Financial reporting is a way of proving whether the reporting company is being run appropriately.

   A well-organized C.A.S helps to bring a clear view of how the financial statements are prepared. Interested stakeholders have more confidence on the financial reporting from Computerized Accounting System (Trigoa et.al, 2014).

Qualitative Characteristics of Accounting Information

Soudani (2012) argues that because of the need for good quality and reliable information that management require it has forced management to engage in different activities to improve the quality of information. Xu (2010) is of the view that information of good quality makes an organization to have a modified competitive advantage. He added that, when using C.A.S, it is important for the success of the system to confirm the quality of the information.

Abdallah (2013) cited that data quality from C.A.S is of higher standard, provided if the system is well-organized. Investors, other creditors and lenders prefer Accounting Information which is useful (good quality) (IFRS Foundation 2010). For Accounting Information to be useful, it must be relevant and faithful. Comparability, Verifiability, Timeliness and Understandability are enhancing characteristics of useful information (IFRS Foundation, 2010).

Fundamental Qualitative Characteristics

Relevance ÷ Financial information must be relevant to its users and it must be equipped for making an effect in making decisions. If predictive value, confirmatory value or both are/is available in accounting information, a difference in decision making is possible. (IFRS Foundation, 2010). Dauod and Triki (2013) cited that C.A.S should give relevant accounting information continuously.

Faithful representation ÷ For financial information to be faithfully represented, three characteristics (completeness, neutrality and free from error) should be available (IFRS Foundation). Pretorius et.al (2014) pointed out that C.A.S is capable of producing correct and error-free information, if it is well organized.

Enhancing qualitative characteristic

Timeliness÷ Entails that Accounting information should be presented immediately to those in need of it and influence decisions they make (Conceptual Framework, 2010). Sugut (2012) is of the view that C.A.S improves the timeliness, accuracy and speed of the financial statements of reporting entities.

Understanding ÷ A layman in the accounting field must be able to understand the financial information. An advisor is needed when there is need of interpretation of complex terms (Conceptual Framework, 2010). Sugut (2012) recommended that, for organizations to have quality understandable reports they should utilize C.A.S because of its benefits.

Comparability ÷ Someone must be able to compare financial information with those of prior accounting reporting periods. Users must be able to understand and identify similarities in and

differences among items (Conceptual Framework, 2010). Cosmin (2015) has the view that there is a need to use C.A.S to enable comparability in accounting information so as to make accounting reports more trustable by users.

Verifiability ÷ It is one of the enhancing qualitative characteristics of the faithful financial information representation (IASB,2010). Information is said to be verifiable, if two or more people who are knowledge and independent agree that there is faithfulness in financial information.

Cosmin (2015) said that there are two types of verification of accounting, which are direct or indirect. He further said that, under direct method verification will be done through confirming a value by a direct observation (counting the money). Indirect way is verifying entries in a formula and recalculating the results utilizing similar methods. A good example of an indirect verification is confirmation of value on the stock sheet with those costs and quantities (inputs) of inventory in C.A.S.

2.5 THE REASONS OF LATE FINANCIAL REPORTING

Release of financial information timely is very important for the users of the information. Timeliness is one of the enhancing characteristics of information (as mentioned above) supports the faithfulness of the information for decision making. Therefore, information without timeliness is not useful to the users. As a result, companies have to meet the deadline of timeliness of information. However, there are some reasons which cause financial reporting lag. These include loss of data, auditing, content of financial statements and other factors.

Auditing

Lehtinen (2013) viewed that timeliness of financial information can be affected by auditing delay to a greater extent. Audit delay might be triggered by auditor changes at the end of the reporting period resulting in reporting delays. On engaging a new auditor, there is need for the auditor to know the company and its operations which take a long time before audit process starts. These preliminary engagement activities (Client investigation, determination of skills, competence and resources and settings engagement terms) might take longer reporting lag.

Content of financial Statements

Many scholars like Graham et.al (2005) and Dogan et.al (2007) suggested that late financial reporting can be as a result of the information in the accounting reporting statements (Lehtinen, 2013). He further said that, it has been proved that delay in release of financial information it's because of bad news in the information. Managers of a company may be willing to delay release of financial information for the mentioned reason. The purpose of delaying the reporting of unfavourable financial statements is that management will be investigating the cause of bad news and finding a welcomed interpretation. On accounting of releasing bad news the market will view the reporting entity as a transparent reporter.

On the same note, divisional managers delay presenting financial information for the reason being prevention of reporting the bad news to directors. They usually give out good news first and bad news later.

Loss of data

Son and Grabtree (2011) highlighted that accounting department can miss company's own filling deadlines due to lose of data which can possibly result in delayed reporting. Source documents like tax invoices, payment vouchers and others can be miss filled or lost them. This can lead to wastage of time in searching for the documents which may cause delay in financial reporting.

Taxation

Taxation plays a role as a factor delaying the financial reporting (Son and Grabtree, 2011). As tax men require tax forms from the companies by the end of the year, a deadline is created. It should be remembered that the deadline requirements about the taxation are not part of those required in filing. Nevertheless, small companies are concerned because their reporting is done when tax reporting is finished. Some of the subsidiaries and tax reporting have a negative effect on annual financial reporting of their parents (holding company) (Khasharmeh and Alijiri, 2010). Therefore this means that taxation and its effects should however be analyzed to a greater extent.

Other factors

Despite of those mentioned above it was noted that there are other factors which contribute to lag of financial reporting. These include high low liquidity, small size of a company, profitability, debt ratio and sector type.

Low liquidity- Financial reporting lagging issues may arise towards the end of an accounting period when a company is in low liquidity status. Employees might be on go slow strike because of shortfall in their salaries, leading to slowness in completing financial reports (Lehtinen, 2013).

Small Firm size- Timeliness of financial reporting can also be affected by small size of the firm. Information preparation and audit process is longer because small businesses have inefficient and small C.A.S (Lehtinen, 2013). He further said that, companies of small size have little pressure on meeting financial reporting date due low demand their financial information.

Khasharmeh and Aljiri (2010) however argued that, the small firm size has no clear effect against timeliness of annual financial reports. They further said that profitability, sector type and debt ratio have great effect on timing of financial information.

Profitability- profitability of a company can represent good and bad news meaning that favorable information is published first (Lehtinen, 2013).

Sector type- timing of financial information is also affected by sector type. Khasharmeh and Aljiri (2010) said that, for the banking sector, the delay in financial reporting is smaller because it has most well organized sector of all. Other sectors are manufacturing, insurance and service.

Debt ratio- high debt ratio cause financial reporting lag in the sense that companies with a huge amount of debt are audited at a lower level of materiality carefully. This type of auditing usually takes a longer time since there is a possibility of failure resulting in higher legal costs (Son and Grabtree, 2011).

2.6 Summary

Research objective which were written in chapter one were clearly explained in chapter 2 to give more understanding of them. A platform was created in Chapter 2 to discuss the overview of C.A.S, pros and cons of C.A.S, risks in using a Non-Integrated Computerized Accounting System, computerized accounting system and financial reporting and the reasons of late financial reporting. Methodology used in the study is in Chapter 3 (next chapter).

Chapter 3

Research Methodology

3.0 Introduction

Research methodology focuses on how the collection of data was done using the applicable research methods. Research design used, population which was targeted, explanation of census, population size, view of data types, instruments used in collection of data and a summary are some of the areas highlighted in this chapter.

3.1 Research Design

Research design is a process used in combining mechanisms of different nature of the study in an organised manner aiming to solve problem in the research, hoping that problem will be fully addressed (Jerome 2010). Kumar (2011) also cited it as a plan which can be used in answering research related questions accurately, objectively, economically and validly. Research design has an intention of collecting, presenting and analysing data in a way that combines relevance, research purpose and current economic situations (Gumbura 2014)

According to http://umsl.edu/~lindiquists/qualdsgn.html (27 September 2016: 1311 hours), there are three types of research designs which are qualitative, quantitative and mixed methods. They added that qualitative research design is a way used to give a meaning on life experiences descriptions. Quantitative research design is a method used to describe, test and examine relationships between two or more variables aiming to present the relationship in a numerical way. This method is used when doing a research which needs both first mention design. Furthermore https://cirt.gcu.edu/research/developmentresources/tutorials/research_designs (27 September 2016: 1358 hours), highlighted that use of numbers can be applied in all research design methods even under qualitative studies.

3.1.1 Descriptive research design

Moon et al (2016) viewed that descriptive research involves the study of the environment and situations of business(es). Data acquired from using this type of research will be used in analysing variable(s) and situation relating to questions of the research. Under this design, a set

of controls is placed with the goal of generating and collecting raw data that gives an understanding about targeted population structure.

3.1.2 Merits and demerits of descriptive research

Descriptive research design enables a further meaning making to the item being researched on (Creswell. 2014). Tichapondwa (2013) cited that there are positive features of descriptive research which include validity of instruments used, validity and reliability of data, shows trends, modification of readily available knowledge.

However he said that this design of research has no new information, simplifies reports of actions and their reasons, is boring and has no facts which inspire. Qualitative research sometimes they are expensive and time consuming.

3.1.3 Reasons for using descriptive research

Researcher usually can take into consideration descriptive research when trying to understand human experiences. Interviews, use of questionnaires and the observations are various data collecting instruments that are found in descriptive research. The fact that descriptive research accepts has room for research with no control over variables makes it most appropriate for the research. The descriptive research assisted the researcher in the analysis of the risks in using a non-integrated Computerised Accounting System (C.A.S) and investigates the impacts of computerised systems in financial reporting for the research understudy.

3.2 Review of a case study research

Yin (2011) gave a brief description of case study that, it is a study of a situation experiences real life status. It can also be a way of that describes, investigates, evaluates and explains detail and entity (Woodside, 2010)

3.2.1 Research for utilising a case study research

The research preferred to use a case study research for the valid reason that it is of great value in studying an entity (Chiredzi Town Council). This research type allows the examiner to have explanations, reasons and descriptions on a problem affecting an entity.

3.3 Population study

Kumar (2011) wrote the definition that; population is all the units which are of an interest to the research for collection of data. In other word it can be defined as the persons who can give the researcher data for his/her project. Population study enables the researcher to be capable of simplifying the research through the collections made. Two categories of population called target and accessible population were cited by Tichapondwa (2013). Where target population is the circle of which we aim facts from the research to focus on. The population under study is located at Chiredzi Town Council (CTC). Targeted population included Head of department, System Administrator, Accountant, Registry Clerk, Accounts Clerk, Internal Auditor, Salaries Clerk, Stores offices as shown in table 3.1

Table 3.1 Population target

Offices	Population
Head of departments	4
System administrator	3
Accountant	4
Registry clerk	2
Accounts clerk	18
Internal auditor	1
Salaries clerk	1
Stores men	2
Total	**35**

3.4 Sample population Size

Table 3.2 shows the population that was sampled by the researcher choosing whom to give questionnaires. Research sample is viewed as the part of study population which is to give the researcher data. Kumar (2011) noted also that sample size is the number of members of an institution from whom an investigator is able to do wanted data collections. Another meaning for sample size can be; a subset of numbered individuals in a population. There is important data which the researcher gets from the research sample.

Kumar (2011) defined sampling as a process that is used to select subset of a population which is used in the estimation of data which is unknown. Sampling is important in qualitative research for its purpose that it was built to have rich understanding or information about an event. It was also made for the research to have much knowledge as possible about status of a member in the study population and that person can provide data about that group. Sampling is only done when the researcher gathers a sample population understudy.

3.5 Convenience sampling- Sampling procedure

Convenience sampling "convenience sampling (Haphazard sampling/ Accidental sampling) is a type of non-probability or non-random sampling where members of the target population that meet certain practical criteria, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate are included for the purpose of the study" (Etikan et. al 2015:2) Sampling using this method is fast and simple and there is no need to use all the work from the source of information. Convenience sampling was seen to be cheap to use and not time consuming as compared to other samplings. Table 3.2 below shows a sample size targeted population by the researcher.

Table 3.2 Population sample size

Offices	Study population size	Research sample size	% Representation
Head of departments	4	3	75
System administrator	3	2	67
Accountant	4	4	100
Registry clerk	2	2	100
Accounts clerk	18	18	100
Internal auditor	1	1	100
Salaries clerk	1	1	100
Stores men	2	2	100
Total	**35**	**33**	**93**

Middle management and staff were in the sample taken. The sample comprised of the Heads of departments, System Administrator, Accountant, Registry Clerk, Accounts Clerk, Internal

auditor, Salaries Clerk and stores men. The research sample was given questionnaires to answer. For the purpose of data triangulation, three interviews were taken.

3.6 Types of Data

3.6.1 Primary Data

Primary data can be defined as data which the researcher can have directly for his or her research under research control (Goodwin 2012). This type of data used by the researcher was collected through questionnaire and interviews which were distributed to the sampled population.

Primary Data Advantages

The data enables the researcher to have the specific information which directly matches his/her research. Furthermore, the researcher's questions are designed in a way that resulting data will be in same line with the study. On another point, accurate information will result from primary data because the researcher collected the data understudy personally.

Primary Data Disadvantages

In a large population data collection is costly and lot for time is used when using primary data. Another disadvantage is that, when a research considers feedback from the target population, it is highly probable that the feedback given is not correct. Primary data is a collected from a mind which is controls by the question on hand, without giving room for more information which might be useful to the researcher.

Secondary Data

Secondary data are readily available facts which were made for other purpose and not that of the research (Aggrawal, 2012). Also, Secondary data is used by the researcher in examining them and trying to get a meaning out of them which support the research. This type of data is found from documents such as reporting financial statements, newspapers and others.

Secondary Data Advantages

It is easy to have secondary data since it is already in existence and researcher can access them. In addition, secondary data is usually error free and it helps the researcher to be capable of

comparing them to some researches which were done using same facts. Researcher can use this data as a point of reference to already researched items.

Disadvantages of secondary data

Researcher may be not able to use secondary data in taking research questions because of its out datedness and irrelevance to the research question. Data from a secondary source cannot be used since some format may not match those the researcher wants, these include definitions and measurement units.

3.7 Research instruments

The researcher used the triangulation methodology in this project. Triangulation accommodates use of different methods so as to make data valid (Moon et al 2016). Questionnaires, interviews and secondary data were used to gather data. The examiner had hope that the mentioned tools would give results that are in line with the report.

3.7.1 Questionnaires

Questionnaire is an instrument used to acquire data so as to answer research questions (Creswell, 2014). It is made up of questions which are listed, direction of the question must be easy to understand and there is room for the questionee to fill. Questions provided are open ended or closed ended. Large population is suitable for this instrument because it is neither expensive nor time consuming. Kumar (2011) said that, questionnaires offers privacy to a greater extent since it does not need face to face communication with the researcher. However he added that, they have a very low response rate since some people may not return the questionnaires and some may be partially completed and incorrectly.

3.7.1.1. Justification for the use of questionnaires

The researcher chooses this instrument for the sake that it is fast and cheap. But, the researcher however had to follow up some of the questionee who did not complete their questionnaires. The collection of data by the researcher was possible, for all member of the targeted population responded.

3.7.2 Open ended question and closed ended question

Open ended questions gives the respondents allowance to free answering and provision of primary data (Babbie, 2013). Under a closed ended question there is no freedom of answering questions, for it guided by the responses that the researcher wants. This means that the respondents will choose answers from those readily available. Kumar (2011) noted that closed questions are for promoting important information while open-ended questions are for seeking perceptions, attitudes and opinions. Alrazeeni (2015cited that open ended questions have answers which are more than one word, therefore there is need for a deeper explanation in the answer.

One word response is usually accepted when answering closed questions. The response, either agree or disagree and ticks answers lot of closed questions. Open ended questions are advantageous in the sense that they increase seriousness and involvement of the questionee. They also give depth information if used in an interview. However some information may be lost since the respondents will not be guided. Also high levels of uncertainty are experienced in open ended question. Uniformity of response is within closed ended questions, also are not like open ended questions which are difficult to come up with. However there is no room for supporting your answer to a question. In addition, an uninterested or lazy member can run through the closed ended questions without reading the questions, which result in biased data.

3.7.1.3 Interviews

Interview is the verbal conversation between two people with the objective of collecting relevant information for the purpose of research. According to Kumar (2011) interview are particularly useful for getting the story behind a participant's experience. In this research face to face interview was used. In face to face interview the researcher asked questions assigned to obtain answers pertaining to the research.

Yin (2011) claimed that an interview is an in depth administration of the questionnaires to each member of the sample. The researcher obtains information through direct verbal conversation. Some interview questions would be prepared and these would be administered to Chiredzi Town Council management. Verbal and no-verbal expressions are taken into consideration by an

interview since the interviewers is able to see the interviewee talking. However there is a disadvantage that interviews may be time consuming; also some structured questions may not be correctly answered by the interviewee.

3.8 Likert Scale

Tichapondwa (2013) highlighted that Likert scale is a measurement tool used usually in answering close ended questionnaire by allowing the respondents to express his or her strength of feeling. Likert scale is advantageous in the sense that, the design of the scale is user friendly and simple. However, it is time consuming to complete unlike other scales. Also, decision making is impossible without strong background of knowledge.

3.9 Data Collection Procedures

Questionnaires were given to the respondents, who were sampled by the researcher. Appointments to take interviews with the people with highest knowledge about C.T.C Computerised Accounting System were scheduled.

3.9.1 Administration of questionnaires

33 questionnaires were handed by researcher to selected respondents who include three head of departments, internal auditor, store man and any four to other members in the same office. The researcher did some follow ups so as to collect back the issued questionnaires.

3.9.2 Administration of interviews

The researcher made some appointments in advance with the interviewees to enable them to attend the interview on their free time. Face to face the interview was conducted with finance director, chief accountant and system administrator. The purpose of the interviews was to ensure a complete investigation of problem understudy supported by questionnaires.

3.10 Reliability and validity of research instruments

A view was given by Fraenkel et.al (2010) that validity deals about how an instrument can measure to a certain extent what it purports to represent. The questionnaires, literature review

and interviews were modified from the previous researches done by some scholars so as to ensure validity (Yeasmin and Rahman, 2012). The researcher in this study used faced and content validity as a way to eliminate bias, to ensure measurability of the desired contents.

Plonsky and Gass (2011) viewed that reliable results are given by a dependable instrument. The researcher was given confidence from reliable results because of consistency in data obtained; therefore represented results fulfilled the purpose of the study. Reliability can be of the meaning that it represents how accurate is measuring tool of measuring agreement between two separate goals. Also it aims to confirm the best measuring of items under study. Respondents of same meaning can be collected from respondents of several departments through using a reliable instrument.

3.11 Data presentation

When presenting data the researcher will be trying to give a meaning from the data collected (Tichapondwa, 2013). The researcher presented the data obtained from closed ended questionnaires through the use of different graphs, pie charts and tables.

3.12 Data analysis

Descriptive analysis was used by the researching student to give further details about the characteristics of responses against every variable and also to examine skewness of data. Kumar (2011) said that analysing data include utilisation of percentages, which the researcher was able to do.

3.13 Summary

This chapter discussed the methodology that was used to carry out the research. It detailed out the research design, population, sample size, types of data, research instruments. The subsequent chapter will deal with presentation and analysis of data.

Chapter 4

Data Presentation and Analysis

4.0 Introduction

Chapter 4 deals with how the data collected from using suitable instruments (questionnaires and interview) is going to be presented, analyzed and interpreted. Diagrams like pie charts, graphs and tables are going to be used in helping presentation of data. There will be various calculations which include percentages and at last a summary of the chapter was written.

4.1 Rate of respond to questionnaires

35 questionnaires were issued out to the respondents in Chiredzi Town Council. Finance, Administration, Housing and Engineering departments received questionnaires. The researcher managed to collect 33 out of 35 questionnaires which were answered. The table below shows the percentages of successful and unsuccessful questionnaires.

Table 4.1 Rate of respond to questionnaires

Questionnaires	Distributed	Successful	Unsuccessful
Number of Questionnaires	35	33	2
% Percentage	100	94	6

Question 2. Which Position are you in?

Table 4.2 Number of respondents as per position

Names of Respondents Positions	Number of Respondents
Head of Department	**3**
System Administrator	**2**
Accountant	**4**
Registry Clerk	**2**
Accounts Clerk	**17**
Internal Auditor	**1**
Stores Man	**2**
Salaries Clerk	**1**
Total	**32**

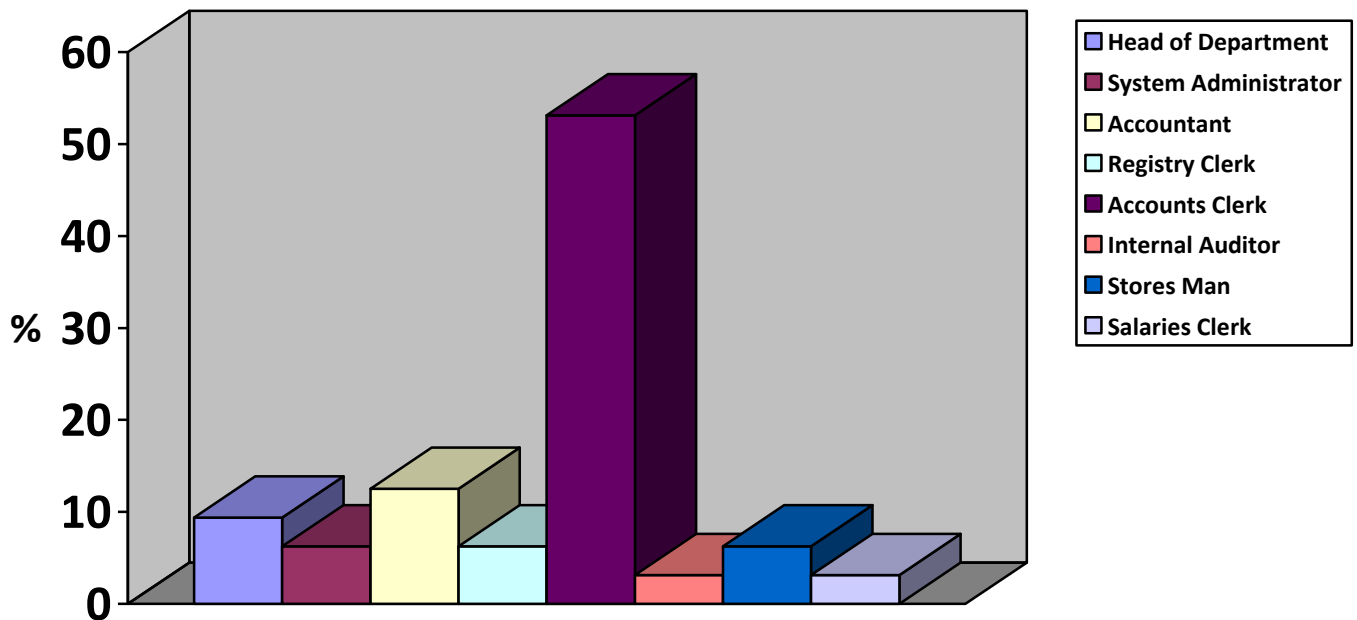## Positions of respondents

Fig 4.1 Process of producing financial reports using Computerized Accounting System

This table shows that Chiredzi Town Council promotes division of labour as there are different positions and departments. The use of a Computerized Accounting System gives responsibility to every position and department. These above statements were derived from the view that the 32 respondents, 9% are Heads of Departments, 6% are System Administrators, 14% are Accountants, 6% are Registry clerks, Accounts clerks has a highest representation (53%), internal auditors and salaries clerk holds the 3% separately and stores man position has 6% of representation.

Question 3. For how long have you been working for Chiredzi Town Council?

Table 4.3 Responses on period of working

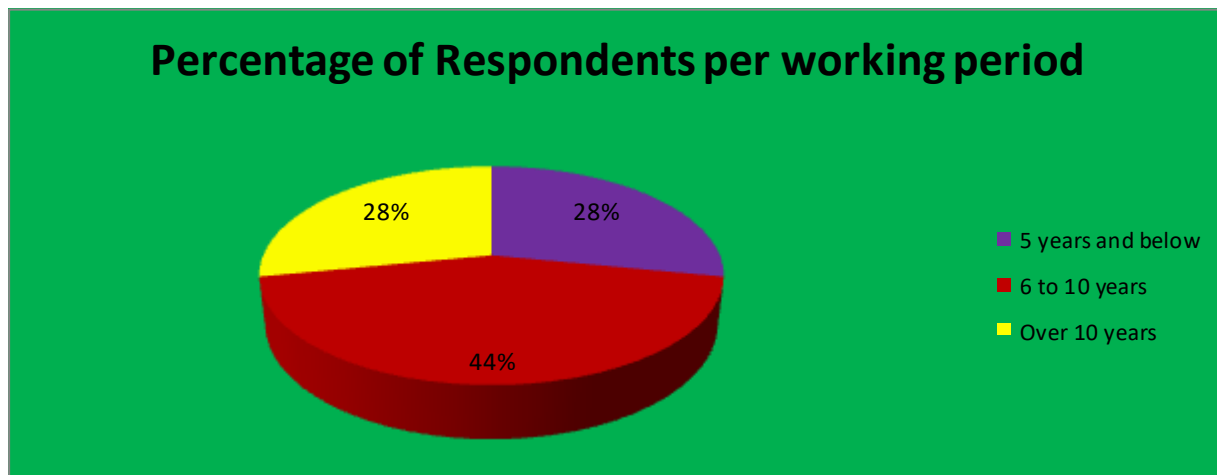| Period of working	Number of Respondents
5 years and below	9
6 to 10 years	14
Over 10 years	9
Total	32

Fig 4.2 Percentage of respondents per working period

The above table 4.3 and pie chart shows that respondents with working period 5 years and below are 28% of the whole group and also 28% of respondents have working period of 10 years and above. Respondents with working period of 6 to 10 years have the highest percentage of 44%. This data highlights out the mountainous number of respondents (6 to 10 years) have experienced how the Computerized Accounting System has affected their responsibility or tasks.

Therefore they have the required data for research. On another note, those with over 10 years working period are adhered to paper work and keep using manual system in fulfilling some responsibilities (leading to Non-Integrated Partially Computerized Accounting).

Question 4a. Indicate your highest level of qualifications.

Table 4.4 Level of Education

Level of Education	Number of Respondents
O' Level	2
A' Level	1
Diploma	10
Undergraduate	9
Postgraduate	7
Doctorate	3
PHD	0
Total	32

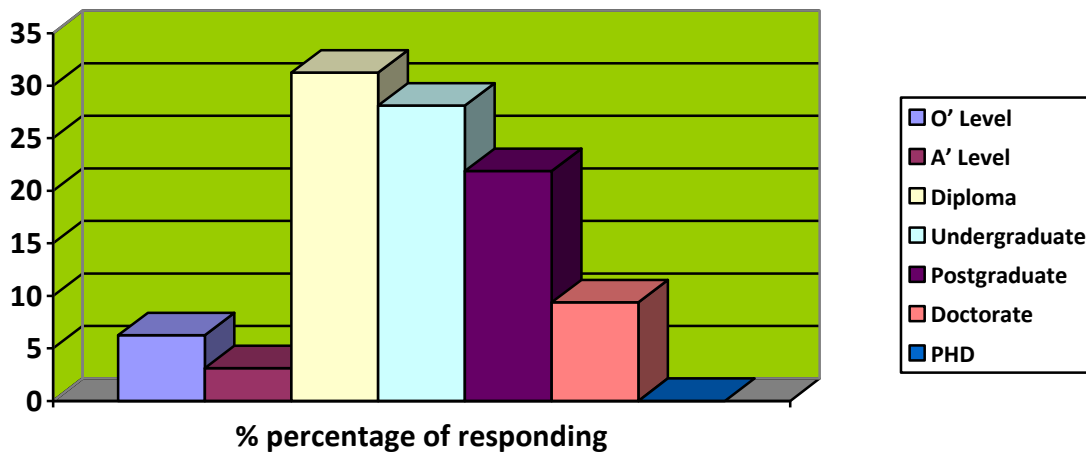## Level of Education of respondents

Fig 4.3 Level of Education of respondents

The bar graph above the results shows that 6% have O' Level as their highest, 3% is for one respondent with A' Level, highest percentage of 32% for diploma level, 28% of the respondents have degrees, postgraduate level of education constitutes 22% and Doctorate level has 9% of the total number of respondents. No one among the respondents has PHD as highest level of education.

b. Indicate whether you have attended any computer based education.

Table 4.5 Number of respondents with knowledge of computers

Response	Number of Respondents
YES	28
NO	4
Total	32

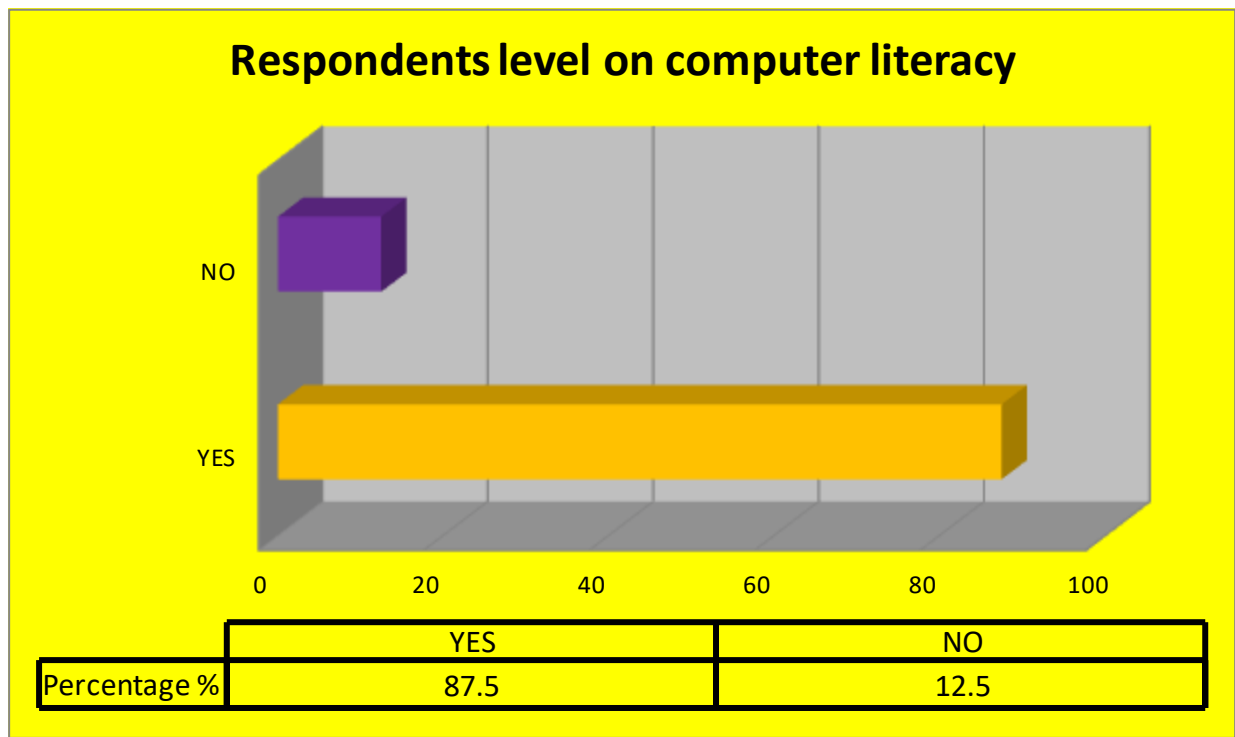|	YES	NO
Percentage %	87.5	12.5

Fig 4.4 Respondents' level of computer literacy

Table 4.5 and Fig 4.4 above shows that 87% (28/32) of respondents are computer literate and 13% (4/32) are not versed with computer knowledge. However those 13% gain some experience on job training.

The interpretation of the tables above is that the respondents are well educated and can contribute to reliability and relevance of the topic under study. Valid data can be collected from respondents with knowledge of topic under study (Plonsky and Gass, 2011).

Question 5. Computerized System is easier to use than the manual way.

Table 4.6 Computerized System easier than manual system

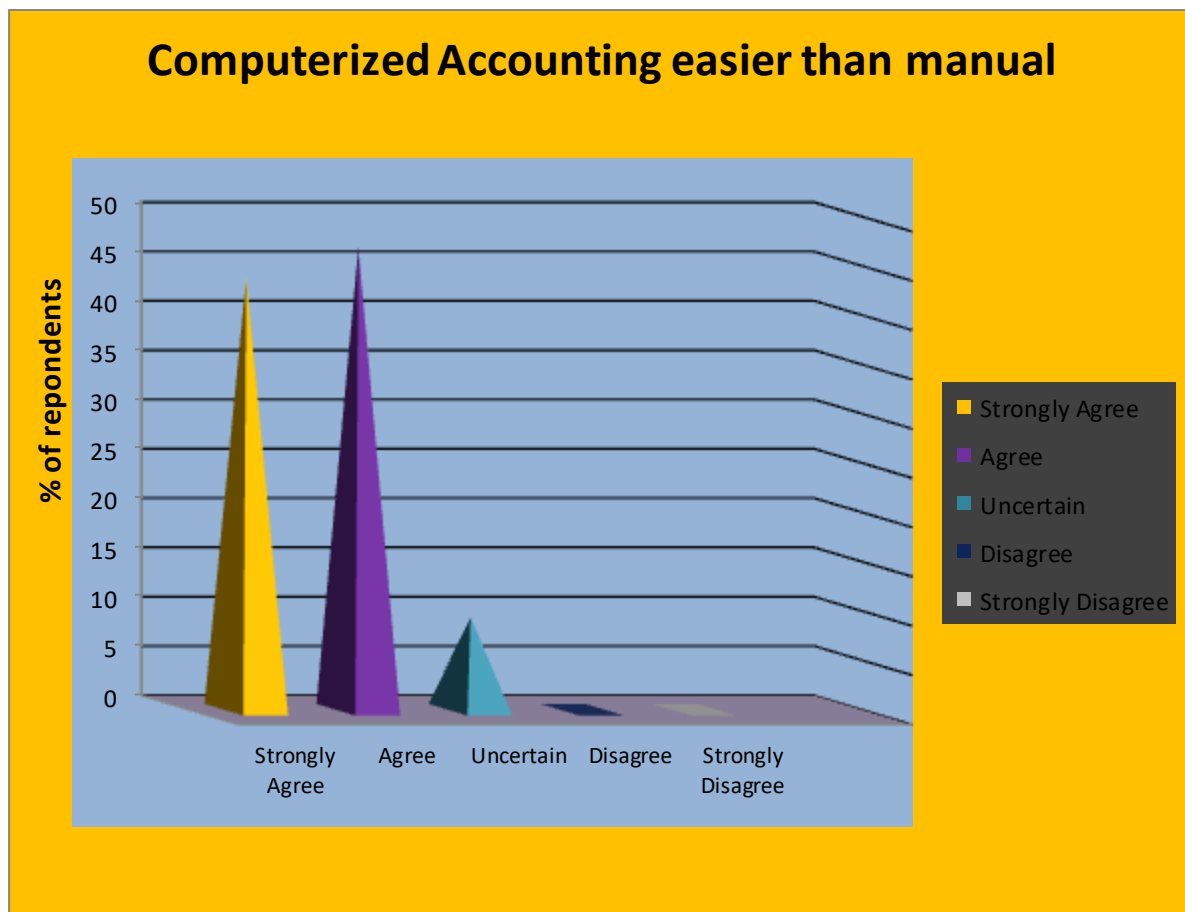| Respondent's opinion	Number of Respondents
Strongly Agree	14
Agree	15
Uncertain	3
Disagree	0
Strongly Disagree	0
Total	32

Fig 4.5 Computerized Accounting System easier than manual

This question was asked so as to view the respondent's view about the computerized system over the manual system. From the table above, the majority of the respondents viewed that Computerized Accounting Systems easier to use than a manual way and that viewed matches with that of Kharuddin et.al (2010) and Magdalene (2011). 9% of the respondents were not sure about the view since there are also advantages of manual over the computerized system.

Question 6. The following are the advantages of Computerized Accounting in Financial

Table 4.7 Analyzing Advantages of a Computerized Accounting System

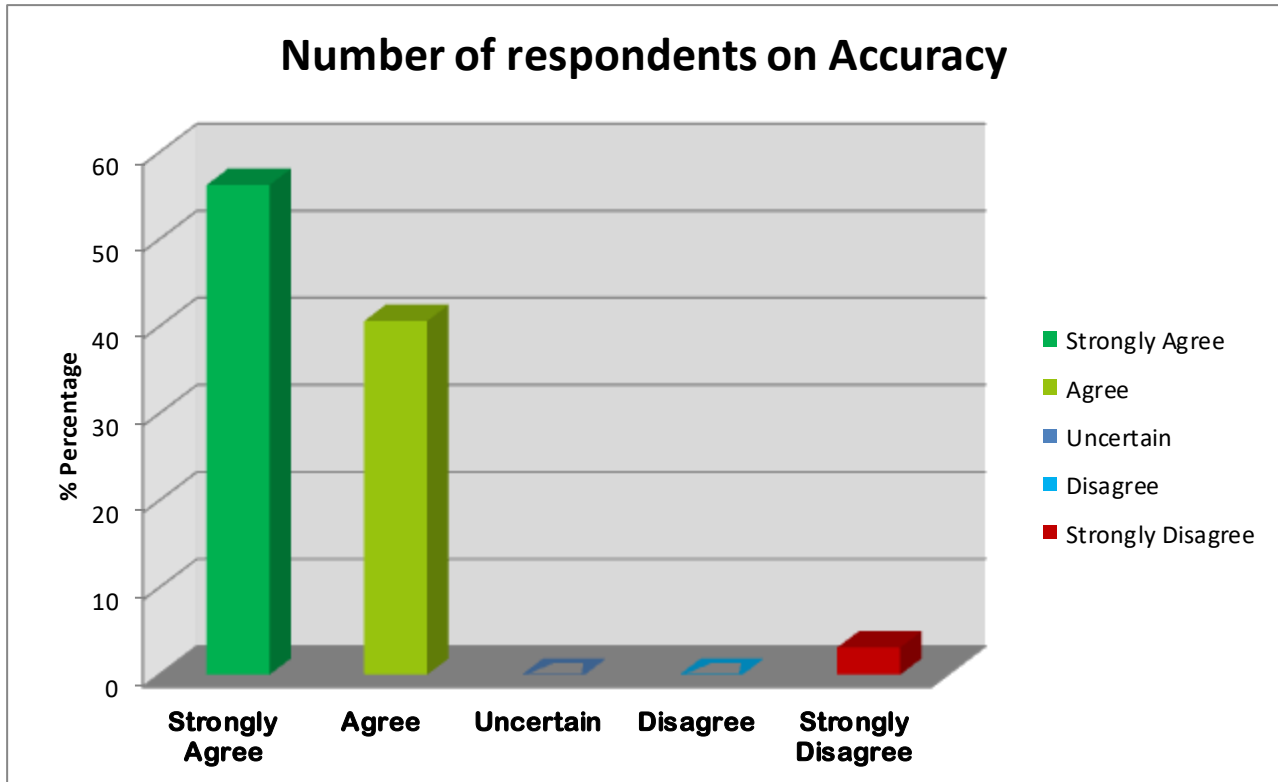| Number of Respondents per Advantages	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total
Accuracy	18	13	0	0	1	32
Security	11	18	2	1	0	32
Increased Speed of Fin Reports	17	13	2	0	0	32
Lower Costs of operation	10	10	7	4	1	32
Scalability	6	18	7	1	0	32
Better External Reporting	11	13	3	4	1	32
Increased Functionality	13	15	3	1	0	32

Number of respondents on Accuracy

Fig 4.6 Response on Accuracy of C.A.S as an advantage over manual

From Fig 4.6 above, 18 respondents out of 32 strongly agree with the researcher view of point. 13 respondents given were agreeing also with that fact. None of the respondents were either uncertain or disagreeing. One person only strongly disagrees with this view. From this data, Magdalene (2010) was correct when she said that there is an advantage of accuracy over manual accounting software.

One person disagreeing with the view is basing on Ware (2015) view, when he said that accuracy is determined by the correct inputs.
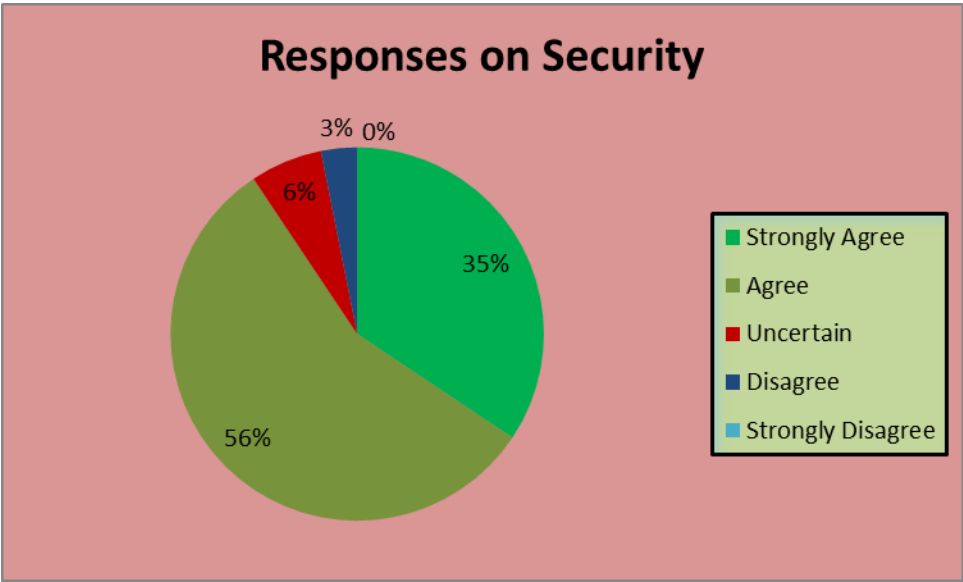
Responses on Security

Fig 4.7 Response on Security as an advantage of C.A.S

From the diagram above the results shows that security is one of the great advantages of C.A.S as noted by Perkins (2015). 34% of the respondents strongly agree on the view. In support of the fact 57% of the respondents agreed. However 3% disagree and 6% strongly agreed.
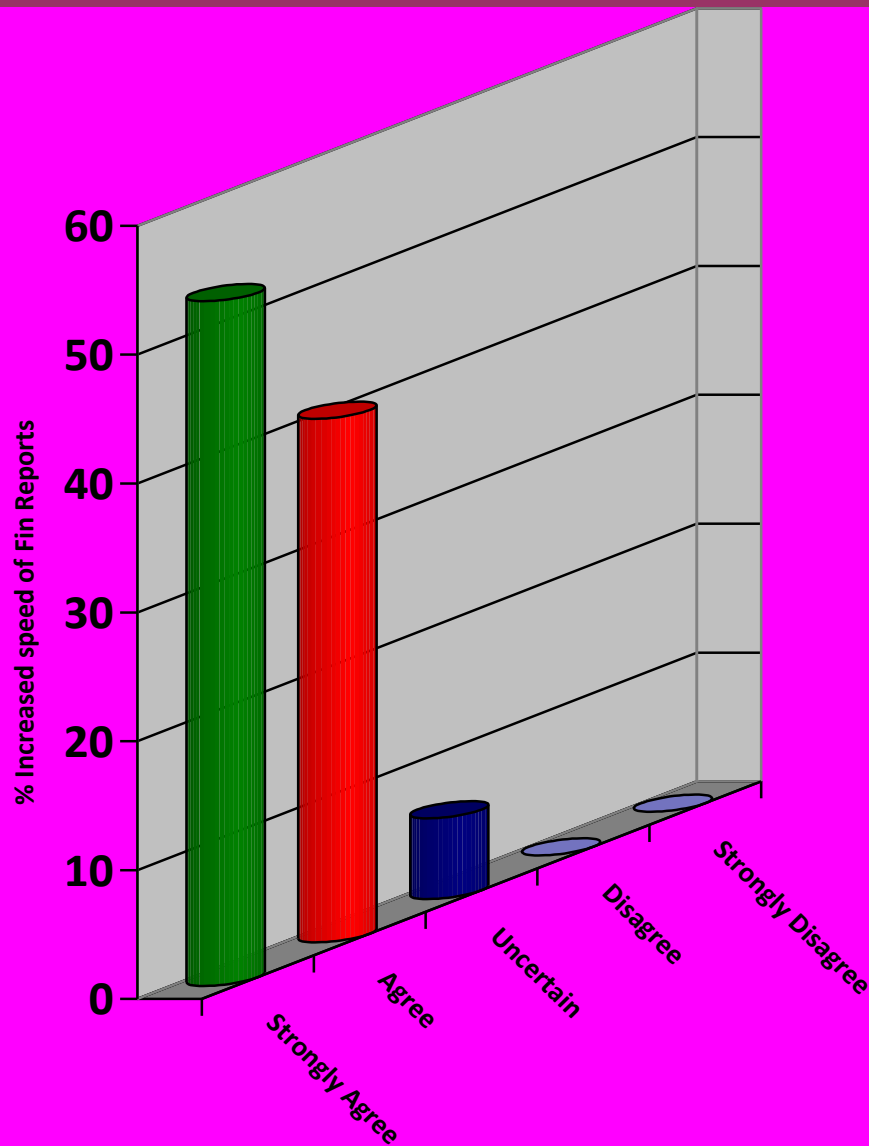
Responses on viewing Speed of C.A.S

Fig 4.8 Analysis on Increased Speed of Fin Reports preparations.

From the diagram above it is clear that C.A.S has surely increased the speed of preparation of financial reporting. Deusidedit (2014) viewed that financial reports are prepared within a few minutes unlike the manual system. 17% respondents were very sure that C.A.S influences increased speed in financial report preparation. 13 out of 32 respondents agreed also on that opinion. 2 respondents were uncertain on about that view. No one disagreed with the view.

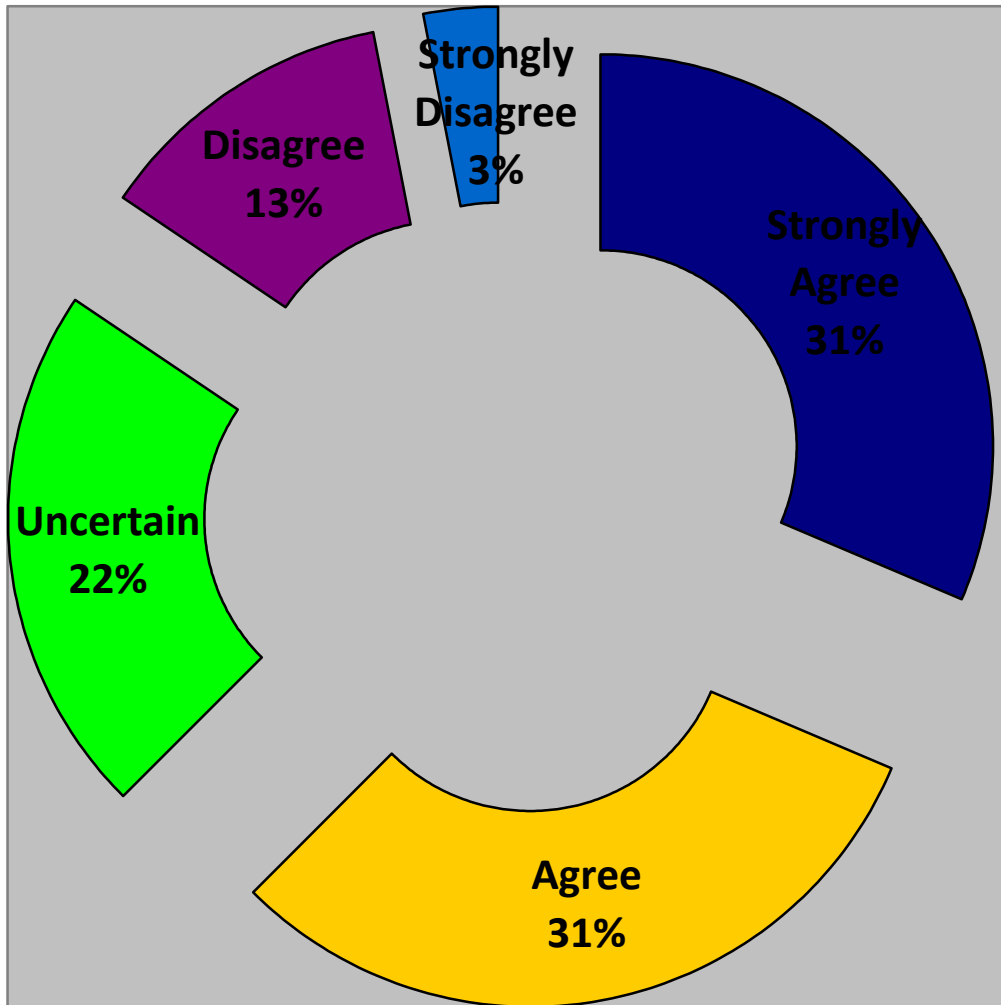# Response on Lower Cost of operation

Fig 4.9 Advantages of Lower Costs of operation.

Deusidedit (2014) and Magdalene (2010) views about low cost of operation as an advantage of C.A.S, are in the same direction as those of the respondents. 31% of respondents strongly agreed which is more than half of the whole number of respondents (mode).

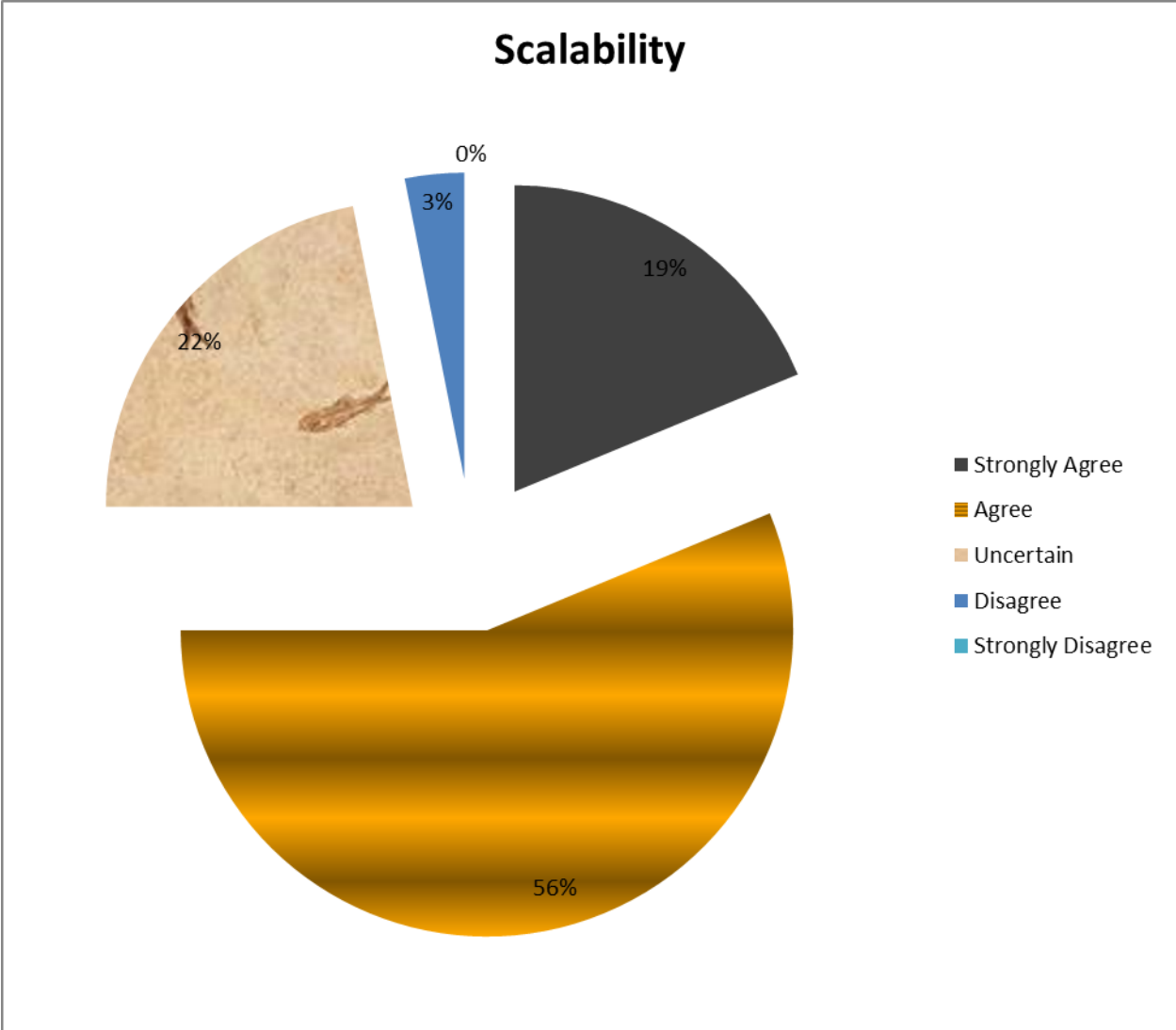**Fig 4.10 Respond to Scalability as an advantage.**

The majority of the respondents are of the opinion that scalability is taken into consideration by the C.A.S. Goodenough (2010) and Rajapakse (2012) are of the same point as that of respondents. 6 responses strongly supported the opinion, 56% respondents were agreeing with the view. Seven respondents did not get the meaning of scalability so they were unsure.

Better External Reporting

34% 41% 9% 13% 3%

Strongly Agree | Agree | Uncertain | Disagree | Strongly Disagree
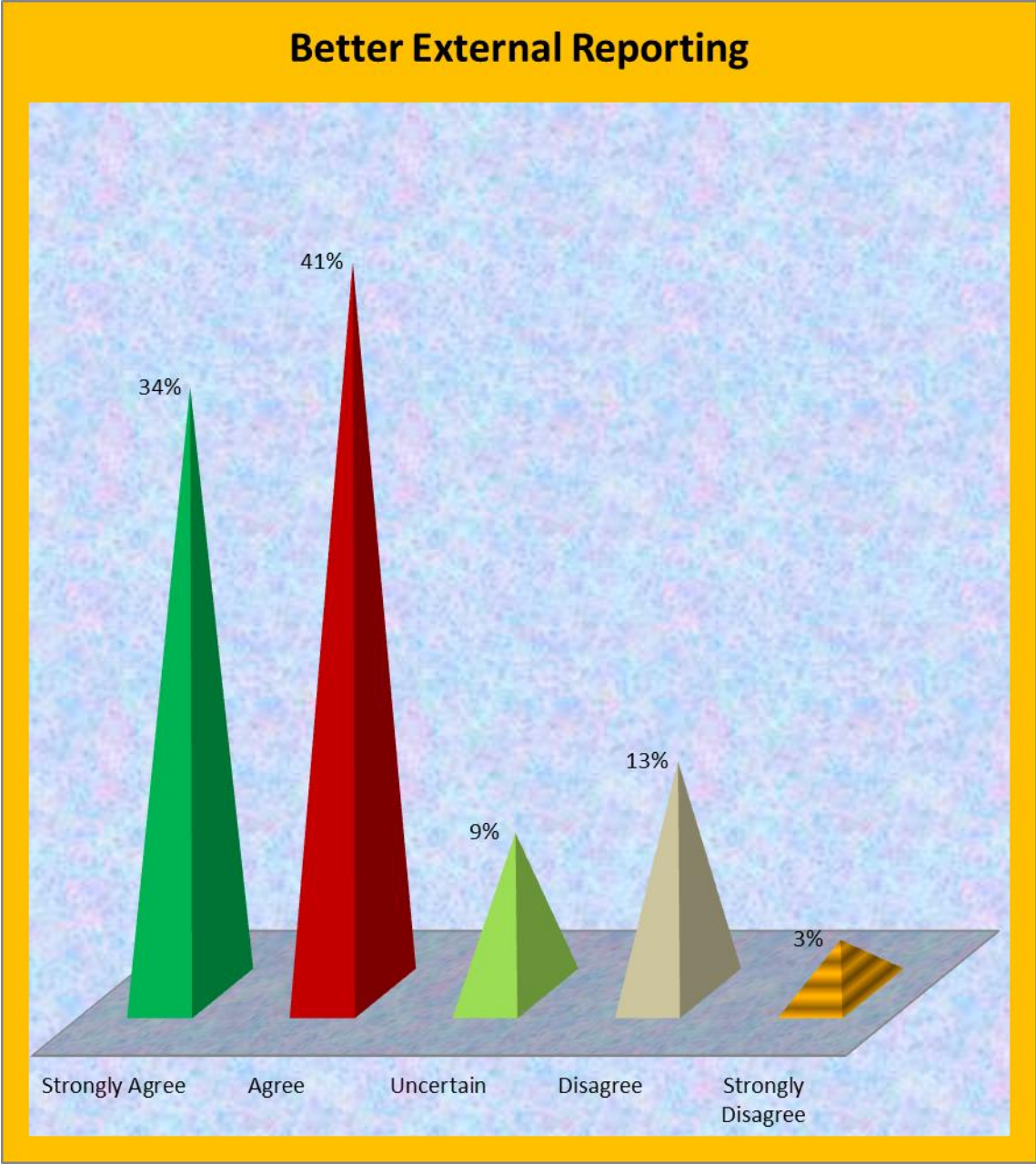
Fig 4.11 Better External Reporting as an advantage

By observing the trends of responses in the graph, it is clear that better external reporting received less support as compared with other advantages. Of all the responses given by respondents, 34% were strongly agreeing on better external reporting as an advantage of C.A.S as does Magdalene (2010). 13 respondents agreed also on the opinion. 3 members of the company were uncertain of the view, 5 respondents disagreed with the view.

Fig 4.12 Analysis on Increased Functionality

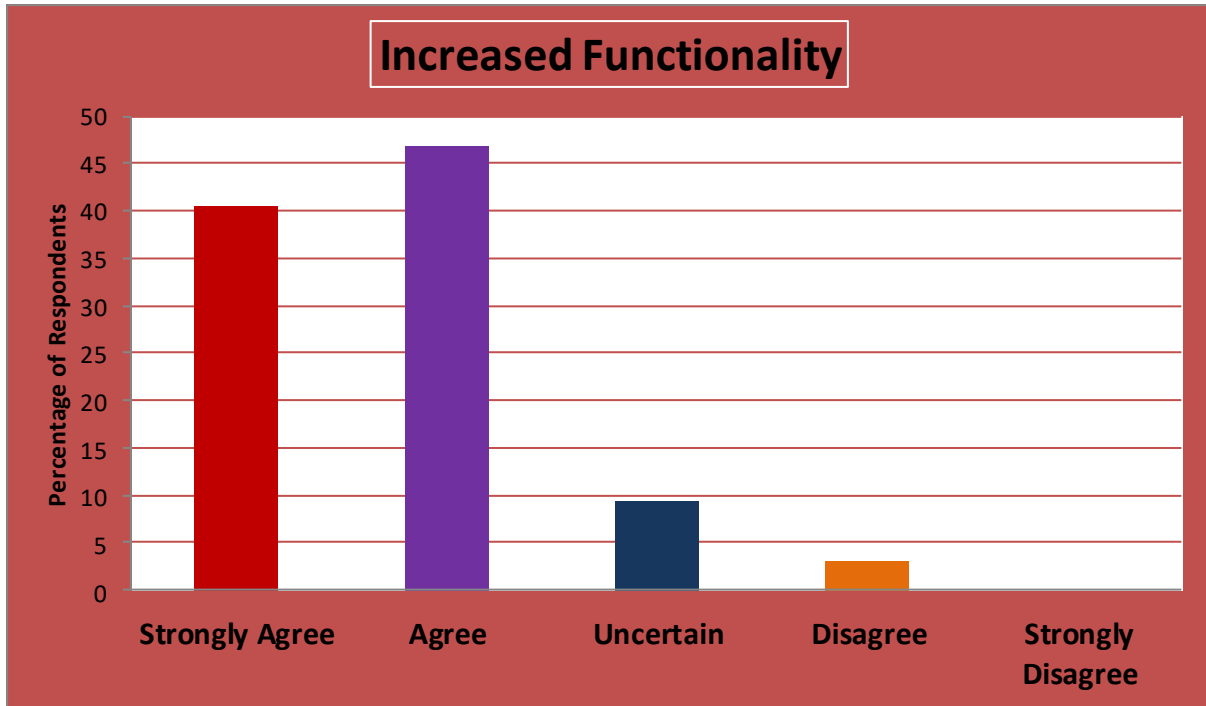There are many functions that can be done by the C.A.S (Ghasemi et.al, 2011). This view is correct for majority of the respondents agreed on the opinion. 28 respondents agreed with the view. 3 were not sure whether it was correct or not. One individual disagrees with the view.

Question 7. My office uses Computerized Accounting System by respondents

Table 4.8 Usage of Computerized Accounting System by respondents

Respondent's View	Number of Respondents	Number of Respondents as a percentage
Strongly Agree	5	16
Agree	21	66
Uncertain	2	6
Disagree	2	6
Strongly Disagree	2	6
Total	32	100

From Table 4.8 shows that 82% of the respondents use Computerized Accounting System in all their operation and 18% does not use it in every task. The Accounts Clerk at Chigarapasi beer hall indicated that he does not use Computerized Accounting System.

Question 7b. The Accounting Information System of Chiredzi Town Council are partially integrated.

Table 4.9 Verification that C.T.C uses a Partial Computerized Accounting System.

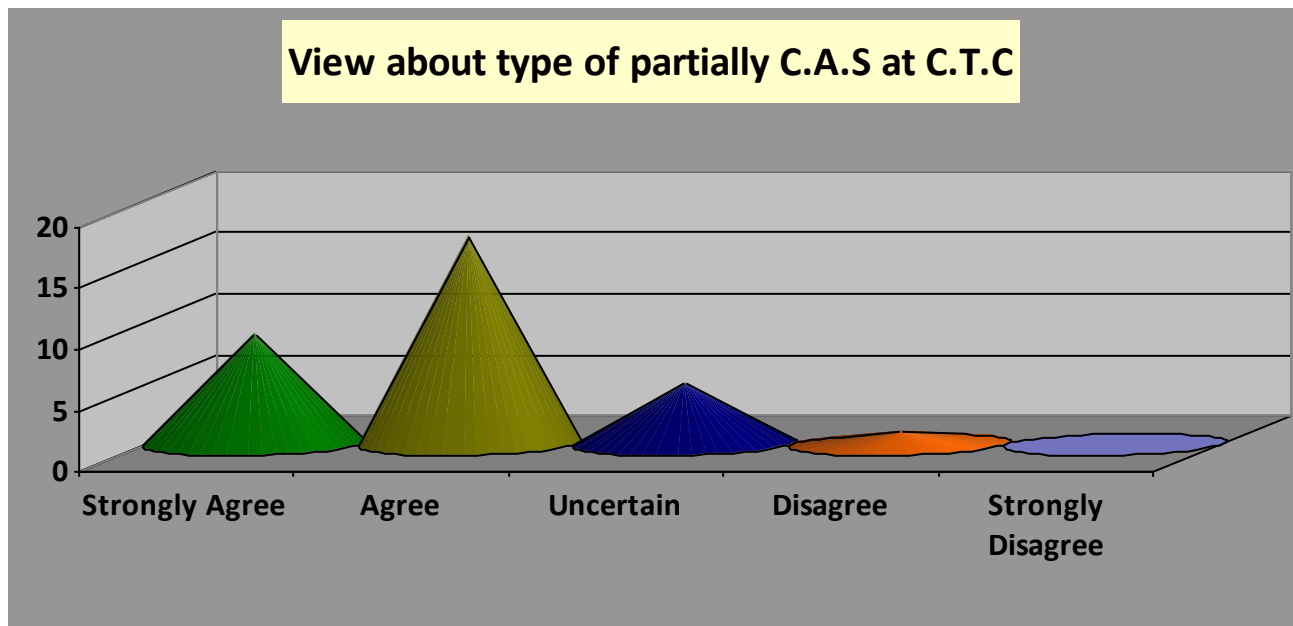| Views of the Respondents	Number of Respondent for that view	Percentage (%) number of respondents
Strongly Agree	9	28
Agree	17	53
Uncertain	5	16
Disagree	1	3
Strongly Disagree	0	0
Total	32	100

Fig 4.13 Respondents view about Partially C.A.S at C.T.C

Table 4.9 gives a view that 81% of the respondents do agree that Chiredzi Town Council uses a partial Computerized Accounting System. 5% did not understand the question, thereby ticking uncertain. Only one respondent is odd, carrying 3% of disagreeing respondents.

Relating to the interviews taken, the Finance director said that their C.A.S is partially computerized which matches with the respondents' views.

The purpose of these two questions was for respondents to reflect that they do not use Computerized Accounting System in some of the tasks, thereby reflecting the partially Computerized Accounting.

Researcher viewed that this question 7, was not understood by most respondents. This is so because the answers to question 7 do not match with those of question 8. In question 7 the mode of respondents pointed out C.T.C uses a C.A.S in all their tasks, but in question 8 an opposite view raised (correct view).

Question 9. The following are risks associated with a Non-Integrated Computerized Accounting System.

Table 4.10 Risk found is working with a Non-Integrated Computerized Accounting System

Risks	Number of Respondents as per risk					
	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total
Errors	14	15	2	1	0	32
Manipulation	10	18	3	1	0	32
Disasters	4	14	8	4	2	32
Data risks	10	15	4	3	0	32
Computer viruses	13	13	4	2	0	32
Total	51	74	21	11	2	160

From the table above, some respondents reflected that they know and understand the risk associated with a non-integrated. Gumbura (2014) said that natural disasters, data risks and computer viruses are risks associated with a non-integrated C.A.S. This view is strongly supported by the respondents as from the total overall judgement.

9. The following are risks associated with a partially Computerized Accounting System.

Table 4.11 Risks associated with a partially Computerized Accounting System.

Risks	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total
Reconciliation difficulties	14	17	1	0	0	**32**
Late financial reporting	12	14	3	2	1	**32**
Manipulation of data	8	21	2	1	0	**32**
Fraud	18	11	3	0	0	**32**
Errors	11	13	4	3	1	**32**
Total	63	76	13	6	2	**160**
% of overall Total	39	48	8	4	1	**100**

From the table above, mode of the respondents are of the view that reconciliation difficulties, late financial reporting, manipulation of data, Fraud and Errors are risks of the partially Computerized Accounting System (Bradford, 2010). 39% of overall total of responses were strongly agreeing with the researcher's view about these risks. 48% of overall total of responses were also agreeing on the risks. 39% of overall total of responses were uncertain and 5% were disagreeing.

Question 10. An Integrated Non-Partial Computerized Accounting System can reduce the above mentioned risks.

Table 4.12 Use of an integrated non-partial Computerized Accounting System

Respondent's feeling	Number of Responses	Percentage %
Strongly Agree	5	15
Agree	19	59
Uncertain	4	13
Disagree	4	13
Strongly Disagree	0	0
Total	32	100

The table above illustrates that 15% of responses given strongly support the view that risks (mentioned in the previous question) can be reduced with a complete Computerized Accounting System. The majority of responses raised do agree with the researcher's view. On recommendations to mitigate the risks, there is a need for C.T.C to fully use the integrated accounting software.

Question 11. There were some risks in operating a parallel accounting system (PASTEL AND PROMUN)

Table 4.13 Risks of operating a parallel accounting system

Respondent's feeling	Number of Responses	Percentage %
Strongly Agree	3	9
Agree	19	59
Uncertain	4	13
Disagree	6	19
Strongly Disagree	0	0
Total	32	100

Majority of the responses given by the respondents are of the view that there are some problems in operating a parallel accounting system. From the table 4.12, 9% strongly agreed, 59% agreed,

13 % were not certain, 19% disagreed and 0% strongly agreed on the fact that there are risks in operating a parallel accounting system. C.T.C faced some risks in the previous years when operating two accounting software.

12. The following are characteristics of financial reports presented by a Computerized Accounting System and Financial Reporting.

Table 4.14 Response on the qualities of financial reports generated by Computerized Accounting System.

Characteristics of C.A.S Outputs	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Relevant	21	8	2	1	0
Faithful	24	4	2	2	0
Comparability	25	5	2	0	0
Verifiability	20	12	0	0	0
Timeliness	17	15	0	0	0
Understandability	28	4	0	0	0
Total	135	48	6	3	0
Percentages	**70%**	**25%**	**3%**	**2%**	**0%**

Table 4.13 above, shows the characteristics of financial reports a Computerized Accounting System can generate. The researcher was able to analyze the findings from the respondents. The findings above are majorly solid to the aspects of these financial reports being relevant, faithful, comparability, verifiability, timeliness and understandability as indicated by their high response percentage 0f 70% above.

This shows that the system is not only accurate as far as calculations of figure that appear in the reports are concerned but is also produces trustworthy results and cannot be manipulated when it comes to reporting. It is also important to note that the aspects of materiality, faithfulness and reliability as pointed out above, among other qualities of reports generated through

Computerized Accounting is concerned, are the major weaknesses of a manual accounting system. This is the reason as to why financial reports generated in a computerized manner are much more preferred as compared to those generated the manual way, which is actually an outdated system of operation (Deusidedit, 2014).

Question 13. There is a problem of delaying in Financial Reporting for the past periods at C.T.C.

Table 4.15 Response on a problem of delay in Financial Reporting for the past periods

Responses	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Respondents' view	22	8	1	1	0
Percentage of response	69%	25%	3%	3%	0%

The above question was created so as to analyze and confirm whether there is a continuous problem in Financial Reporting from prior periods. The view was correct that there is a problem, as 69% of the respondent strongly agreed it. Therefore there is a need to investigate the problem by the researcher.

Question 14. The following are the reasons for late Financial Reporting.

Table 4.15 Response on Reason for late Financial Reporting

Reasons	SA	A	U	D	SD	TOTAL
Auditing	11	7	5	7	2	**32**
Content of Financial Statements	3	14	8	7	0	**32**
Loss of Data documents	11	8	5	7	1	**32**
Taxation Calculation	15	10	4	3	0	**32**
Other factors e.g. *Low liquidity, small Firm size*	6	9	8	8	1	**32**
Total	46	48	30	32	4	**160**
Percentage %	**28**	**30**	**18**	**20**	**4**	**100**

Key

Abbreviations	Stands For
SA	**Strongly Agree**
A	**Agree**
U	**Uncertain**
D	**Disagree**
SD	**Strongly Disagree**

The researcher found out that the reasons of late Financial Reporting were correct for C.T.C (Local Authorities). This is true because 58% of respondents agreed on the mentioned reasons. The authors which include Son and Grabtree (2011), Lehtinen (2013) and Khasharmeh and Aljiri (2010) were in correct direction as confirmed by the results from the table above.

4.2 Interview Responses

Table 4.16 Interview Response rate

Type of Interview	Interview Respondents	Percentage representation
Planned Interviews	3	100
Successful Interview	2	67
Unsuccessful Interview	1	33

The interviews were scheduled on 3 respondents inclusive of Finance Director, Chief Accountant and System Administrator. System Administrator was not available during the scheduled time. The purpose of the interviews was to ensure a complete investigation of problem under study supported by questionnaires. These interviews were done in order to acquire more comprehensive data and to check the validity and reliability of data given in the questionnaires. On the seven interviews scheduled only five were conducted.

4.2.1 What are the impacts of using a Computerized Accounting System in Financial Reporting?

The 2 interviewee pointed out that, there are some impacts which include some in the questionnaire. At Chiredzi Town Council they are yet to develop their system to fully benefit from the system. The financial reports are easy produced. Reconciliation can be easy if, there is a reliable Accounting System. It also showed that the system is actually more of a liability than an asset to the entity. In questionnaires it was also reviewed by the majority of respondents that Computerized Accounting System is easy to use when doing Financial Reporting than manual system.

Computerized Accounting System has negative impacts that it is expensive to monitor since it need to be licensed. They also said that the adoption of C.A.S has affected the Financial Reporting since there are continual problematic areas in certain module. The users of Financial Statements can access the reports when they request them for a meaningful reason. System failure was the major con at C.T.C of C.A.S.

4.2.2 What are risks in using a partially non-integrated Computerized Accounting System?

It was also highlighted that the local authority uses a partially non-integrated C.A.S (PASTEL, PROMUN and ADASK). The local authority uses PASTEL for Estate A/C, PROMUN for the rest of the company excluding Administration department and ADASK for Administration. Fraud and errors were the major risks provided. Fraud was experienced in past periods, which was later identified after thousand dollars has been stolen. The salaries clerk can be tempted to forge figures since he uses separate software (ADASK).

As mentioned from the questionnaire reconciliations were difficult to come up with due to systems which are separated. Loss of important financial data was mentioned as a risk of using partially non-integrated C.A.S. the stores department does not use the reorder level module, requisitions, order and payment vouchers are done manual which sometimes can be misplaced. The Liquor section does not have a C.A.S. This mean that records are kept manually which can be vulnerable to fire and disasters as supported by the questionnaire. Revenue collection teams at (Bus terminus, parks and vendors market place) can forge receipts (as previously happened) and benefit their selves. The weekly and monthly reports are prepared using Microsoft excel.

4.2.3 What are the qualities of financial reports created by a Computerized Accounting System?

The chief accountant highlighted out that, complete integrated accounting system can present good qualities of information. These include verifiability, faithfulness, timeliness, relevance, understandability and comparability (Conceptual Framework, 2010). A description of how Financial Reports are processed was highlighted out (Input, processing and output)

4.2.4 What are the causes of failure to present Financial Statements in time?

They all pointed out that lack of motivation is the major reason for late Financial Reporting linking it with Computerized Accounting System. Workers' salaries are six months late. This does not bring morale and thus leads to slowness in doing work.

They also mentioned that lack of supervision from the top management cause late Financial Statements presentation. Workers can work normally when they are supervised by the top management.

Lot of paper work was also mentioned to be a reason for late reporting. Some data documents can be misplaced and much time would be spent in searching the documents. There was mentioned an unfilled position (Revenue Accountant). The Chief Accountant will be covering for that position, by so doing some work will be lagging behind which may result late Financial Reporting.

4.3 Summary

Chapter 4 was all about interpreting, analyzing and presenting data from the field. The researcher produced reasonable information collected from the respondents through the process of analyzing and presenting it. Data analysis and data presentation was done through the use of spread sheets, simple graphs, tables and pie charts. Next chapter is chapter 5 which include the summary of the research study, recommendations and conclusion about the research study.

Chapter 5

Summary, Recommendations and Conclusions

5.0 Introduction

This chapter presets a summary of major finds on Computerized Accounting and Financial Reporting. Recommendations to problems like late Financial Reporting and giving conclusion basing on the findings and areas for further research.

5.1 Summary of the Research Study

In the beginning of the dissertation there is introduction (Chapter 1). It looked on the significance of the stud, assumptions, limitations and scope of study were given. It also highlighted the objective of the study, the research question and the statement of the problem.

Research objectives which were written in chapter one were clearly explained in Chapter 2 to give more understanding of them. A platform was created in Chapter 2 to discuss the overview of C.A.S, pros and cons of C.A.S, risks in using a partially non-integrated Computerized Accounting System, qualities of financial reports from Computerized Accounting System and the reason of late Financial Reporting.

Methodology that was used to carry out the research was mentioned in Chapter 3. It detailed out the research design, population, sample size, types of data, research instrument, case study research, Sampling Procedure, Data collection procedures, Administration of interviews, Data Presentation and Analysis.

Chapter 4 was all about interpreting, analyzing and presenting data from the field. The researcher produced reasonable information collected from the respondents through the process of analyzing and presenting it. Data analysis and data presentation was done through the use of spread sheets, simple graphs, tables and pie charts.

5.2 Discussion of major findings from the Study

5.2.1 To describe the risks of using a partially non-integrated Computerized Accounting System.

The study showed that the company Chiredzi Town Council actually makes use of partially non-integrated Computerized Accounting System. This is confirmed by the results given by the respondents in agreement with the status of the system in Chiredzi Town Council. Fraud, internal late decision making, late financial reporting and Errors were found to be the major risks of partially non-integrated Computerized Accounting System. It was also confirmed from the respondents that risks caused by the company's C.A.S can be solved by adopting a non-partial Enterprise Resource Planning System.

Findings from the interview also revealed that there is a Non-Integrated Partially Computerized Accounting System in Chiredzi Town Council. 2 respondents of the interview strongly agreed that there is actually a partially non-integrated Computerized Accounting System. Therefore this fact is unfavourable to Chiredzi Town Council because it will be showing quality and accuracy of Financial Reports which might be biased and does not match with the organization's status.

5.2.2 To find out the pros and cons of Computerized Accounting System to Chiredzi Town

According to the findings of the study, a Computerized Accounting System is of great importance in operating day to day but it has some disadvantages that may negatively affect business environment. A partially non-integrated Computerized Accounting System of C.T.C cannot fully benefit the company. Some of the benefits that C.T.C can have include reliable budget preparations, security of information, entering data into the system, processing it and information reporting (Financial Statements/Reports, although they may be not correct). When a Computerized Accounting System is non-partial and integrated the following benefits can be experienced: automatic financial auditing, user friendliness, increased speed in Financial Reporting preparations, increased functionality, accuracy and lower cost operation. From the findings, the major risk of computerized system was system failure. The researcher also found out that the employees who use Pastel, PROMUN or ADASK, have acquired many skills and experience in dealing with some cons.

5.2.3 To describe the qualities of financial reports generated by a Computerized Accounting System.

The findings tell that, Financial Reports generated through Computerized Accounting are mainly faithfulness and relevance. Fundamental Qualitative characteristics (Faithful representation and relevance) and Enhancing Qualitative characteristics (verifiability, timeliness, understandability and comparability) has to be in Financial Reports of good quality. The above mentioned qualities are also found in the Financial Reports generated by the Computerized Accounting System. Users of Financial Reports put their trust mostly on those generated by well-organized Computerized Accounting System.

The mode of the respondents prefers to use Computerized Accounting System to manual system as from the findings. This is so because it is easy to use than the manual system. Therefore, it should be a recommendation for entities to use a well-organized Computerized Accounting System instead of using an obsolete manual accounting system or both manual and computerized system.

5.2.4 To discuss the reason of late Financial Reporting

The research found out that there were some reasons which he did not mention, in the literature review. These include lack of motivation, lack of supervision, unfilled job position, fraud and review. These include lack of motivation, lack of supervision, unfilled job position, fraud and legal cases. The above finds were from the interview with the Chief Accountant. 58% of questionnaire respondents agreed with reasons which the researcher had listed. On any other comments section one of the respondents mentioned the problem in adoption of Computerized Accounting System contributes to late Financial Reporting. The reasons for late Financial Reporting, some are linked to non-integrated partially Computerized Accounting (lack of motivation, lack of supervision, slowness in adoption of C.A.S and some are not.

5.3 Conclusion

The major objective of the research study was to investigate the impacts that a Partially Non-Integrated Computerized Accounting cause on Financial Reporting. This study indicates that the organization has been negatively affected by using a Non-integrated Partially Computerized

Accounting System and also the reasons for late Financial Reporting. The researcher was able to attain all the objectives; therefore the project was a success.

5.4 Recommendations

Below is a list of recommendations:

5.4.1 To describe the risks of using a partially non-integrated Computerized Accounting System.

I strongly recommend that Local Authorities should adopt a non-partially integrated Computerized Accounting System that enables easy preparation of Financial Reports. Also that C.A.S should be connected to all departments, for example PROMUN. As discussed from the previous chapters, Computerized Accounting System can bring solutions of risks if it is integrated and non-partial (Hendriks, 2012).

Further internal audit procedures are introduced when there are high levels of risks (Ernst and Young, 2013). When the adoption of non-partial integrated software fails there may be need of more internal audit to be done in testing the controls within the system. The Computerized Accounting System is prone to fraud in cases where physical cash is involved. Without internal audit reviews, there may arise cases of teaming and lading fraud that may pass unnoticed.

5.4.2 To find out the pros and cons of Computerized Accounting System

There are advantages and disadvantages in using Computerized Accounting System in daily operations. However, the study findings show that the system is actually more of a liability than an asset to the entity. It would therefore be necessary to recommend that other Local Authorities institutions that have not yet implemented this system, get to adopt the idea of establishing it so as to improve on operations in terms of effectiveness and efficiency (Deusidedit, 2014). These pros include Accuracy, Increased Speed of Financial Reports, Security, Lower Cost of operation, Scalability, Better External Reporting and Increased Functionality.

5.4.3 To describe the qualities of Financial reports generated by Computerized Accounting System

Medina et.al (2014) viewed that training of employees makes them to be well versed with the new changing C.A.S. It may be helpful to give more training to the staff to enable them to improve in using all modules in the accounting package they may choose to adopt fully. Staff also may need training which is consistence with the dealers of accounting software which are authorized. This is to enable staff get used to new versions and updates of the accounting package. Also a well-organized C.A.S can generate good quality accounting information (Deusidedit, 2014).

5.4.4 To discuss the reason of late Financial Reporting

Boamah (2014) viewed that motivation of workers can cause workers to work an extra mile. Therefore enough resources are needed to cater for motivation of workers in the company. The company can issue out stands that are equivalent to the value of their six months behind salaries. They may be allowed to sell them if they want to get their delayed salaries.

There is need for more supervision from the top management. Giving the staff due dates of finishing a task. The unfilled position (Revenue Accountant) has to be filled so as to release pressure from the Chief Accountant and supervision of debtors section will be enabled. With more supervision errors can be reduced as the supervisor will be checking on which individual staff is misusing the system which may result to biased financial information (Omisore, 2014). The supervisor will be also checking whether there are employees playing at work (abuse of computers at working hours (Bob, 2009)).

5.5 Areas of further study

1. Impacts of Accounting Information System on decision making process of an organization.
2. Investigating the role of Accounting Information System in Taxation.
3. Analyzing the efficiency of Computerized Audit System in Audit firms.

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APPENDIX 1

Midlands State University

Faculty of Commerce

P.Bag 9055

Gweru

Zimbabwe

29 September 2016

Chiredzi Town Council

P.O. BOX 128

Chiredzi

Dear Sir/ Madam

RE: REQUEST TO CONDUCT A RESEARCH

I am a student at the Midlands State University studying the Bachelor of Commerce Accounting (Honours) degree. I am requesting to carry out a research at your organization. The research topic is **'An investigation of impacts that a Partially Computerized Accounting System cause on Financial Reporting in local authorities (Case of Chiredzi Town Council)'** Any data provided will be strictly confidential and is merely going to be used for academic purposes only.

Yours faithfully

Tapiwanashe Zivanai

[R131295T]

APPENDIX 2

Midlands State University

Faculty of Commerce

Department of Accounting

P. Bag 9055

Gweru

29 September 2016

Chiredzi Town Council

P O Box 128

Chiredzi

Dear Sir/Madam

RE: REQUEST TO RESPOND TO QUESTIONNAIRE

I am a student at Midlands State University doing a Bachelor of Commerce (Honours) degree in Accounting. I am asking for your assistance to respond to my answer questionnaire.

The research topic I am using is **'An investigation of impacts that a Partially Computerized Accounting System cause on Financial Reporting in local authorities (Case of Chiredzi Town Council)'**

Thank you for your co-operation.

Yours sincerely

Tapiwanashe Zivanai

[R131295T]

APPENDIX 3

QUESTIONNAIRE

Please indicate by a tick in the small boxes provided in all questions.

1. Which department are in?   2. Which Position are you in?

Department	
Finance	☐
Administration	☐
Engineering	☐
Housing	☐

Positions	
Head of Department	☐
System Administrator	☐
Accountant	☐
Registry Clerk	☐
Accounts Clerk	☐
Internal Auditor	☐
Stores Man	☐
Salaries Clerk	☐

3. For how long have you been working for Chiredzi Town Council (C.T.C)?

5 years and Below	6-10 years	Over 10 years
☐	☐	☐

4a. Indicate your highest level of qualification.

O' Level	A' Level	Diploma	Undergraduate	Postgraduate	Doctorate	PHD
☐	☐	☐	☐	☐	☐	☐

b. Indicate whether you have attended any computer based education.

YES ☐   NO ☐

5. Computerized System is easier to use than the manual way.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
☐	☐	☐	☐	☐

6. The following are the advantages of Computerized Accounting System in Financial Reporting.

Advantages	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
a) Accuracy	☐	☐	☐	☐	☐
b) Security	☐	☐	☐	☐	☐
c) Increased Speed of Processing Fin Reports	☐	☐	☐	☐	☐
d) Lower Costs of operation	☐	☐	☐	☐	☐
e) Scalability	☐	☐	☐	☐	☐
f) Better External Reporting	☐	☐	☐	☐	☐
g) Increased Functionality	☐	☐	☐	☐	☐

7a. My office uses Computerized Accounting System in fulfilling every task..

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
☐	☐	☐	☐	☐

b. C.T.C uses a Partially Non-Integrated Computerized Accounting.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
☐	☐	☐	☐	☐

8. The following are risks associated with a non-integrated Computerized Accounting System.

Risks	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
a) Errors	☐	☐	☐	☐	☐
b) Manipulation	☐	☐	☐	☐	☐
c) Disasters	☐	☐	☐	☐	☐
d) Data risks	☐	☐	☐	☐	☐
e) Computer viruses	☐	☐	☐	☐	☐

9. The following are risks associated with a partially Computerized Accounting System.

Risks	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
a) Reconciliation difficulties	☐	☐	☐	☐	☐
b) Late financial reporting	☐	☐	☐	☐	☐
c) Manipulation of data	☐	☐	☐	☐	☐
d) Fraud	☐	☐	☐	☐	☐
e) Errors	☐	☐	☐	☐	☐

10. An integrated non-partially Computerized Accounting System can reduce the above risks.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
☐	☐	☐	☐	☐

11. There were some risks in operating a parallel accounting system (PASTEL AND PROMUN).

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
☐	☐	☐	☐	☐

12. The following are characteristics of financial reports presented by a Computerized

Accounting System and Financial Reporting.

Characteristics of C.A.S Output	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
a) Relevant	☐	☐	☐	☐	☐
b) Faithful	☐	☐	☐	☐	☐
c) Comparability	☐	☐	☐	☐	☐
d) Verifiability	☐	☐	☐	☐	☐
e) Timeliness	☐	☐	☐	☐	☐
f) Understandability	☐	☐	☐	☐	☐

13. There is a problem of delay in Financial Reporting for the past periods at C.T.C.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
□	□	□	□	□

14. The following are reasons for late Financial Reporting.

Reasons	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
a) Auditing	□	□	□	□	□
b) Content of Financial Statements	□	□	□	□	□
c) Loss of Data documents	□	□	□	□	□
d) Taxation Calculation	□	□	□	□	□
e) Other factors e.g. *Low liquidity, small Firm size*	□	□	□	□	□

Please write any other comments with regards to above questions.

……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………

Thank you

APPENDIX 4

INTERVIEW QUESTIONS FOR FINANCE DIRECTOR, CHIEF ACCOUNTANT AND SYSTEM ADMINISTRATOR

- What are the impacts of using a Computerized Accounting System in Financial Reporting?
- What are the risks in using a non-integrated partially Computerized Accounting System?
- What are the qualities of Financial Reports created by a Computerized Accounting System?
- What are the causes of failure to present financial statements in time?