

**THE EFFECT OF COMPUTERISED FINANCIAL INFORMATION SYSTEMS ON
THE FINANCIAL PERFORMANCE OF MICROFINANCE**

INSTITUTIONS IN BUKEDEA DISTRICT: A CASE

STUDY OF KALELI SACCO.

BY

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS AND
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DECLARATION

I **Obores Benard** declare that this research report is my original work and has not been submitted anywhere for examination in any other university or institute of higher learning.

Signature: 

Date: 25th / 09 / 2019

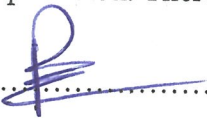
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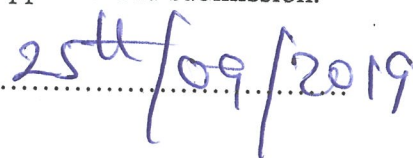
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RESEARCHER.

APPROVAL

This serves to certify that Obore Benard carried out a study on the “Effect of computerized financial information systems on the Financial performance of the microfinance institutions”, under my supervision. Therefore, this work is ready for approval and submission.

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DEDICATION

This project is dedicated to my lovely grandfather Obore sliver for his untiring efforts and wonderful support towards my academic pursuit, my mothers. Aguti Geogina Rose and my aunt Among Grace for their financial support in my academics and also my friends Peter, Anslem, Opam, Agness and Jenifer for their help while still at KIU.

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To the Almighty God, I do humbly appreciate the protection, guidance, provision and good health granted unto me and my benefactors that rendered this study a great success.

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LIST OF ACRONYMS

CFIS	Computerized Financial Information Systems.
MFIs	Microfinance Institutions.
BOU	Bank of Uganda.
I.T	Information Technology.
SACCO	Savings and Cooperative Organizations.
AMFIU	Association for Microfinance Institutions of Uganda.
UNDP	United Nations Development Program.
SMEs	Small and Medium Enterprises.
ICT	Information and Communication Technology.
CIS	Computerized Information Systems.
NPLs	Non-performing Loans.
KRS	Kaleli Rural SACCO.
MSC	The Microfinance Support Centre.
CGAP	Consultative Group to Assist the Poor.
PDAs	Personal Digital Assistants.
ATM	Automatic Teller Machine.
POS	Point of Sales.
IVR	Interactive voice response (IVR) technology.

ABSTRACT

The general objective of the study was to examine the impact of the use of computerised financial information system on the financial performance of Microfinance institutions and the specific objectives of the study were to determine the effect of data processing on the performance of Kaleli SACCO, Bukedea district, to find out the impact of accounting software on the performance of Kaleli SACCO, Bukedea district and to identify the effect of data storage on the performance of Kaleli SACCO, Bukedea district.

The findings of the study revealed that data processing improves on the financial performance of microfinance institutions by 77.4% basing from the average index of 3.87 and it was further evidenced by the respondents agreeing to most of the statements that were used to measure this objective except that 80% of the respondents revealed that computerized data processing is not User friendly. The findings of the study also showed that computerized accounting software improves the financial performance of microfinance institutions by 83.8% basing from the average index of 4.19 and 70% of the respondents rejected the statement that the institution uses various accounting software. More so, the findings of the study in table 4.8 show that data storage improves the performance of microfinance institutions by 87.2% basing from the average index of 4.36. The study further revealed that not all the data is stored in the system as this was evidenced by 84.4% of the respondents who revealed that not all the data is stored in the system.

The study recommended that the institution should adopt computerized data processing systems that are user friendly as 80% of the respondents revealed that computerized data processing is not User friendly, the institution should use various accounting software as 70% of the respondents rejected the statement that the institution uses various accounting software. Using various software enables workers to choose the one they are convenient with for proper performance and also the study recommended that the management should ensure that all the data is stored in the system as it improves the financial performance by 87.2% since 84.4% of the respondents revealed that not all the data is stored in the system.

CHAPTER ONE

INTRODUCTION

1.0 Introduction to the study.

The study presents the effect of computerized financial information systems and financial performance of Microfinance institutions. This chapter explains the background of the study, the problem statement, the scope of the study, the specific objectives of the study and the conceptual framework showing the relationship between the study variables.

1.1 Background of the study

1.1.1 Historical Background

Good CFIS management has been identified as a key aspect in strengthening MFIs financial performance and increase in their outreach (Rock et al, 1998; Labic, 2001, Helm, 2006; Otero and Chu, 2002). Computerised financial Information System (CFIS) can allow MFIs to lower the cost of loan administration, and thus, offer more affordable and flexible loan products to clients. In addition, CFIS can also help MFIs to expand their service coverage by providing logical, strategic and analytical support. Association for Microfinance Institutions of Uganda (AMFIU, 2013) report on microfinance technology acknowledged that there is need to support capacity building and computerization for sound microfinance institutions (MFIs) such that they have systems to control costs and establish efficient branch management, that is, growth potential. In the Philippines the introduction of basic banking software product enabled administrative costs of rural Sacco operations to be lowered by 60%, Rhyme 2008. This will be accompanied by faster services, better control of fraud, improved records keeping and management reports. BOU 2009 estimates that microfinance institutions with more than 1000 clients/members are sufficiently large to make computerization of operations an economic proposition. Information Technology (IT) plays an increasingly important role in facilitating the introduction of new products or services, in improving operational services, and in guiding managerial decision-making (deSantis, 2010). Therefore, mismanagement of IT can be detrimental to the competitive effectiveness of enterprises. Effective management of IT is particularly critical for small and medium enterprises (SMEs) because they operate different from large enterprises.

A Microfinance institution can only realize economic benefit from computerization if it manages its IT resources effectively. Effective CIS utilization, appropriate applications, and individually tailored solutions can create opportunities and thus CFIS can play a substantial role to address a number of goals in the development agenda successfully (Benjamin B. Bae and Paul Ashcroft, 2004). In an attempt to identify sectors that are likely to be responsive to technological change and promise high return on investment, small and medium enterprises have materialized as one potential target sector to harness CIS for development (Rose & Hudgins, 2008). Information system management acts as measure of financial performance of microfinance institutions. Rhyme (1998) considers the two main goals of financial performance and outreach, and that CFIS management greatly contributes to the increasing levels of performance in the institution. Cull et al. (2007) also suggests that MFIs financial performance increases due to proper information management with a focus on the lending methodology used, controlling for capital and labour costs as well as institutional feature. Information technology solutions are not currently meeting microfinance institution needs with only 34% of African microfinance managers happy with their microfinance information systems successfully (Benjamin B. Bae, 2004). Many reasons were cited for it, including an inability for microfinance institutions to clearly articulate what their business goals and needs are, and to make decisions in support of those goals. Many microfinance institutions treat CFIS as an add-on and consider it as something the systems administrator should deal with. Microfinance institutions (MFIs) are institutions that provide financial services to economically active poor and low-income households (and their microenterprises), allowing them to better manage their risks, achieve consistent consumption patterns, and develop an economic base According to UNDP reports (2011), despite the growth of microfinance industry, only 3% to 6% of the estimated global potential of 500 million poor households had been reached. Microfinance loans tend to have high interest rates in order to recover the high costs of loan administration microfinance institutions are required by Bank of Uganda to publish their annual statements in accordance with Financial Institutions Act 2004 CAP50. In reference to Nyorekwa computations drawn from the commercial financial statements for 2015, the banking sector financial performance inform of profits and assets is varied and a reflection of the recent slowdown in economic growth performance.

1.1.2 Theoretical Perspective

The study employed Schumpeter innovation theory which was formulated in (1883-1950). The theory states that for any organization to be successful in profit maximization, innovation must be embraced which involves technology. In this theory of innovation stated that anything stagnated in the state does not yield any profit, but when innovation takes place it disturbs steady state and brings profit.

1.1.3 Conceptual perspective.

The study considered two variables that is computerized financial information systems and performance of microfinance institutions.

According to this study computerized financial information system was referred to as a system that processes the financial transactions and events to produce accurate accounting results as per the user requirements or guidelines.

Performance refers to the quality, efficiency and effectiveness of accomplishing a certain task (Benard, 2013).

In this study, Performance of microfinance referred to the efficiency and effectiveness in service delivery of microfinance institutions.

1.1.4 Contextual perspective.

The study was carried out at Kachumbala branch located in Bukedea district located in Bukedia district in the eastern part of Uganda. This place attracted the researcher since there is evidence that this SACCO quickly embraces and adopts technology in Uganda thereby giving the right information for this study. More so, the government of Uganda has put more emphasis on advising all financial institution to delight in the use of new computerized systems thus the researcher sought to determine whether it is being done Bukedea district(ministry of finance planning and economic development,2018).

1.2 Statement of the problem

Most financial institutions in Uganda such as Finance Trust Bank (FTB), Microfinance support Centre, Pride Microfinance, Kaleli Rural Sacco (KRS) have put in place systems that strive to manage their information in order to ensure proper cash management, an excellent portfolio quality, to deliver a strong financial performance thus enhancing customer value and boosting business growth. Many MFIs use CFIS and ICT internally to support their business operations and externally to deliver financial services to clients. Poor information management registers to be one of the contributing factors to the low financial performance levels of MFI and yet CFIS engineers the performance and growth of most financial institutions (BOU, 2014).

Despite the above, the effectiveness of CIS management in microfinance institutions has remained unknown as the performance of microfinance institutions is still poor (BOU, 2018). Therefore this study sought to examine the effect of computerised financial information system (CFIS) on the financial performance of Microfinance institutions using a case study of Kaleli Rural Sacco.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of this study was to examine the impact of the use of computerised financial information system on the financial performance of Microfinance institutions.

1.3.2 Specific Objectives

The following are the specific objectives of the study were;

- i) To determine the effect of data processing on the performance of Kaleli SACCO, Bukedea district.
- ii) To find out the impact of accounting software on the performance of Kaleli SACCO, Bukedea district.
- iii) To identify the effect of data storage on the performance of Kaleli SACCO, Bukedea district.

1.4 Research Questions

- i) What is the effect of data processing on the financial performance of Kaleli SACCO.?
- ii) What is the impact of accounting software on the financial performance of Kaleli SACCO.?
- iii) What is the effect of data storage on the financial performance of Kaleli SACCO.?

1.5 Scope of the study

1.5.1 Content Scope

This study was based on the impact of the use of computerised financial information system (CFIS) on the financial performance of microfinance institutes in Uganda. It was guided by the specific objectives that sought to examine; the contribution of CFIS to the performance and growth of microfinance institutions, the relationship between CFIS and the financial performance of microfinance institutions and the challenges associated with ensuring the effectiveness of CFIS in the microfinance institutions.

1.5.2 Geographical Scope

The study was carried out in Kaleli Rural SACCO, Kachumbala branch located in Bukedea district

1.5.3 Time scope.

This study considered a review of literature on the impact of CFIS on the performance of microfinance institutions from the period 2014-2018.

1.6 Significance of the Study.

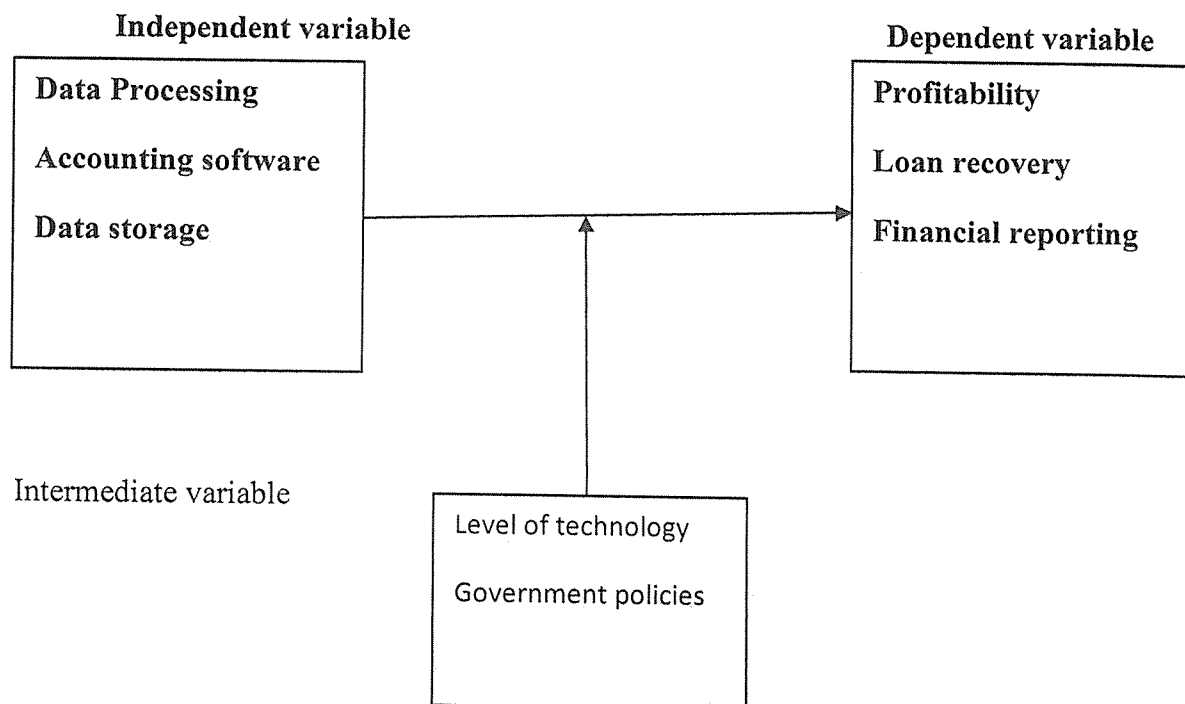
- The research findings will enable the microfinance institutions to understand the challenges that affect information management or challenges that affect the effectiveness of the CFIS and retarding their financial performance.
- Ultimately, MFIs will be able to ascertain solutions to the identified problems/challenges.

- The findings of this study will be beneficial to other researchers that shall want to undertake research on issues/topics related to CFIS use and on fully exploring the contributions of the CFIS to the financial performance of MFIs, the researcher perceives that, CFIS will be given a certain priority by the MFIs in information management in boosting their operations and service provision.

1.7 Conceptual Framework

**Computerised financial Information system
performance of MFIs**

Financial



Source: Adapted and modified from Van-Briefing (2005)

The figure above explains how the dependent variable and independent variable were measured. The dependent variable was measured in terms of Profitability, Loan recovery and financial reporting, the independent variable was measured in terms of data processing, accounting software and data storage and the intermediate variable was measured in terms of level of technology and government policies.

1.8 Definition of Key terms

Computerised financial information system

This is a set of software that are used in data compilation and manipulation in order to get clear financial reports.(javan,2014).

Data storage

Data storage in computer terms refers to the ability to keep data and information safely for future reference.(Richard,2010).

Data processing

Data processing is the process of using a computer to generate reports from the entered data (Mdashil,2009).

Accounting software

This refers to a set of computer programs and commands necessary for solving accounting problems (marvin,2016).

Financial performance

Performance measurement is the evaluation of the outcomes of an organization as a result of management decisions on resources of an organization and execution of the decisions made by the organization's members (Hofer 1983).

Profitability

This refers to the ability of the firm to receive more income from the sale of its goods and services

Loan recovery

According to Martin (2016), loan recovery refers to the ability to collect the borrowed funds with the interest charged on them

Financial Reporting

According to Kitinisa (2007), financial reporting refers to the process of compiling financial reports necessary in making accounting decisions

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents the theoretical review, conceptual review and related literature about the variables of the study basing from different scholars authors and many published books.

2.1 Theoretical Review

2.1.1 Schumpeter Innovation Theory

Schumpeter (1883 – 1950) in his theory of innovation stated that anything stagnated in the state does not yield any profit, but when innovation takes place it disturbs steady state and brings profit. Schumpeter in his book ,” Theory of Economic Development”, which was published in 1912 wrote that any economy to be on the path of economic development needs healthy and well developed Banking sector. Set of Innovations or Research and development activities pave the way for technological development and create a new product for organization. Eventually, it leads to long term growth in the economy. He further emphasized that in a competitive entity, a business only attains profits only if adopts innovation which entails technological adoption and progress.

Robert Solow (1950) formulated a theory of economic growth and stressed the importance of technology. He stated that a tremendous increase in gross output per hour of work in the USA economy between 1909 and 1949 was the outcome of technological advancement. He also examined that increased use of capital assured 12.5 percent in per capita output and it left 87.5percent residual that was attributed by technology development. This theory was officially introduced by Bradley and Stewart in the year 2002 and it affirms that firms engage in the diffusion of innovation in order to gain competitive advantage, reduce costs and protect their strategic positions. The innovation diffusion theory put forward by Rogers in 1962 is a well -known theory that explains how an innovation is diffused among users over time (Liu , 2009). It also helps to understand customers’ behavior in the adoption or non-adoption of an innovation (Vaugh). The theory depicts that the adopters of any innovation follow a bell-shaped distribution curve which may be divided into five parts to categorize users in terms of innovativeness (Liu, 2009). Rogers classified users as innovators, early adopters, early majority, late majority and laggards (Liu, 2009). The adoption and use of computerized accounting system has the potential to extend the limited nature and reach of the formal

financial sector to the poor and rural population in Africa. Most of the existing literature is from the developmental/practitioners' arena with a few scholarly studies emerging.

2.2 Conceptual review

2.2.1 Computerized Financial Information System

According to COSO (1998), Pandey (1998), & Anthony (2004), computerised Financial information system is defined as the process is the a system that involves the use of computers in processing all the relervant financial transactions. They further explained that there exists several component that must be present in order to conclude that system is effective namely; software,data storage, data processing ,internet use and all hard ware components

This study will be based on two variables; CFIS as the independent variable, performance of microfinance institutions as the dependable variable and the intervening/mediating variable will be explained in terms of Government policies, Level of technology and the rules and regulations that govern the organization. Anthony (2004) and the AMF Working Group (2007). In this framework, CFIS should be the concern of every employee of the firm and should be the main stay of the firm's culture in order to have effective and reporting leading to proper financial accountability and eventually enhancing better performance in the organization. Each company is responsible for its own organization and hence its CFIS developed within an overall framework of sound governance (AMF Working Group, 2007).

For the purposes of this study, computerized financial Information system will be measured in terms of data storage, software and data processing and the dependent variable will be measured in terms profitability, loan recovery and financial reporting. The model shows how CFIS affects the financial performance in terms of loan recovery, profitability and financial reporting

2.2.2 Financial Performance of financial institutions

Performance measurement is the evaluation of the outcomes of an organization as a result of management decisions on resources of an organization and execution of the decisions made by the organization's members (Hofer 1983). Performance measurement of an organization has been dominated by the use of traditional accounting measures as the key financial performance measures. The use of financial metrics only is criticized to be oriented as it uses

the past information which has low ability to determine about the future of the organization (Crabtree & Debusk 2010).

Performance measurement in Microfinance institutions has recently undergone some significant changes from both internal and external points of view. The external factors such as , changes in the business environment, technology, involvement of commercial banks I Microfinance institutions and increased competition resulted into a shift in the performance of Microfinance institutions with the stakeholders not only requiring improving in financial performance measures but also balance between financial and non financial measures(Hermes 2011). The primary objective of Microfinance institutions is to outreach to the poor through the provision of financial services which will have an impact on poverty alleviation. To fulfill this objective, microfinance institutions should allocate better available resources as well as well as operate in a sustainable basis. Resnberg (2002) shows that Microfinance institutions performance measurements involve four core areas, outreach, repayment rates, sustainability and efficiency.

Recent studies show that majority of Microfinance institutions reviewed were found to be weak in financial sustainability. Several researchers also have inferred that microfinance performance outreach is still very low compared to the potential demand of financial services. The study by grogan & Pandey(2016) in Uganda compared performance of Microfinance institutions with commercial banks. The findings revealed that, Microfinance institutions in the country incur high costs due to their door to door adopted pattern of service delivery. The high costs are associated with staff trainings costs and costs associated with offering small size loans with shorter maturity periods.

The latest study by Andrew Kagwa (2018) revealed that Microfinance institutions have contributed to poverty eradication in rural areas especially through giving loans with low or no collateral security like motorcycle loans which has affected the performance of institutions as most of the people end up defaulting. The study further revealed that microfinance institutions' performance is greatly hindered by loan defaults.

Financial performance provides important source of information on human capital and its huge contribution to the organisation (Lawler, 2003). It allows the organisation, in a way, to perceive how well individuals are achieving their objectives. Financial Performance is a company's ability to generate new resources, from day- to- day operations, over a given

period of time; performance is gauged by net income and cash from operations. A firm's financial performance, in the view of the shareholder, is measured by how better off the shareholder is at the end of a period, than he will at the beginning and this can be determined using ratios derived from financial statements; mainly the statement of financial position(balance sheet) and statement of comprehensive income(income statement), or using data on stock market prices (Harker and Satvros, 1998).

Birley and Westhead (2001) view financial performance as an approximation for financial success, which is the rate at which the enterprise is satisfied with the profits and growth levels attained. Financial performance looks at the results of a firm's policies and operations in monetary terms, being a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation (Hillman &Keim 2001). There are a number of financial performance measures, however there is little consensus about which instrument to apply. Richard (2009), views organizational performance as encompassing three specific areas of firm outcomes financial performance (profits, efficiency levels, excellent portfolio quality); product market performance (sales, market share) and shareholder return (total shareholder return, economic value added).

2.3 Empirical Related Literature

This section will highlight some of the studies that will be carried out on the two variables and try to bring out their relationship.

2.2.1 Effect of data processing and performance of Kaleli SACCO,Bukedea district.

Accounting software output depends on the quality of data, garbage in garbage out is the result of poor data quality, and therefore accounting software improves data quality which is important for organizational performance. All data production processes (data collection, data storage, and data utilization) must work properly in order to achieve high data quality necessary to improve organizational performance (Lee, 2003).

According to Lee (2003), inaccurate and incomplete data may damage competitiveness of firms. He also found out that input control and competent employees are important to data processing to improve performance. Poor data processing may have adverse effect on decision making (Wang, 1999). Processed accounting data can be evaluated by four

attributes, Accuracy, timeliness, completeness, and consistency (Xu, 2003) they examined critical success factors for processed quality accounting data, they identified and interviewed four groups namely (information producers ,information custodians, information consumers and information managers and they found and suggested that organizational issue , system and human issue, are very much important to data processing in accounting. (Rahayu, 2012) examined the influence computerized accounting systems on data processing and organizational performance in general. He found out that management data processing has an adequate effect on the organizational performance in terms of financial reporting, although he suggested that contribution of management commitment need to be improved and also to management adequacy training and funding of resource development need to be considered by organizations.

Computerized data processing eases financial reporting, financial reporting is the process of preparing and distributing financial information to users of such information in various forms. Emphasis is made that the most common format of formal financial reporting are financial statements, which are actually prepared in accordance with rigorously applied standards defined by professional accounting bodies developed according to the legal and professional framework of a specific locale.

A financial statement also known as a financial report is a formal record of the financial activities of a business, person, or other entity, Babylon dictionary (1997). A financial statement also often referred to as an “account”; expression of one’s responsibility over a particular activity.

Financial reporting is largely an effort to assess financial performance, that is, how well or how poorly an entity performed with money entrusted to it, (Sacco, 1998). Financial decisions include raising and spending money as well as making promises that have financial consequences. Financial reporting is considered a part of accountability for financial decisions. Exactly, the quality of financial reporting depends upon how the financial data is handled right from the point of data collection to the processing stage that leads to the production of meaningful financial information in terms of reports. As noted by (Xu, 2014) two major models are considered in this context, manual or computerized accounting. Naturally the data processing using CAIS gives understandable information. A guideline is to provide information that people, who are willing to understand it, can understand it: professionals or nonprofessionals. As a business owner, you have to think of the different accounting backgrounds of the different types of people who will be reading your reports and

match that accordingly (Marquez, 2014). Information can only be useful to end users if they are able to understand it.

According to Marquez, (2011) data processing is good for users to make economic decisions, the information must be relevant to the decisions that those users have to make. Whether the information affects the economic decisions of users (materiality) and the nature of information affect relevance as well. Materiality is one of the assumptions used in financial reporting that contributes to relevance (Derrell, 2010).

Alan, 2014 said that data processing ensures reliability which is regarded as one of the main qualities. People must be able to depend on the figures and the facts printed on your financial statements and to make sure that they are true. It must be verifiable. Free from error. E.g. you can always look at a receipt to verify the amount of an expense. As you already know, when you get audited, you must verify all transactions that occurred in your business. Furthermore, comparability relates to the ability of information to be compared with those of other similar companies, without comparability the accounts would be of little use (Alan, 2014). General Accepted Accounting Principles (GAAP) allow for certain choices of different accounting methods for depreciation and inventory management. If a financial statement from one company that was prepared differently from other companies in the industry, or even prepared differently from previous statements, it is likely that the users will not be able to compare the statements among companies and over time. Comparability adds a degree of transparency to financial statements by allowing comparisons over time and among entities.

2.2.2 Effect of Computerized Accounting software and performance of Kaleli SACCO, Bukedea district.

Accounting software is an important part of every company. Businesses are required to keep books on their credits and debit. Weber (2011) emphasizes that every company applies accounting because it is generally accepted that companies have to reveal certain financial and management information to the government and public users and of course because accounting is an indispensable tool in business decision-making process, it has led to the development of information technologies and many computer products (software in terms of accounting packages) that make accounting as easy as ABC for those who use them. Computerized accounting software has been defined by Alan (2005) as a total suit of

components that together comprises all inputs, storage, transactions, processing, collecting and reporting of financial transaction data (Weber 2011).

Computerized accounting software has a cycle that includes the following steps: journalizing the transactions, posting them to ledger accounts, preparing trial balance, making adjustment entries, preparing adjusted to end-of-period trial balance, preparing financial statements and appropriate disclosures, journalizing and posting the closing entries, and preparing after-closing trial balance at last, Weber (2011). From the first look, it is not very difficult and it is so indeed, but when there are thousands or millions of transactions to be handled, the situation dramatically changes. Lots of transactions that must be processed in the accounting cycle make this process routine and even a little mistake or inaccuracy can cause all the cycle from the very beginning to fail which will therefore require an extra effort to find and correct the mistake. He therefore emphasizes that computerized accounting software makes the work more accurate and reliable and the rate of manipulation is fast which improves the performance of the institution (Ashton, 2010).

Accounting software programs involve the use of computers, spreadsheets and programs designed to record and report financial information electronically; this information is so accurate for future decision making thus determining the performance of the institution (Osmond, 2011). Computerized accounting software saves a lot of time where the employee has to record the transactions and all the other calculations would be carried out by the software either automatically or by a request thus improving the organizational performance (Magdalene, 2010). She further says that computerized accounting software is not only speedy but also accurate. With a computer being used to collect data and change it into meaningful information that is used by management to make timely and effective decisions, the computer carries out the entire data processing through classifying, sorting, calculating, summarizing the data and production of reports, as stated by Birungi (2000). This entire process helps to minimize the risk of miscalculations and other human errors that could have emerged as a result of manual data processing. This boosts the performance of financial institutions.

With use the of computerized accounting software and the introduction of internet and networks in the information technology world, an easy backup and restoration system as well as the use of passwords to avoid unauthorized parties from accessing the data, keeps the information secure thereby boosting the performance of the organization (Barret, 2004).

Accounting software makes the complex accounting steps faster and easy as technology continues to bring the most user friendly accounting software programs. This increases the quality and quantity of output of an organization thus enhancing the financial and managerial performance of the organization (Topash 2014).

Accounting software leads to reduction in workload. Its beneficial impact on time management, and improvement in the quality of reports have been highlighted as major impact of MIS on banks administration and management. Some studies show that, as staff in banks have acquired and developed ICT skills and confidence in using the technologies; they have experienced a reduction in some aspects of their workload (Condie et al., 2007; Cunningham et al., 2004). Cunningham et al (2004) claimed that ICT use will valued by senior management in developing banks systems for administration and easing management tasks. Granville et al. (2005) found that staff of his selected banks believed that use of technologies had made administrative work easier with regard to accounts, attendance data, and the sharing of confidential information. In other words, banks management information systems increase effectiveness and efficiency by saving time and facilitating development of alternative solutions for sophisticated problems (Visscher& Wild, 1997; Pegler, 1992). Thus, their studies therefore concluded a positive relationship between the use of CFIS and the performance of the MFIs.

2.2.2. Effect of data storage and Financial Performance of Kaleli SACCO, Bukedea district.

The key components of effective financial management include: access to relevant data information, use of the stored information to enhance management standards and assurance that the information is accurate, relevant and secure (Barrett, 2004). Computerized data storage systems maintain and produce quality data (e.g, financial statements containing information about accounts and their balances) used by organizations to plan, evaluate, and diagnose operations and financial position (Peters et al, 2001). Therefore, the aim of the regulators should be to make a computerized accounting data storage system that offers maximum benefits at lowest possible cost to enhance financial reporting and organizational performance in general.

According to Goitom (2003), the better the quality of accounting data storage system the better data processed into accounting information and the greater the possibility for a business succeed and this is possibly because accounting can be viewed as an information

measurement and communication system to serve macro and micro-economic activities. Investment decisions made in a vacuum are gambles; useful decisions are made depending on useful information (Sserwanga, 2003). Sometimes decision makers may be fed with irrelevant and useless information than they can use, they may overlook information on serious problems at any time if data storage system is not reliable all the time thereby deteriorating the performance of the institution (Freeman, 2015).

A financial report that does not reflect economic reality will result in poor decision-making. It is therefore necessary for managers, the supervision authority and the government as controllers to appreciate the need for quality data storage systems to produce quality accounting information in order to minimize waste. The objective of computerized accounting is to provide information that is useful to making rational decisions. Usefulness is characterized by relevance and reliability. It should be noted that the restoration of financial discipline in banks through enhanced reporting standards and practices by basing on the stored data would be an important step leading to an improvements in the quality of performance (Temple, 2002).

It was noted further that quality data storage systems enhance reliable reporting which is a critical part of the performance by the management of financial institutions. Computerized data storage systems facilitate storage of the most relevant information which should not be accessed by all the employees through the use of passwords as this enhances confidentiality in the organization's communication with internal and external stakeholders thereby leading to better decision-making and ultimately improvement in the performance (Bisnow, 2004)

Anguka (2012) studied the impact of computerised financial information system management on the financial performance of banks in Ethiopia. His objectives were to determine the influence that the information system management practices have had on the financial performance of banks in Ethiopia and to establish the relationship between information system management and Banks performance. The study found that most banks had highly adopted CFIS to manage their financial and transaction information and also generate financial reports using these systems and as a result the CFIS use had a positive correlation to the financial performance of banks.

Zain, Atan, and Idrus (2004) investigated the impact of CFIS on management practices in commercial banks in Malaysia. Their analysis revealed some positive changes including the enrichment of ICT culture in banks, better accessibility to information, more efficient

administration, and a higher utilization of the institution's resources. Demir (2006) surveyed 38 bank managers in Turkey to explore their perceptions about MIS and their use in the banks' management. The study indicated that although technologic infrastructures of these banks were insufficient, MIS had an important contribution to banks management. Demir (2006) suggested that bank managers should be encouraged to use information systems and they must believe that data are valuable sources for decision making and that the MIS back up the implementation of banking reforms. These studies therefore showed a positive correlation between the CFIS use and the performance of the financial institutions such as MFIs.

Willton et al and Telem (2008) in their study on the computerization of the MFIs' financial information system define MIS as 'a management information system designed to match the structure, management task, instructional processes, and special needs of the institution'. O'Brien (1999) referred data storage system as 'a term given to the discipline focused on the integration of computer systems with the aims and objectives of an organization', as far as practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, prevention and detection of fraud and error, the accuracy and completeness of accounting and financial records.

CHAPTER THREE

METHODOLOGY

3.0 Introduction.

This chapter presents the different methods that were adopted in collecting and interpreting data related to the study by discussing choices related to: Research Design, study population, sampling strategies, data collection methods, instruments, data quality control, data analysis and procedure.

3.1 Research Design.

The study used a cross sectional design to measure differences between or from among a variety of people, subjects, or phenomena in order to generate conceptual, descriptive and facts about the study. The researcher also employed a correlation research design to describe the relationship between the study variables. As such, the researcher employed a relative passive approach to making causal inferences on the relationship between CFIS and the performance of MFIs during the study period, and other study issues. This research design gave a snapshot of the outcome and the characteristics associated with the study variables at a specific time.

3.2.0 Data type and sources.

The researcher collected both primary data and secondary data.

3.2.1 Primary Data.

Primary data is a source of data generated from respondents using questionnaires and interview guide to get opinions, views and suggestions of the respondents. The researcher used a questionnaire and an interview guide to collect data.

3.2.2 Secondary Data

Secondary data sources are kind of information that the research study will use which is already published in regard to the study topic. It included all written information from text books, internet, newspapers, reports, brochures and news prints, audio and visual information that is readily available on the study. The researcher collected the primary data from the KRS sampled employees, using structured questionnaires designed and administered by the

researcher himself. Secondary data was got from business journals, internet, media reports and KRS annual and financial reports.

3.3 Population of the study.

The population of the study involved 51 respondents of kaleli Sacco composed of the clients and staff members of the organisation. The category involved branch manager, branch accountant, credit supervisor, credit officers, tellers/bankers, customer care officer, support staff, security and the clients

3.4.0 Sample size and Selection of Respondents.

3.3 Sample size

The sample size of the study was determined according to Slovene's formula of sample determination. Under this, a target population of 51 but was zeroed down to a sample size of 45 respondents respectively as stated by Slovene's (1978). The Slovenes formula was used to determine the minimum sample size.

$$n = \frac{N}{1 + Ne^2} = \frac{51}{1 + 51(0.05)^2} = 45 \text{ Respondents.}$$

$$n = 45$$

With n=number of sample

 N=total population

 e=level of significance 0.05

Using the formula above, a sample of 45 respondents was obtained

Table 3.1 determining sample size from a given population

Category of respondents	Population	Sample size
Branch manager	01	01
Branch Accountant	01	01
Credit supervisor	01	01
Credit officers	03	02
Tellers/bankers	02	02
Customer care officer	01	01
Support staff	04	03
Security	03	03
Clients	35	31
Total	51	45

3.5 Sampling techniques

The researcher used simple random sampling techniques to select the clients. A list with names of clients was accessed from the Sacco and numbered. The numbers were put in a box and respondents' names/numbers picked without replacement. This method of sampling helped to generate unbiased data since every element had an equal chance of being picked and studied.

For the employees, the researcher used purposive sampling techniques, a method that requires the researcher to have pre-defined characteristics of the study population.

3.6 Data Collection Instruments.

The data for this research was obtained basically using the following research instruments and methods; Documentary review, use of Questionnaires and Interviews.

3.6.1 Documentary reviews.

Documentary review of the related literature involved a careful study of any material that contained information about the phenomenon being studied (Kendall and Buckland, 1960). Information was gathered from various financial statements which included the statement of comprehensive income, the balance sheet which showed the assets and liabilities of the bank and the asset register of the bank.

3.6.2 Questionnaires.

The researcher formulated questions that were included in the questionnaires that is to say close ended (Mbaga, 2000). The study employed both such a atype of questions with the view to give respondents chance to give their point of view

3.7 Reliability and Validity of the Instruments

Reliability

Reliability in qualitative research has reached little attention in the development of methods; in fact to raise issues about the reliability of another's research has been considered taboo as if it is an accusation of incompetence (Kirk and Miller, 1986). Typically, qualitative interviews are assumed reliable when the same individual collects and analyses the data, as it is the case with this research. In this study, reliability of the instruments was the degree of resistance, reliable instrument that were given the same score when many or several times to measure the same variable provided had changed for a given entity.

Validity

Validity in qualitative interviews is only achieved through the relaxed conservational approach when gathering information. In contrast to strict survey interviews in which interaction is sometimes restricted, qualitative interviewing allows opportunity for both parties to clarify what is being said. To establish validity, the designed instruments were availed to the supervisor for review and she gave an approval for administration in a pilot survey. The study employed content validity whereby the researcher specified the indicators which were relevant to the concept being measured. A representative sample of indicators was selected from the domain of indicators of the concepts of the study

variablesContent Validity Index(CVI) = the number of relevant questions.

Total number of questions

3.8 Data Analysis.

After editing and coding, the data was entered into MS EXCEL computer program for analysis. Data cleaning was carried out to ensure consistency of the responses after which the

regression and correlation to establish the stated study relationship was conducted. Tabulations of the study variables was made and the interpretation were given.

3. 9 Ethical consideration

The researcher was given an introductory letter from the Department of Economics and Management, Kampala international University and which he presented to the management of KRS.

For approval by the authorities at the sector; the researcher was given an acceptance letter then started administering the research tools in their organization.. He later distributed questionnaires to respondents. After 2 days, he collected filled questionnaires.

The researcher edited the data and entered it in the statistical package for social scientists (SPSS) and started data analysis. After he compiled the report.

3.10 Limitations of the study

The researcher might face a challenge of non-response by some respondents. Some respondents deliberately refused to answer the questionnaires because of their busy schedules.

Limited funds. The researcher was limited by finances to move in the field to collect data, typing and printing of questionnaires. But this was overcome by soliciting funds from friends and relatives to supplement the little financial resources the researcher had.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.0 Introduction

This chapter contains the presentation, analysis, and interpretation of results in line with the study objectives. The chapter presents; the descriptive statistics of the items under study. Statistical tools such as tables showing frequencies and percentages, and graphs were used to summarize findings from the survey. The presentation was guided by the research objectives and statistics were generated with the aim of generating responses for the research questions.

4.1 Respondent Characteristics

The characteristics of the respondents considered included; gender, age group, level of education, marital status and the time spent working with the organization. The analysis was as shown in tables and figures below.

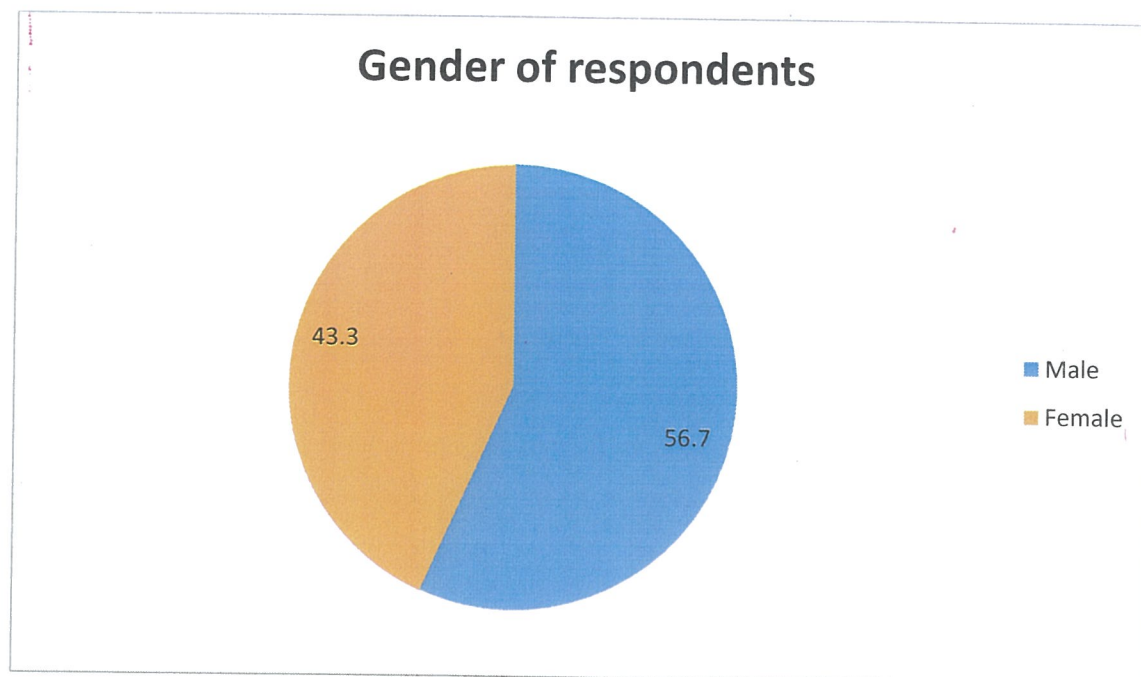
4.1.1 : Gender of respondents

Table 4.1: Gender of respondents

Gender	Frequency	Percentage
Male	26	56.7
Female	19	43.3
Total	45	100

Source: primary data, 2019

Figure 4.1: Pie chart showing gender of respondents



According to table 4.1 and figure 4.1 , the Gender – characteristics show that male respondents were the majority (26) constituting 56.7% in the sample as compared to their female counterparts who were(19) contributing 43.3 percent of the entire sample.

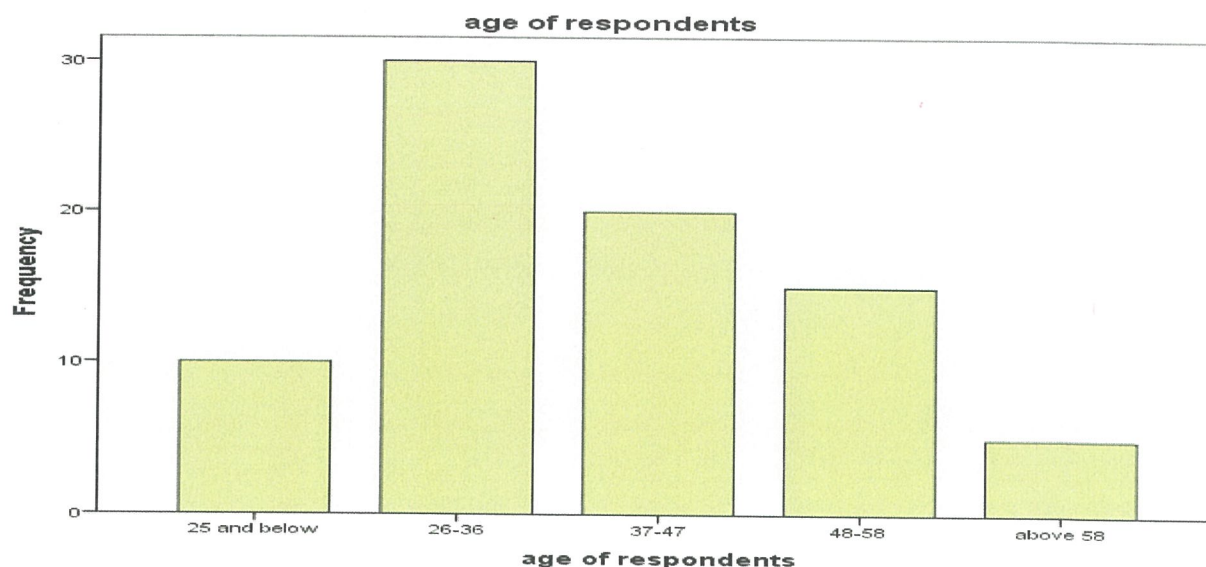
4.1.2 Age of respondents

Table 4.2: Age of respondents

Age of respondents	frequency	percentage
25 and below	6	12.5
26-36	17	37.5
37-47	11	25.0
48-58	8	18.8
Above 58	3	6.2
Total	45	100

Source:Primary data ,2019

Figure 4.2: Bar graph showing distribution of the age of the respondents



From table 4.2 and figure 4.2, it is evident that respondents within the range of 26-36 were many with a percentage of 37, followed by those of 37-47 with a percentage of 25, then those of 48-58 with a percentage of 18.8, followed by those below the age of 25 with percentage of 12.5 and lastly by those in the bracket of above 58 years with a percentage of 6.3.

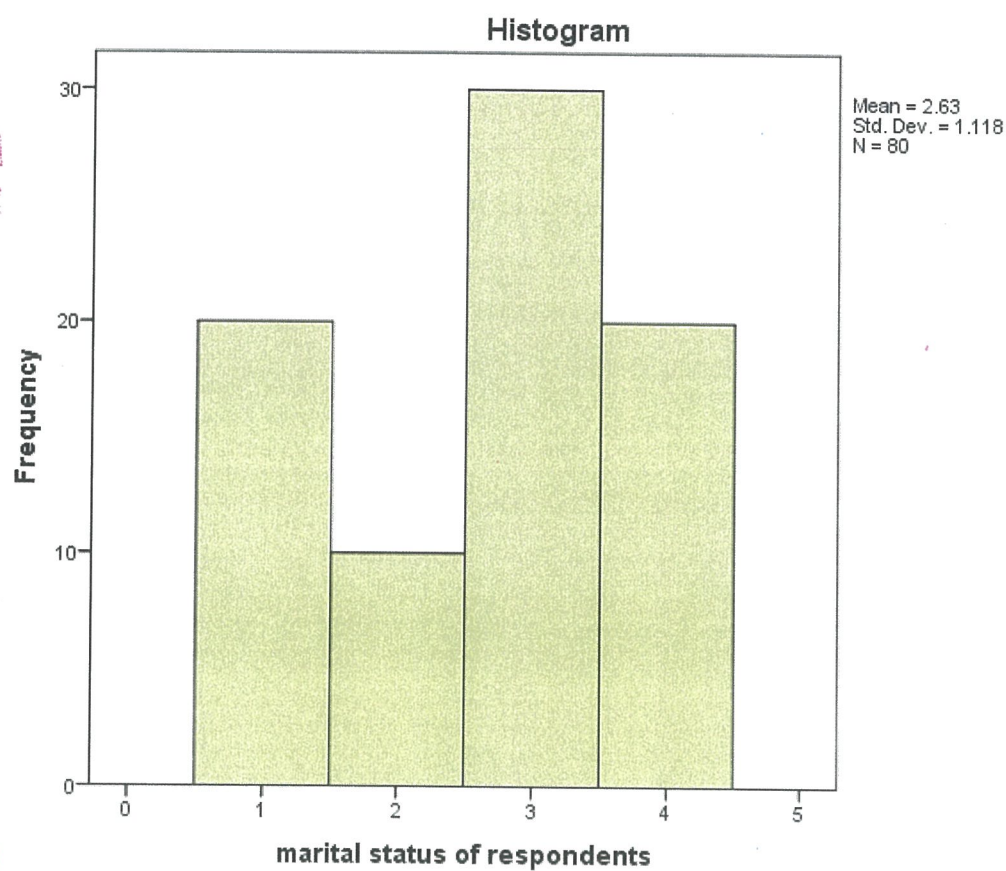
4.1.3 Marital status of Respondents

Table 4.3: Marital status of Respondents

Marital status	Frequency	Percentage
Single	11	25
Married	6	12.5
Widow	17	37.5
Separated	11	25
Total	45	100

Source primary data, 2019

Figure 4.3: Figure : Histogram showing marital status of the respondents



1 –single, 2- married 3- widow 4 -separated

From table 4.3 and figure 4.3, it was revealed that most of the respondents were the widowed with a frequency of 17 and a percentage of 37.5, followed by the single and the separated with a percentage of 25 and frequency of 11 each and lastly by the married with a frequency of 6 and a percentage of 12.5.

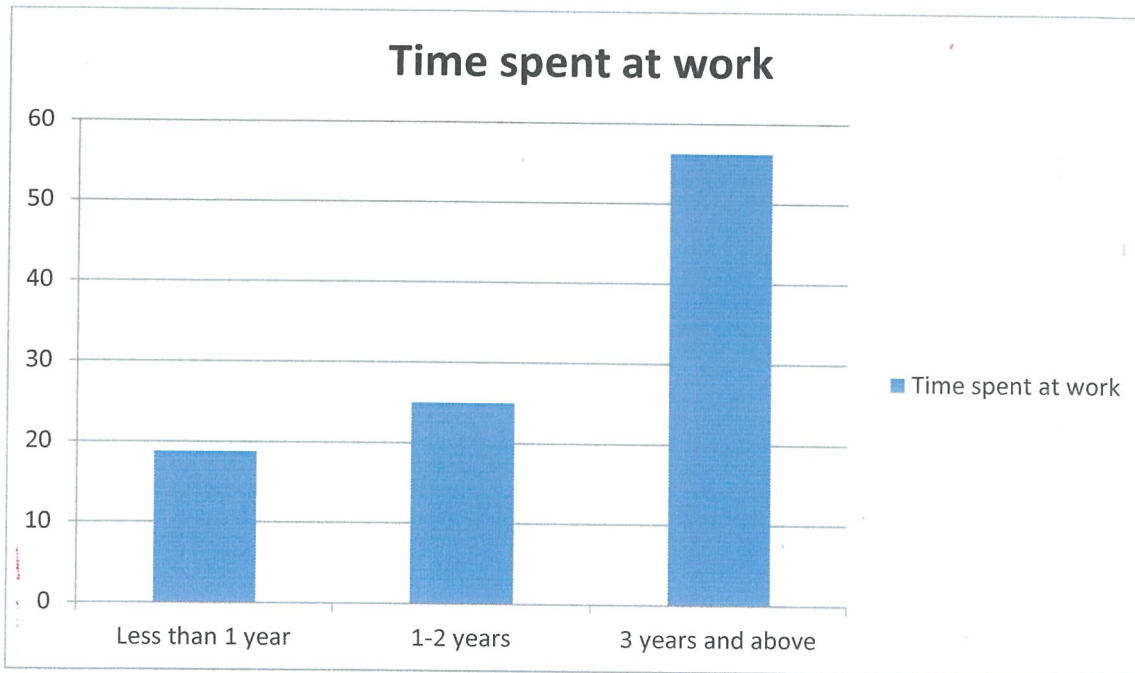
4.1.4: Respondent's time spent in at work

Table 4.4: Respondent's time spent in at work

Time spent at Work	Frequency	Percentage
Less than 1 year	8	18.8
1-2 years	11	25.0
3 years and above	26	56.2
Total	45	100

Source: Primary data, 2019

Figure 4.4: Respondent's time spent in at work



From the above figure4.4 and table 4.4 , it is evident that most of the respondents had spent more than 3 years working with the organization with a frequency of 26 and percentage of 56.2 followed by those between 1-2 years with a frequency of 11 and the percentage of 25 and lastly by those below one year with a frequency of 8 and a percentage of 18.8.

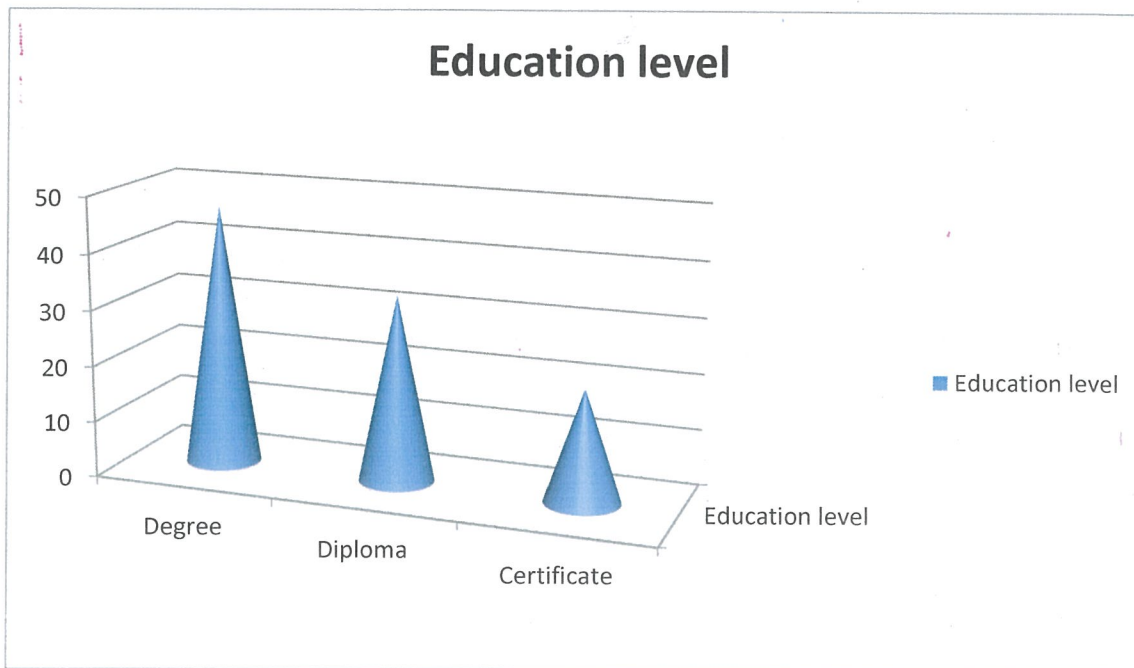
4.1.5 Education level of respondents

Table 4.5: Education level of respondents

Level of education	Frequency	Percentage
Degree	21	46.7
Diploma	15	33.3
Certificate	9	20
Total	45	100

Source: Primary data, 2019

Figure 4.5: Respondent's time spent in at work



From table 4.5 and figure 4.5 , it is evident that most of the respondents attained degree level with a frequency of 21 and percentage of 46.7, followed by those of diploma with a frequency of 15 and the percentage of 33.3, then by those of certificate with a frequency of 9 and a percentage of 20 and none of them had attained only primary and secondary as their highest level of education.

4.2: Effect of data processing and financial performance of microfinance institutions

Table 4.6: Distribution of the responses on the Effect data processing and financial performance of microfinance institutions

Statement	F	%	F	%	F	%	F	%	F	%	F	%
	SD		D		NS		A		SA			
Computerized data processing is utilized at this branch	5	11.1	6	15.5	8	16.7	13	27.8	13	28.9	45	100
Computerized data processing is user friendly	27	60	9	20	2	5	2	5	5	10	45	100
Computerized data processing methods note the performance of this branch					5	11.7	13	27.8	27	60.6	45	100
Computerized data processing is an advantage of computerized data processing system	8	18.8	7	16	9	20	8	16.7	13	27.8	45	100
Computerized data processing eases data compilation	7	15					18	40.6	20	44.4	45	100
Computerized data processing is more reliable	5	10	6	13.3			20	45.6	14	31.1	45	100
Computerized data processing improves the financial performance	1	2.2	2	3.9	5	10.6	26	59.4	11	23.9	45	100

Average index 3.87

Source: Primary data, 2019

SA – Strongly Agree, A – Agree, NS – Not Sure, D – Disagree SD – Strongly disagree

From table 4.6, the findings show that data processing improves on the financial performance of microfinance institutions by 77.4% basing from the average index of 3.87. This is from the fact that 26(56.7%) of the respondents agreed that data processing is computerized at this branch, 40(88.4%) agreed that computerized data processing methods promote the performance at this branch, 21(44.5%) of the respondents agreed that there is an advantage of using computerized data processing system, 38(85%) agreed that data processing eases report compilation, 34(76.7%) agreed that data processing is more reliable, 37(83.3%) agreed that Computerized data processing improves the financial performance whereas 36(80%) revealed that Computerized data processing is not user friendly.

4.3 Effect of Computerized accounting software and financial performance of microfinance institutions

Table 4.7: Distribution of the responses on the Effect of Computerized accounting software and financial performance of microfinance institutions

Statement	F	%	F	%	F	%	F	%	F	%	F	%
	SD		D		NS		A		SA			
bank uses various accounting software	22	50	9	20	7	15	2	5	5	10	45	100
Accounting software is used for data manipulation	5	10	2	5	5	10	23	52	10	23	45	100
Accounting software improves financial reporting			3	7.5	3	7.5	27	60	12	25	45	100
bank usually handles the software	4	10	4	10	7	15	17	37	13	28	45	100
Accounting software produces accurate results	2	5	2	5	2	5	5	10	34	75	45	100
Accounting software eases the mode of compiling accounting			5	10	5	10	20	45	15	35	45	100

nation												
software generally otes the performance nk	7	15.8	5	10			15	35	18	39.2	45	100
age index 4.19												

Source: Primary data 2019

SA – Strongly Agree, A – Agree , NS – Not Sure, D – Disagree SD – Strongly disagree

Table 4.7 shows that computerized accounting software improves the financial performance of microfinance institutions by 67% basing from the average index of 4.19. This is from the fact that,(33)75% of the respondents agreed that accounting software is safe for data manipulation, 39(85%) agreed that Accounting software makes financial reporting easy, 30(65%) agreed that the bank usually upgrades the software ,39(85%) agreed that Software produces accurate results, 35(80%) agreed that Software eases the mode of compiling accounting information and also 33(74.2%) agreed that The software generally promotes the performance of bank whereas 31(70%) of the respondents rejected the statement that the bank uses various accounting software.

4.4 Effect of Data storage on the financial performance of microfinance institutions

Table 4.8: Data storage and financial performance of microfinance institutions

Statement	F	%	F	%	F	%	F	%	F	%	F	%
	SD		D		NS		A		SA			
Stored data is stored in a secure system	20	44.4	18	40			5	10	2	5.6	45	100
Stored data is easy for future analysis			3	7.2			28	62	14	30.8	45	100
Computerized data storage system aids in making decisions	9	20	4	8.4			22	50	10	21.6	45	100
Stored data makes financial reporting easy	4	9.8	5	10			23	50.2	13	30	45	100
Data storage enables tracking to ensure accountability	5	10	3	6.6			18	40.4	19	43	45	100
Stored data helps in managing customers for loan recovery	5	11	2	5.4			23	50.6	15	33	45	100
Stored data ensures transparency in the use of funds by all the management	4	9					18	40	23	51	45	100
Average index 4.36												

SA – Strongly Agree, A – Agree, NS – Not Sure, D – Disagree SD – Strongly disagree

The findings of the study in table 4.8 show that data storage improves the performance of microfinance institutions by 87.2% basing from the average index of 4.36. This is from the fact that 42(92.8%) of the respondents agreed that the stored data is easy for future

analysis,32 (71.6%) agreed that Computerized data storage system aids decision making,36 (80.2%) agreed that Stored data makes financial reporting easy,37(83.4%) agreed that data storage enables profit tracking to ensure profitability,38(83.6%) agreed that Stored data helps in tracking customers for easy loan recovery, 41 (91%) agreed that Stored data ensures transparency in the use of funds by all the management, whereas 28(84.4%) of the respondents revealed that not all the data is stored in the system.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the discussions, conclusions, and recommendations drawn from the study findings of the previous chapter.

5.1.1 Effect of data processing and financial performance of microfinance institutions

The findings of the study show that data processing improves on the financial performance of microfinance institutions by 77.4% basing from the average index of 3.87. This is from the fact that 26(56.7%) of the respondents agreed that data processing is computerized at this branch, 40(88.4%) agreed that computerized data processing methods promote the performance at this branch, 21(44.5%) of the respondents agreed that there is an advantage of using computerized data processing system, 38(85%) agreed that data processing eases report compilation, 34(76.7%) agreed that data processing is more reliable, 37(83.3%) agreed that Computerized data processing improves the financial performance whereas 36(80%) revealed that Computerized data processing is not user friendly.

5.1.2 Effect of Computerized accounting software on the financial performance of microfinance institutions

The findings of the study show that computerized accounting software improves the financial performance of microfinance institutions by 67% basing from the average index of 4.19. This is from the fact that, (33)75% of the respondents agreed that accounting software is safe for data manipulation, 39(85%) agreed that Accounting software makes financial reporting easy, 30(65%) agreed that the bank usually upgrades the software, 39(85%) agreed that Software produces accurate results, 35(80%) agreed that Software eases the mode of compiling accounting information and also 33(74.2%) agreed that The software generally promotes the performance of bank whereas 31(70%) of the respondents rejected the statement that the institution uses various accounting software.

5.1.3 Effect of Data storage on the financial performance of microfinance institutions

The findings of the study in table 4.8 show that data storage improves the performance of microfinance institutions by 87.2% basing from the average index of 4.36. This is from the fact that 42(92.8%) of the respondents agreed that the stored data is easy for future analysis, 32 (71.6%) agreed that Computerized data storage system aids decision making, 36 (80.2%) agreed that Stored data makes financial reporting easy, 37(83.4%) agreed that data storage enables profit tracking to ensure profitability, 38(83.6%) agreed that Stored data helps in tracking customers for easy loan recovery, 41 (91%) agreed that Stored data ensures transparency in the use of funds by all the management, whereas 28(84.4%) of the respondents revealed that not all the data is stored in the system.

5.2 Conclusion to the study

5.2.1 Effect of data processing on the financial performance of microfinance institutions

The findings of the study revealed that data processing improves on the financial performance of microfinance institutions by 77.4% basing from the average index of 3.87 and it was further evidenced by the respondents agreeing to most of the statements that were used to measure this objective except that 80% of the respondents revealed that computerized data processing is not User friendly.

5.2.2 Effect of Computerized accounting software on the financial performance of microfinance institutions

The findings of the study show that computerized accounting software improves the financial performance of microfinance institutions by 83.8% basing from the average index of 4.19 and 70% of the respondents rejected the statement that the institution uses various accounting software.

5.2.3 Effect of Data storage on the financial performance of microfinance institutions

The findings of the study in table 4.8 show that data storage improves the performance of microfinance institutions by 87.2% basing from the average index of 4.36. The study further revealed that not all the data is stored in the system as this was evidenced by 84.4% of the respondents who revealed that not all the data is stored in the system.

5.3 Recommendations

5.3.1 Effect of data processing on the financial performance of microfinance institutions.

The institution should adopt computerized data processing systems that are user friendly as 80% of the respondents revealed that computerized data processing is not User friendly.

5.3.2 Effect of Computerized accounting software on the financial performance of microfinance institutions

The institution should use various accounting software as 70% of the respondents rejected the statement that the institution uses various accounting software. Using various software enables workers to choose the one they are convenient with for proper performance.

5.3.3 Effect of Data storage on the financial performance of microfinance institutions

The management should ensure that all the data is stored in the system as it improves the financial performance by 87.2% since 84.4% of the respondents revealed that not all the data is stored in the system.

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APPENDIX 1: (RESEARCH QUESTIONNAIRE)
QUESTIONNAIRE ON COMPUTERISED FINANCIAL INFORMATION SYSTEM
AND FINANCIAL PERFORMANCE OF MICROFINANCE INSTITUTIONS

Dear respondent,

I am Obore Benard a final year student at Kampala International University conducting a purely academic study as a partial requirement that leads to the award of the degree of Bachelor of Business Administration.

The research is about the stated topic above. The answers provided will be treated with utmost confidentiality and only for academic purposes. I therefore kindly request you to respond appropriately to the following questions.

Thank you.

SECTION A: PERSONAL BIODATA

1. Gender

(a) Male ☐ (b) Female ☐

2. Age

(a) 25 and below ☐ (b) 26-36 ☐
(c) 37-47 ☐ (d) 48-58 ☐ (e) Above 58 ☐

3. Marital Status

Single ☐ Married ☐ Widow ☐ Separated ☐

4. How long have you been running your business?

(a) Below 1 year ☐ (b) 1-2 years ☐ (d) above 3 years ☐

5. Educational level

(c) Certificate ☐ (b) Diploma ☐ (C) Degree ☐

SECTION B: data processing and performance of the organization

SA – Strongly Agree, A – Agree , NS – Not Sure, D – Disagree SD – Strongly disagree

o	Statement	SD	D	NS	A	SA
	Data processing is computerized at this branch					
	There is an advantage of using computerized data processing system					
	Computerized data processing methods promote the performance					
	Computerized data processing is user friendly					
	Data processing eases report compilation					
	Data processing is more reliable					
	Computerized data processing improves the financial performance					

SECTION C: Computerized accounting software and organizational performance

In the table below, the respondent is required to tick any one option for each statement:

Apply a tick where applicable using the following key.

SA – Strongly Agree, A – Agree, NS – Not Sure, D – Disagree SD – Strongly

Disagree

o	Statement	SD	D	NS	A	SA
	The bank uses various accounting software					
	Accounting software is safe for data manipulation					
	Accounting software makes financial reporting easy					
	The Institution usually upgrades the software					
	Software produces accurate results					
	Software eases the mode of compiling accounting information					
	The software generally promotes the performance of bank					

Section D: Data storage and performance of the organization

In the table below, the respondent is required to tick any one option for each statement:

Apply a tick where applicable using the following key.

SA – Strongly Agree, A – Agree, NS – Not Sure, D – Disagree SD – Strongly disagree
disagree

o	Statement	SD	D	NS	A	SA
	All the Data is stored in the system					
	The stored data is easy for future analysis					
	Computerized data storage system aids decision making					
	Stored data makes financial reporting easy					
	Data storage enables profit tracking to ensure profitability					
	Stored data helps in tracking customers for easy loan recovery					
	Stored data ensures transparency in the use of funds by all the management					

Thank you for your time.



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*

**COLLEGE OF ECONOMICS AND MANAGEMENT
DEPARTMENT OF ACCOUNTING AND FINANCE**

28th/08/2019

To whom it may concern

Dear Sir/Madam,

RE: INTRODUCTORY LETTER FOR OBORE BENARD 1163-05014-06377

This is to introduce to you the above named student, who is a bonafide student of Kampala International University pursuing a Bachelor's Degree in Business Administration Accounting and Finance, Third year Second semester.

The purpose of this letter is to request you avail him with all the necessary assistance regarding his research.

**TOPIC: - THE EFFECT OF COMPUTERIZED FINANCIAL
INFORMATION SYSTEMS ON THE FINANCIAL
PERFORMANCE OF MICROFINANCE INSTITUTIONS**

CASE STUDY: - KALELI SACCO BUKEDDEA DISTRICT

Any information shared with him from your organization shall be treated with utmost confidentiality.

We shall be grateful for your positive response.

Yours truly

DR. JOSEPH B. K. KIRABO
HOD – ACCOUNTING AND FINANCE
0772323344



KALELI SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED

P.o. Box 717 Mbale

Email; kalelisaccos@gmail.com

Tel. 0782876724

Dear sir/ madam,

RE: OBORE BENARD 1163-05014-06377.

This serves to inform you that the above student mentioned above carried on his research study on the

EFFECTS OF COMPUTERIZED FINANCIAL INFORMATION SYSTEMS ON THE FINANCIAL PERFORMANCE OF MICROFINANCE INSTITUTIONS IN BUKEDEA DISTRICT. A CASE STUDY OF KALELI SACCO, for a period of one week.

It is upon this said background that, we do ascertain his presence and the information concerning his research was fully availed to him.

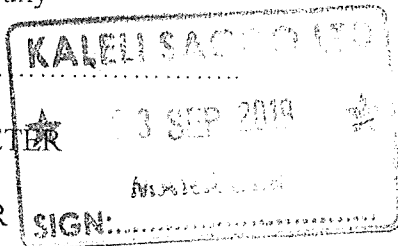
Thanks,

Yours faithfully

.....
OKIRIA PETER

OKIRIA PETER

MANAGER



Tel. 0782876724