

**THE ROLE OF COMPUTERISED ACCOUNTING SYSTEMS ON EFFECTIVE
FINANCIAL REPORTING; A CASE OF STANBIC BANK**

UAGANDA AT THE HEADQUARTTERS.

BY

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**A DESSERTATION SUBMITTED TO THE COLLEGE OF ECONOMICS AND
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DECLARATION.

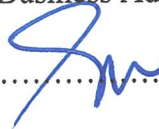
I declare that this research report is a result of my own investigation and it has never been submitted to any other institution for any award.

Signature*Kizza*.....Date*02/10/2019*.....

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APPROVAL

I certify that the candidate was under my supervision. This work was submitted with my approval as a supervisor for the partial fulfillment of the requirements for the award of a bachelors' degree in Business Administration of Kampala International University.

Signature  Date..... 02.10.2019

MR. ABAS RUTARO

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May the Almighty God reward them abundantly

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ABSTRACT.

The topic of the research study was the role of computerized accounting systems on effective financial reporting; a case of Stanbic Bank Uganda at the headquarters. Out of the 45 questionnaires that were distributed, 40 were brought back. A cross-sectional study design for quantitative and qualitative analysis was used on 40 respondents that brought back the questionnaires. Data was collected by use of a self-administered questionnaire, and interview guide. Quantitative data was analysed at univariate level basing on the mean and frequencies, percentages, bivariate level using correlation coefficient with the help of Statistical Package for Social Sciences 17.0 (SPSS). Qualitative data was analysed by content analysis by composing explanations and substantiating them using the respondents open responses.

The researcher found out that timely release of financial reports generates good decision making at Stanbic Bank and that there is improvement in business performance due to computerization of the accounting system. The researcher further found out that Stanbic Bank largely relies on accurate record keeping to promote efficiency. This implied that computerized accounting strongly helps to eliminate unnecessary errors hence leading to increased efficiency at Stanbic Bank. He further found that Computerized accounting involves the use of computers to handle large volume of data with speed, efficiency and accuracy aimed at overcoming the fundamental errors,

The researcher concluded that there is a strong significant positive relationship between computerized accounting systems and effective financial reporting at Stanbic Bank as indicated by spearman correlation coefficient as 0.669 and correlation was significant at 0.05(2-tailed). This implied that with proper computerized accounting system, effective financial reporting is guaranteed at Stanbic Bank which. Therefore the researcher recommended Stanbic Bank to embark on training its employees on the efficient usage of computerized accounting system to promote increased productivity.

CHAPTER ONE

INTRODUCTION

1.0. Introduction

This study sought to assess the impact of computerized accounting systems on financial reporting in the Banking Industry of Uganda. The chapter presented the background of the study, statement of problem, objectives of the study, research questions, and the significance of the study.

1.1 Background to the Study

Technology has existed almost at every stage of human existence but being reflected differently at each stage (Haigh, 2011). The use of computer technology has made a tremendous global impact in all sectors of life and has made a huge transformation particularly in the way of doing business both within and across countries. Since 1950's when information storage and processing using computers started, it became easier and quicker to handle massive data and produce more accurate and timely reports (Kharuddin et al., 2010). Since then, most organizations have been changing their ways of transacting business to increase their levels of profitability (Elliot, 1992; Porter, 1980; Fisher et al., 2000).

The evolution of computer technology has completely transformed accounting systems, and studies have shown that financial outcome of a firm will always depend on how much one invests and improves the accounting information system being used (Imeokparia, 2013). In the area of accounting and finance, the use of hand in financial reporting has been replaced by the use of computer softwares to enable quick reporting and easy processing and storage of financial information, hence due to facilitation of accounting softwares, preparation and access of financial statements and use of accounting procedures has been made easy (Kharuddin et al., 2010). In the current business world, failure to use computer software almost implies that financial information may not be accurate, delays in financial reporting, and that financial information may not be stored for a long time.

Financial reporting information that is useful to present or potential investors, creditor and other users in assessing the amount timing and uncertainties of prospective net cash inflow to the related enterprise or organization (William 1998)

Financial reports can be described as a comprehensive summary of a firm's financial data over a period of time, such as a month, three month, a year or even the life of the business

(Everand 1998). There are different types of financial reporting which includes the statement of financial position which indicates the financial position of the firm. The statement of affairs of business of a particular moment of time, statement of comprehensive income which explains what happened to a business as a result of operations.

In Uganda, before the introduction of computerized system of accounting, the manual systems were inaccurate and inconsistent for many organization needs especially reporting of financial information. This is because the system was associated with errors since data was collected, analyzed, journalized and a trial balance and balance sheet prepared (Meigs, 1986).

Though most organization have not being doing well in financial reporting and accounting records, reports from a comparative survey conducted by Indira (2008) Uganda inclusive indicate that firms have greatly improved on the ways of reporting their financial statements. Computerized accounting system is defined as the application of the computer based software used to input, process, store, and output accounting information. This application is in support of the ever advancing technology that enables firms to use computer programs to perform tasks that were previously done manually.

It is noted that business accounting records cannot be accurately maintained when the firm expands and when the system is not computerized it is the computer based system that the firm can use to post numerous transaction to the right ledgers and prepare proper financial statements. However many organizations are not enjoying the benefit of computerization of accounting system as they have continued to be inaccurate due to increased number of interruptions due to system failure or breakdown and untimeliness with its reliability left in question(as per European Union Audit Report by National Audit Organization 6 may 2003)

According to Pandey(1998), Financial reporting to the company's stakeholders for instance the government, public, donors is a statutory obligation for every organization. Saleemi (1981) defined financial reporting as the process of supplying financial information which is reliable, accurate and complete to the various stakeholders for making economic decisions. This is always inform of financial statements such as statement of comprehensive income, statement of financial position and cash flow statement and other financial annually reports which provide an overview of the company's current financial

1.2 Problem Statement

Since the 1950s, when technology started to be applied in business (Otieno and Oima,2013), most developing countries have moved away from the use of a pen and a paper and started to adapt to the use of accounting soft wares to facilitate generation of quality, quick and accurate financial reports. However many organizations especially financial institutions like banks are not enjoying the benefit of computerization of accounting system as they have continued to be inaccurate due to increased number of interruptions due to system failure or breakdown and untimeliness with its reliability left in question(as per European Union Audit Report by National Audit Organization 6 may 2003). Therefore this research study will seek to establish the role of computerized accounting systems on effective financial reporting at Stanbic Bank Uganda headquarters.

1.3 Objectives of the Study.

1.3.1 General objective

To determine the relationship between computerized accounting systems and financial reporting at Stannic Bank-Uganda at the Headquarters.

1.3.2 Specific Objectives of the Study.

- (i) To determine the role of Computerized Accounting System on Efficiency in financial reporting at Stanbic Bank-Uganda.
- (ii) To determine the role of Computerized Accounting System on Accuracy in financial reporting at Stanbic Bank-Uganda.
- (iii) To establish the role of Computerized Accounting System on Reliability in financial reporting at Stanbic Bank-Uganda.

1.4 Research Questions.

- (i) What is the role of Computerized Accounting System on Efficiency in financial reporting at Stanbic Bank-Uganda?
- (ii) What is the role of Computerized Accounting System on Accuracy in financial reporting at Stanbic Bank Uganda?
- (iii) What is the role of Computerized Accounting System on Reliability in financial reporting at Stanbic Bank-Uganda?

1.5 Hypotheses

H0₁: There is no relationship between Computerized Accounting System on efficiency in financial reporting at Stanbic Bank-Uganda

H0₂: There is no relationship between Computerized Accounting System on Accuracy in financial reporting at Stanbic Bank Uganda in Kampala.

H0₃: There is no relationship between Computerized Accounting System on Reliability in financial reporting at Stanbic Bank headquarters in Kampala.

1.6 Scope of the Study

1.6.1 Subject Scope

The scope of the study was confined on impact of computerized accounting on financial reporting at Stanbic Bank headquarters in Kampala..

1.6.2 Geographical Scope

The researcher carried out this research at Stanbic Bank Uganda headquarters, this is located in Kampala city in Uganda.

1.6.3 Time Scope

The study covered a period of between 2006-2019

1.7 Significance of the study

The study helped management of different organizations in determining what best accounting soft wares to adopt in order to improve on performance of the firms.

This research study helped the management to understand the significance of preparing quality and reliable financial reports.

The study helped the researcher to gain skills in conducting research for instance, interviewing which widened the knowledge and improved his career.

This research is to be used as a future career and done as a business in order to earn some income to the researcher.

To scholars and academicians, the study extends existing knowledge and provide new knowledge about computerized accounting system and effective financial reporting. This will help them as a point of reference to develop further knowledge on this topic.

1.8 Definition Key terms.

1.8.1 Computerized Accounting System.

According Nash and Hearly (2003); a computerized accounting system is a delivery system of accounting information for purpose such as providing reliable accounting information to users.

1.8.2 Accounting Data Processing

According to Turner and Weickgenannt (2013), accounting data processing involve calculations, classification, summarization, and consolidation.

1.8.3 Accounting Data Storage

Reed (2010) defined record retrieval as a system of removing records from their storage places.

1.8.4 Financial Reporting.

According to Van (2005) defines financial reporting as the process of presenting financial information or data about a company's financial position, operating performance and its flow of funds for an accounting period.

1.8.5 Reliability.

This according to the American Statement of Concepts is defined as the quality of information that assures that information is reasonably free from error and bias and faithfully represents what it purports to represent.

1.8.6 Accuracy

Hongjiang Xu, (2003) defines accuracy is that qualitative characteristic which occurs when the recorded value is in conformity with the actual value

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section of literature review focused on subject matter of computerized accounting in relation to effective financial reporting. The literature was presented in order of the stipulated objectives of the study.

2.1 Theoretical Review

2.1.1 Positive Accounting Theory

Positive accounting theory was developed by Watts and Zimmerman in 1978 and 1986 which seek to predict and explain why managers elect to adopt particular accounting methods in preference to others. Positive theories are concerned with explanation and prediction (what does/ will happen) and are grounded in empirical data (Ryan et al, 2002). Since they are grounded in empirical data, they appear to offer accounting researchers the prospects, the validity of Johnson and Kaplan's (Relevance Lost) criticisms of management accounting practice. This form of research draws on a wide range of theoretical frameworks to address financial management accounting issues. Different research methods and methodologies are not viewed as competing but are rather used together to provide a variety of insights into a wide range of management accounting research questions (Ryan et al 2002).

2.1.2 Resource-Based View Theory

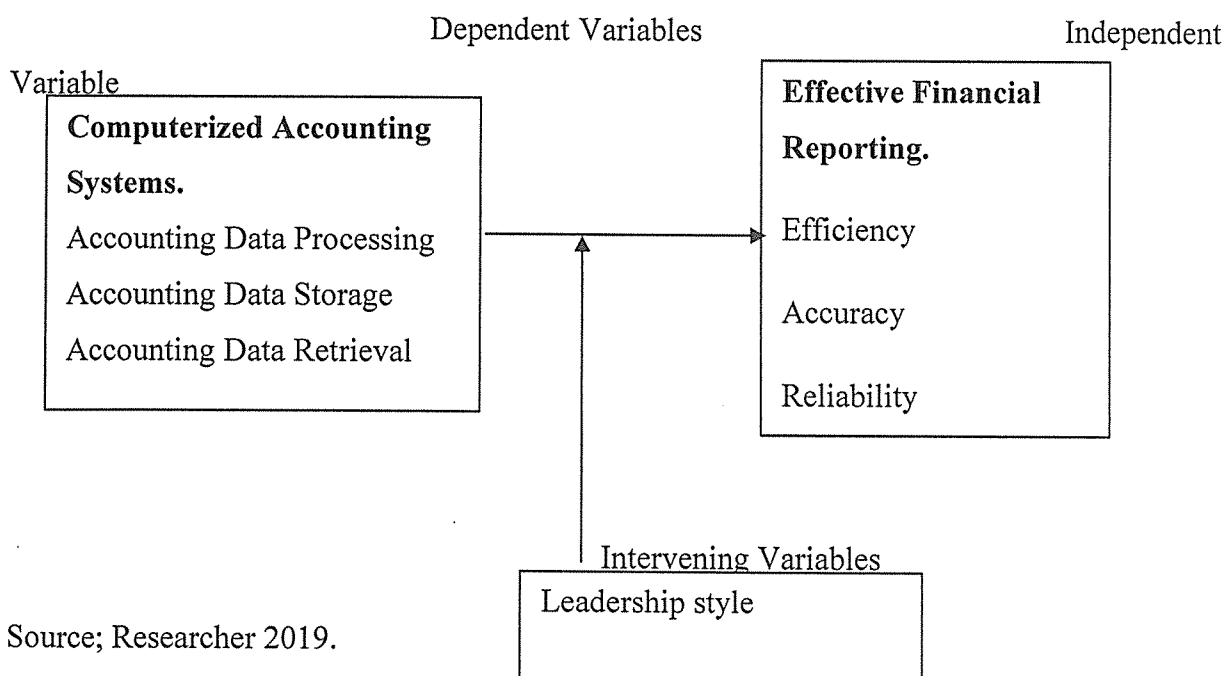
The origin of RBV can be traced back to earlier research, Barney (1991) developed the strategic factor markets and the role of expectations can be seen within resource based framework, Barneys framework proved a solid foundation upon which others might build up, the current dominant view of business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

The resource-based view (RBV) offers critical and fundamental insights into why firms with valuable, rare, inimitable, and well organized resources may enjoy superior performance (Barney, 1995). Building on the RBV, Hoopes, Madsen and Walker (2003) suggest a more expansive discussion of sustained differences among firms and develop a broad theory of competitive heterogeneity. The Resource Based View's lack of clarity regarding its core premise and its lack of any clear boundary impedes fruitful debate. Given the theory's lack of

specificity, one can invoke the definition based or hypothesis-based logic. We can also argue that resources are but one potential source of competitive heterogeneity. Competitive heterogeneity can obtain for reasons other than sticky resources (or capabilities) (Hoopes et al. 2003). Competitive heterogeneity refers to enduring and systematic performance differences among close competitors. The theory is relevant to this study because NGOs need to competitive in their performance in order to achieve their objectives, mission and vision.

2.2 Conceptual frame work

As McGaghie *et al.* (2001) put it: The conceptual framework “sets the stage” for the presentation of the particular research question that drives the investigation being reported based on the problem statement. The problem statement of a thesis presents the context and the issues that caused the researcher to conduct the study. Therefore Figure 2.1 below shows diagrammatic relationship between computerized accounting Systems and effective financial reporting of financial institutions in Uganda. Computerized accounting systems which is the independent variable will be looked at o how it affects the dependent variables. The dependent variable which is effective financial reporting of financial institutions will be looked at in terms of Efficiency, accuracy and reliability of activities. Therefore the study will seek to establish the relationship between computerized accounting systems and effective financial reporting at Stanbic Bank Uganda at the headquarters in Kampala as illustrated in the diagram below.



Source; Researcher 2019.

2.2.1 Accounting Data Processing.

According to Turner and Weickgenannt (2013), Processing accounting data involve calculations, classification, summarization, and consolidation. In manual accounting systems, this processing occurs through the established manual methods and the recording, posting, and closing steps in the journals and ledgers. Automated processing can be accomplished by batch processing or online and real-time processing.

Computerized accounting involves the use of computers to handle large volume of data with speed, efficiency and accuracy aimed at overcoming the fundamental however, does not mean change in principle, the principle of accounting remains the limitations of manual accounting and hence producing quality and reliable work same with day books ledgers double entry only that the accounting processing is done by computer packages (ACCA, 2007).

A computerized accounting system is a delivery system of accounting information for purpose such as providing reliable accounting information to users (Nash and Hearly, 2003). Computerization of system can certainly help in minimizing some errors when preparing accounting records (Mike et al, 2006).

Other view adds that computerized systems are advantageous in consolidating information channels meaning that files which had previously been duplicated by several departments are now consolidated into a single file (Mc Rae, 1998). A computerized accounting system is a system that uses computers to input, process, store and output accounting information in form of financial reports. It records all transactions that routinely deal with the events that affect the financial position and performance of the entity.

2.2.2 Accounting Data Storage.

Accounting data storage is the part of the accounting system that keeps data accessible to the information processors. Crane (1997) defined data storage as the housing of records when whether semi-active or inactive, must still be retained. Crane also pointed out that records should be stored in a well-built records centre, the archives, commercial storage and the basement.

According to Dalci and Tanis (2015), after the data are collected and entered into computers, they are processed. The most common data processing activity is data maintenance. Data

maintenance is the processing of transactions to update stored data. In addition to the external data entered into the information system, there should be internally stored data used for processing.

2.2.3 Accounting Data Retrieval

Reed (2010) defined record retrieval as a system of removing records from their storage places. Reed stated that file arrangement should support the retrieval of records by either arranging them numerically or alphabetically so as to ease retrieval. Reed further explained that retrieval should be done by authorized personnel in a record centre. He explained that accounting record documents should be arranged to ensure that files containing restricted information are accessible only to authorized personnel and officials.

2.3 financial reporting

According to Everand (1998), Financial reporting is a comprehensive summary of a firm's financial data over a period of time, such as a month, three month, a year or even the life of the business.

Van (2005) defines financial reporting as the process of presenting financial information or data about a company's financial position, operating performance and its flow of funds for an accounting period.

According to Frank Wood (1999), financial reporting is all about presenting useful information to users so that proper decisions can be made. His implication about financial reporting is that financial information should aid in the evaluation of amounts, timing and uncertainties of cash flows. Also financial reporting should furnish information about the entity's economic resources, claims against those resources, owners' equity and changes in the resources and claims.

Indira (2008), emphasized that financial reports should provide information about financial performance during a period management discharge it's stewardship responsibility to owners. It should likewise be useful to managers and directors themselves in making decisions on behalf of the owners.

He argues that accounting information is very necessary if decisions are to be made accurately and rationally by the various interested parties or users of financial information. These are broadly classified into external and internal users. Where internal users include

management and employees while the external users include donors, shareholders, creditors, government, competitors and general public.

According to Carl's et al (1999) the quality of financial reports depends on the intended users of the information and should be evaluated with respect to the needs of the users.

Federation of Accounting Standards Board (FASB) defined quality as a hierarchy of accounting qualities with relevance and reliability considered as the primary characteristics while representing faithfulness, verifiability, neutrality, comparability, consistency and understandability considered as secondary characteristics.

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

According to Turner (2000), neutrality is the demand that accounting information should not be selected to benefit one class and neglect to other. Reliable information is verifiable, neutral and has representative faithfulness.

Relevance is also a very important characteristic of quality. Frankwood indicates that financial information is relevant if it is capable of making a difference in decisions made by helping users to form predictions about the outcomes of the past, present and future events either to confirm or correct prior expectations.

Comparability is another characteristic of quality information. Frankwood (1999) also stresses that users must be able to compare the financial statements of the enterprise over time in order to identify trends in its financial position and performance.

According to Indira (2008), timeliness is also another important characteristic of quality financial information. This arises as a result of perishability of accounting information. To benefit users, financial information must be presented at the right time otherwise it loses relevance.

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

International Accounting Standards Board adds that information should not be excluded on grounds that it may be difficult for certain users to understand.

2.3.1 Efficiency

Marshall and Romney (2015) alleged that developing an internal control system requires a thorough understanding of information technology (IT) capabilities and risks as well as how to use IT to achieve an organizational control objectives. Accountant and systems developers help management achieve their control objectives by (1) designing effective control systems that take a proactive approach to eliminating systems and detect, correct, and recover from threats when they occur. (2) making it easier to build controls into systems at the initial design stage than to add them after the facts.

Toposh K. (2014) asserted that other qualitative characteristics of accounting information can also be maintained if there is sound internal control system in an organization. Internal controls are procedures set up to protect assets, ensure reliable accounting reports, promote efficiency and encourage adherence to company policies. Internal controls are essential to achieve some objectives like efficient and orderly conduct of accounting transactions, safeguarding the assets in adherence to management policy, prevention of error and detection of error, prevention of fraud and detection of fraud and ensuring accuracy, completeness, reliability and timely preparation of accounting data. If good internal control exists in any organization, management can use information with greater reliance to maintain their business activities properly which provide AIS. But if internal control is not strong, management cannot achieve its goal. The study by Topash (2014) also found that the following criteria or indicators are supposed to be present in any accounting information system for it to be efficient in any organization which is, cost effectiveness, good documentation, existence of proper security measures, independent internal and external audit, separation of other operation from accounting, and effective internal control.

2.3.2 Accuracy

Traditionally, data quality has often been described from the perspective of accuracy. Accuracy is that qualitative characteristic which occurs when the recorded value is in conformity with the actual value (Hongjiang Xu, 2013). Accuracy is also defined in terms of the frequency, size, and distribution of errors in data (Wang, Storey & Firth 2015). Information relating to an entity is accurate if all data to that entity have been reflected in its records. The more accurate the information is the higher the quality and the more securely

managers can rely on it in making decisions (Stoner et al, 2015). Inaccurate and incomplete data may adversely affect the competitive success of an organization (Redman 2012). Indeed, poor quality information can have significant social and business impacts. For example, errors in an inventory database may cause managers to make decisions that generate overstock or under-stock conditions (Bowen 2013). Through accurate accounting information is vital, economic decisions are made more efficiently by individual investors and firm managers on how to channel resources to their best and highest use (Gene Steuerle, 2014). The misuse and inaccuracy of accounting information causes many firms to inaccurately assess their financial situation, and make poor financial decisions, as well as leads them to face with the high failure rate (Byron & Friedlob 2014).

2.3.3 Reliability.

Reliable information is described as corresponding to underlying transactions, as well as being verifiable and neutral (ICANZ, 2001). It is also defined by the American Statement of Concepts as —the quality of information that assures that information is reasonably free from error and bias and faithfully represents what it purports to represent (FASB, 2004, p. 39). (Agmon and Ahituv, 1987) presented three measures of reliability including internal reliability (the —commonly accepted characteristics of data items), 2) relative reliability (the compliance of data to user requirements), and 3) absolute reliability (the level of resemblance of data items). Reliability is depicted when information is reasonably free from error and bias and faithfully represents what it purports to represent, thus embraces verifiability, neutrality, representational faithfulness as well as comprehensiveness of disclosure (FASB, 1980). The Statement of Accounting Concepts 1990 defines reliability as the quality of financial information which exists when that information can be depended upon to represent faithfully, and without bias or undue error, the transactions or events that either it purports to represent or could reasonably be expected to represent

2.4 Empirical Literature Review.

2.4.1 Accounting Data Processing on Efficiency.

According to Turner and Weickgenannt (2013), Processing accounting data involve calculations, classification, summarization, and consolidation. In manual accounting systems, this processing occurs through the established manual methods and the recording, posting, and closing steps in the journals and ledgers. Automated processing can be accomplished by batch processing or online and real-time processing.

Magdalene (2011) did a study to establish the effect of computerized accounting and financial reporting and the findings were that computerized accounting system involves processing accounting data into information to facilitate quick decision making through timely preparation of financial reports and financial reporting, in this case, refers to the way in which financial information is recorded, processed and conveyed to the end users of this information in particular. Magdalene (2011) also stresses that computerized accounting systems collect and process account data 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, and summarizing the data and production of reports.

Dalci and Tanis (2015) on their study, “Benefits of Computerized Accounting Information Systems on the JIT Production Systems”, concluded that Improvements in the technology have enabled companies to collect, process, and retrieve data quickly. In addition, there is less likelihood of error when data are processed with computers.

According to Soudani (2012), AIS was found that an important factor in building an organizational performance through collection, storage and processing of financial and accounting data to be evaluated by its impacts on the improvement of the quality of accounting information, decision-making process, performance evaluation, internal controls and facilitating company’s transactions.

Different scholars have expressed views on computerized accounting packages as below:

A computerized package can quickly generate all types of records needed by management. Data processing and analysis are faster and more accurate which meets the manager’s needs for accurate and timely information for decision making (Mc Bride, 2000).

The benefits of computer accounting include among others improving reporting to users, better record keeping and minimized errors. With the system automatically generating reports, a lot of time will be saved in the long run and unnecessary cost. Few staff will also be needed to operate the system (Vanbriefing, 2005). In support of above view, computerized accounting is used to maintain journals, ledgers and prepare financial statements (Meigs and Meigs, 1998).

Marshal and Romney (2015) alleged that developing an internal control system requires a thorough understanding of information technology (IT) capabilities and risk s as well as how

to use IT to achieve an organizational control objectives. Accountant and systems developers help management achieve their control objectives by (1) designing effective control systems that take a proactive approach to eliminating systems and detect , correct , and recover from threats when they occur .(2) making it easier to build controls into systems at the initial design stage than to add them after the facts. Easy posting transaction to ledger and principles of double entry to do accounting function using computerized accounting system. It can be largely automated by use of systems (Cook, 2001).

2.4.2 Accounting Data Storage on Accuracy.

According to Abdel-Salam (2001) keeping accurate accounting records is a vital part of financial reporting in any organization. Apart from helping it to keep its float financially and legally, it is a requirement of the shareholders. However computerized accounting system involves the use of computers to handle a large volume of data with speed, efficiency, and accuracy aimed at overcoming fundamental challenges which do not change the principle. The principle of accounting remains the limitations of many accounting and hence producing quality and reliable work.

According to Dalci and Tanis (2015), after the data are collected and entered into computers, they are processed. The most common data processing activity is data maintenance. Data maintenance is the processing of transactions to update stored data. In addition to the external data entered into the information system, there should be internally stored data used for processing.

Accounting records are important as they are sources of information and thus they must be numbered and stored properly for the purpose of record retrieval. Crane (1997) defined data storage as the housing of records when whether semi-active or inactive, must still be retained. Crane also pointed out that records should be stored in a well-built records centre, the archives, commercial storage and the basement.

According to McBride (2000), computerized packages can quickly generate all types of reports needed by management for instance budget analysis and variance analysis. Data processing and analysis are faster and more accurate which meets the managers need for accurate and timely information for decision making.

Frank wood (1999) consented to the speed with which accounting is done and further added that a computerized accounting system can retrieve balance sheets, income statement or

other accounting reports at any moment. He consented that computerized accounting system allow managers to easily identify and solve problems instantly.

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

McBride (2000) stated that managers cannot easily satisfy statutory and donor reporting requirements such as profit and loss account, balance sheet and customized reporting without using computerized accounting systems. With the system in place, this can be done quickly and with less effort. Computerized accounting systems ease auditing and have better access to required information such as cheque numbers, payments, and other transactions which help to reduce the time needed to provide this type of information and documentation during auditing.

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

Although computerized accounting is highly beneficial to an entity, it is worth noting that it is dogged with a couple of pitfalls some of which are shown as below;

Meigs (1986) stresses that there is a risk of improper human intervention with the computer programs and computer files. Employees in the organization may temper with the computer programs and computer based records for the purpose of deliberately falsifying accounting information. This may result into distortion of information that would essential be for decision making.

According to Wahab (2003), another threat and limitation of computerized system is the computer virus. Where a computer virus is a computer code (program) specially designed to damage or cause irregular behavior in other programs on the computer. The adverse effect is that it may lead to breakdown of the hardware thus leading to loss of valuable information (for instance in financial institutions information such as customers accounts, previous

financial report, information pertaining loans advanced among others) already saved on the computer.

2.4.3 Accounting Data Retrieval on Reliability.

Reed (2010) defined record retrieval as a system of removing records from their storage places. Reed stated that file arrangement should support the retrieval of records by either arranging them numerically or alphabetically so as to ease retrieval. Reed further explained that retrieval should be done by authorized personnel in a record centre. He explained that accounting record documents should be arranged to ensure that files containing restricted information are accessible only to authorized personnel and officials.

Best practices for successful record retention program should include; training and education, checklists to ensure inclusions of all required documentation prior to closing a file, paying attention to detail, documenting pertinent information relative to the transaction providing and obtaining instructions in writing, records maintained in an organized manner and stored in a designed area and written standard operating procedures addressing record retention (Reed, 2010).

The misuse and unreliability of accounting information causes many entities to inaccurately assess their financial situation, and make poor financial decisions, as well as leads them to face with the high failure rate (Byron & Friedlob 2011). Inefficient use of the accounting information to entities like banks to make financial decision-making (Ubonratchathanee University, 2000) and the low quality and reliability of financial data (Kingkaew & Limpaphayom 2001) are part of the main problems for low service delivery in developing countries. Entities in Uganda should recognize that accounting information can be a valuable component of a company management and decision-making systems, for financial data provides the ultimate indicator of the failure or success of a business strategic and philosophical direction (Duncan, 1988).

2.5 Research Gaps.

Marshal and Romney (2015) alleged that developing an internal control system requires a thorough understanding of information technology (IT) capabilities and risks as well as how to use IT to achieve an organizational control objectives. Accountant and systems developers help management achieve their control objectives by (1) designing effective control systems that take a proactive approach to eliminating systems and detect, correct, and recover from threats when they occur. (2) making it easier to build controls into systems at the initial

design stage than to add them after the facts therefore the continuous Inefficient use of the accounting information to public entities like local governments to make financial decision-making (Ubonratchathanee University, 2000) and the low quality and reliability of financial data (Kingkaew & Limpaphayom 2001) are part of the main problems for low service delivery in developing countries.

Murungi and Kayigamba (2015) did a study on the Impact of Computerized Accounting System on Financial Reporting in the Ministry of Local Government of Rwanda. The main purpose of their study was to assess the impact of computerized accounting system on financial reporting in the Ministry of Local government in Rwanda. The study revealed computerized accounting system enables data to be available instantly and be made available to different users in different locations at the same time meaning that reporting can be done at any time.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presented the research methodology that was used to carry out the study. It includes the research design, study population sampling techniques used, data collection procedures, analyses and presentation methods.

3.1 Research Design

Research design is a conceptual framework within which research is conducted. A descriptive research design was used in this study. The object of descriptive research was to portray an accurate profile of persons, events or situations' (Sauders, Lewis and ThornHill, 2007). Descriptive research design gave a description of phenomenon's characteristics and association of variables, in this case, the relationship between computerized Accounting System and effective financial reporting of Stanbic Bank-Uganda at the headquarters. Descriptive research was appropriate since it enables high level of analysis such as correlation and regression analysis between the variables and reduces data to a manageable form. The dependent variable which is effective financial reporting was represented by accuracy, timeliness and efficiency.

3.2 Study Population

According to Saran and Boungie (2010), population refers to the entire group of people, events or things of interest on which the researcher wishes to investigate. The population can have the observable characteristics from which the researcher intends to draw generalizations. There was an estimated 50 employees of Stanbic Bank-Uganda at the headquarters in Kampala.

3.3 Sample Design

A research sample is a group of cases, participants, events, or records consisting of a portion of the target population, carefully selected to represent the population, while sampling is the process of selecting individuals for a study (Cooper and schindler, 2003).

According to Israel (1992), a sample size is determined by a scientific formula when the population is large or more than 10000. The sample size is then determined scientifically by the formula: $n = N / (1 + Ne^2)$

Where

n = desired sample size for the study area

N = total no. of house-holds in the study area

e = desired margin error

Source: (Israel, 1992)

A margin error of 0.05 is selected since it is logistically difficult to deal with a larger sample size (Mugenda et al., 2003). But since the target population in this study is small, our research sample was 45 respondents.

3.4 Sampling techniques

The sample was selected using two sampling methods, namely; simple random and purposive sampling. Using simple random sampling, each individual was chosen by chance which guaranteed each individual in the population the same probability of being chosen for the study (Oso & Onen, 2009). On the other hand, purposive sampling was used to select respondents to provide in-depth responses for qualitative analysis. The method of purposive sampling chosen was intensity purposive sampling. This is because intensity sampling allows the researcher to select a small number of rich cases that enable the obtaining of in depth information (Patton, 2003). Simple random sampling was used to select lower employees of the organization while purposive sampling was used to select senior administrators like the branch Managers and Accountants at Stanbic Bank headquarters in Kampala..

3.5 Data Collection Methods

3.5.1 Interviewing

The qualitative method of data collection was interviewing. Through in-depth interviews, the respondents were asked their opinions and experiences about computerized accounting systems and effective financial reporting at Stanbic Bank Headquarters in Kampala. The interview sought information of much detail (Moriarty, 2011). Each participant was talked to directly by the researcher (Bordens & Abbott, 2011).

3.5.2 Questionnaire Method

The study employed a questionnaire Survey on senior administrators of Stabic Bank-Uganda headquarters in Kampala. The format to use was a simple- multiple-choice based on the ordinal scale. The simple-multiple-choice identifies only the most important alternative for each respondent preventing the respondent from expressing his or her preference over the others (Sato, 2004). This was preferred because it limits the quantity of data, it is easy to collect and helps to save time. The required responses were scaled on a five – point Likert

scale with 5 intervals (1 = Strongly Disagree 2 = Disagree 3 = Undecided 4 = Agree 5 = Strongly Agree).

3.6 Data Collection Instruments

3.6.1 Self-Administered Questionnaire

A self-administered questionnaire (SAQ) was administered on the respondents. The questionnaire was chosen because it collects appropriate data which makes data comparable and amenable to analysis, minimizing bias in formulating and asking of the questions and makes questions varied. The questionnaire had identical sets of items for all respondents. The questions in section (A) were on background characteristics based on the nominal scale with appropriate options given. Questions in section (B and C) were scaled using the five-point Likert from a minimum of 1 through 5. This instrument helps in collecting data quantitative in nature.

3.6.2 Interview Guide

An interview guide is a qualitative research technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, program or situation (Boyce & Palena, 2006). This method was useful for detailed information about the respondents' thoughts and helps to explore issues.

3.7 Data Analysis

Simple descriptive statistics was used in the analysis of data. According to Borg (1996), the commonly used methods in reporting descriptive surveys include frequency distributions, calculating the percentages and tabulating them appropriately. The data collected was coded, classified and systematically analysed. Descriptive statistics such as mean, mode, standard deviation and frequency distribution were used to analyze the data. Data was coded and entered into the Statistical Package for Social Sciences (SPSS) for analysis. Mugenda et al (2003) asserts that it is advisable to use computer for any kind of data analysis in order to save time and increase the accuracy of the results. Data presentation was done by the use of pie charts, percentages and frequency tables.

3.8 Measurement of variables

Measurement is the process of assigning numbers to objects or observations. It is some form of quantification expressed in numbers. Data/Scales of measurements in terms of their mathematical properties are grouped as nominal, ordinal, interval and ratio. The nominal scale that classifies data into one of two or more categories according to their names was used

for background information of the respondents (Soicher, 2013). However, data of the independent and dependent variables was measured basing on the ordinal scale. By the ordinal scale, numbers assigned to cases specify the order of the cases (Fife-Schaw, 2006). Data was categorised basing on the likert scale format which ranged from 1 to 5, strongly disagree, disagree, undecided, strongly agree and agree with.

3.9 Data quality control

3.9.1 Validity of Data Collection Instruments

Content related validity was considered in this study. This was achieved through consultation with the supervisor and fellow students reading through the questionnaire helping validate the instruments. There computation of CVI (Content Validity Index) using inter-judge method. This was done by summing up the judges ratings and dividing by two to get the average.

3.9.2 Reliability of Data Collection Instruments

Reliability means the extent to which results are consistent over time. If the results of a study can be reproduced under a similar methodology, then the research instrument is considered reliable (Joppe, 2000). The strategies that were used to obtain reliability was prolonged engagement and audit trails for qualitative data. Data was systematically checked, focus maintained and identification and correcting of errors (Tashakkori&Teddlie, 2010). This ensured accuracy of data collected. Reliability for qualitative data shall be obtained by calculating Alpha – coefficient (α) using the statistical package for social sciences (SPSS 17.0).

3.10 Research procedure

The researcher obtained a letter of introduction from Kampala International University which was presented to the authorities at Stanbic Bank headquarters in Kampala to review and grant permission to the researcher. Then the researcher obtained a list of the top administrators at the headquarters of Stanbic Bank in Kampala after which the researcher got a list of other employees at the organization who acted as respondents to the study, the researcher randomly selected the casual workers and Staff to participate in the study. A self-administered questionnaire was used to collect information from the above mentioned respondents. The researcher then purposively selected the branch manager, accountants at Stanbic Bank-Uganda headquarters in Kampala.

3.11 Limitations of the Study

The researcher was limited by finances, this is because of the too much costs inform of travel, printing, typing that were associated to the study.

Due to the self-report nature of data which entail the use of questionnaires, responses on the survey did not accurately convey their real information about the study. This is because some of the respondents did not return the questionnaires therefore, resulting to lesser the targeted sample thus, influencing the nature of statistical reporting.

Finally, due to limited time available to carry out the research, the above areas were not comprehensively studied to provide a national wide picture.

CHAPTER FOUR

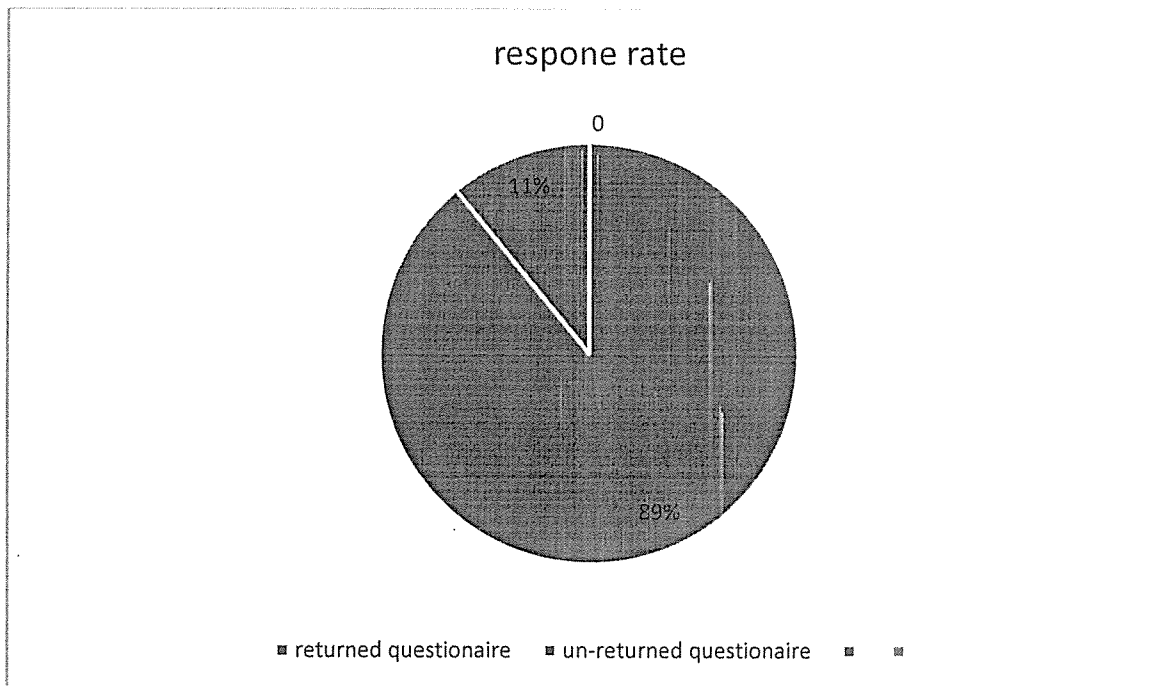
DATA PRESENTATION, ANALYSIS, DISCUSSION AND INTERPRETATION OF FINDINGS.

4.0 introduction

This chapter covered data presentation, discussion and interpretation of the findings

4.1 response rate

The researcher distributed 45 questionnaires, these were from different classes of people within stanbic bank Uganda at the headquarters, they included Branch manager, accountants loan officers and other employees at the Bank. 40 respondents brought back the questionnaires and only 5 did not manager to return the questionnaire therefore 11% of the respondents did not respond to the study which met that the response rate was 89%, this implied that the biggest part of the study sample gave their views about the topic under study. The response rate of the respondents is shown in the pie-chart below.

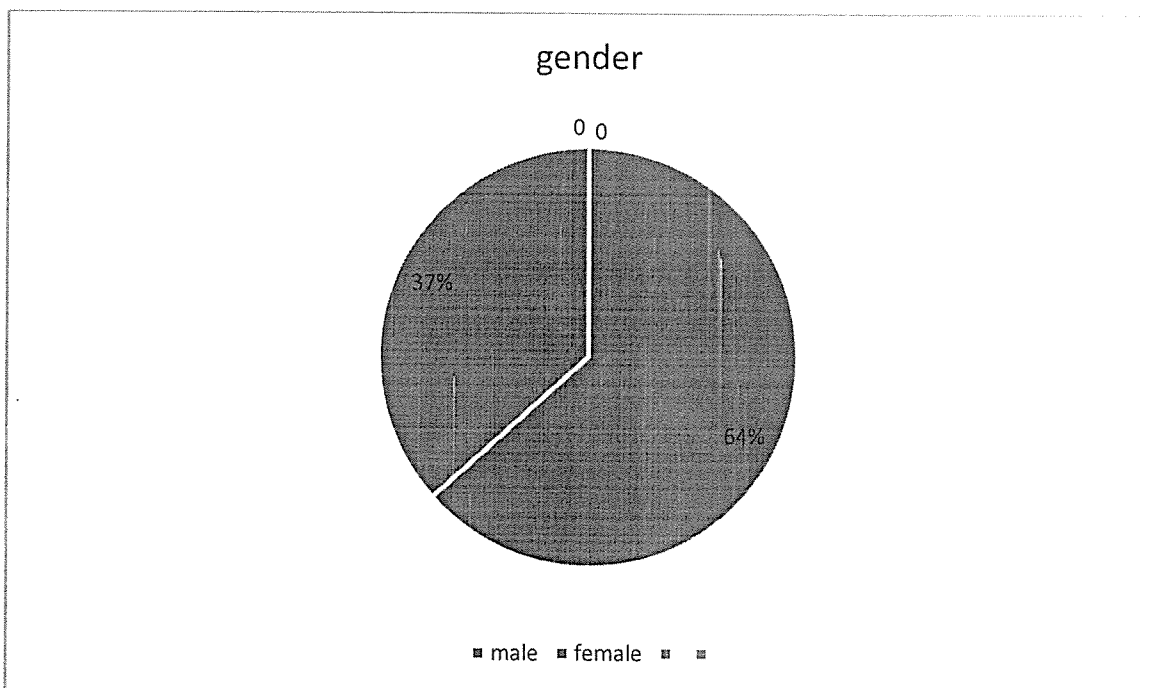


4.3 background characteristics of the respondents.

4.3.1 Gender.

Among the 40 respondents that brought back the questionnaires, 25 were males and 15 were females. Therefore 63% of the respondents were males and only 37% of females participated in these research study. This met that the study did not face a gender bias.

Below is a pie-chart showing the percentage of males and females that participated in this research study.



4.3.2 Age.

The researcher categorized the age of respondents into age groups starting with below 30 years, 30-40 years, 41-50 years and finally above 50 years. Majority of the respondents lied in the age group of below 30 years, these were 18, 11 in the 30-40 age group, 8 in the 40-50 age group and finally 3 in the age group of above 50 years. This is illustrated in table 4.1

Table 4.1 age group

Age group (Years)	Below 30	30-40	41-50	Above 50	Total
No. of respondents	18	11	8	3	40

Source; primary data 2019.

4.3.3 Respondent's Level of Education

The table 4.2 show the level of education of all Male respondents that participated in the research study.

Certificate	Diploma	degree	masters	PHD	Total
2	3	15	3	2	25

Primary data 2019

The table 4.3 show the level of education of all Female respondents that participated in the research study.

Certificate	Diploma	Degree	Masters	PHD	Total
2	10	2	1	0	15

Source; Primary Data 2019

4.3.4 Duration spent at Stanbic Bank.

The study sought to establish the duration of years the respondents had spent while working with Stanbic bank. The study findings are shown in Table 4.3

Table 4.4: Duration Worked

Duration worked	Frequency	Percentage
Less than 2 years	2	5
3-5 years	8	20
6-8 years	20	50
9 and above years	10	25
Total	40	100

Primary data 2019

Duration of respondents spent at Stanbic affects the experience of the respondents. This has a direct influence on the information given by the respondent. From the findings in Table 4.3, majority of the respondents have worked at Stanbic between 6-8 years.

4.6 Descriptive Statistics on research Variables.

The independent variable was Computerized Accounting Systems, it was conceptualized in terms of Accounting Data Processing, Accounting Data Storage and Accounting Data Retrieval the dependent variable in this research study was effective financial reporting, it was conceptualized in terms of efficiency, reliability and accuracy.

Table 4.4 Descriptive statistics on Accounting Data processing on efficiency

	N	Mean	Std. Deviation.	Interpretation.
Financial reports are timely generated for decision making	40	1.9412	1.177425	Very High
There is improvement in business performance due to computerization of the accounting system	40	1.7353	0.51102	High
There is accuracy and efficiency in account record keeping through computerized accounting systems	40	1.8235	0.86936	High
Accounting functions like posting transactions to the ledger and double entry are simplified.	40	1.4706	0.56329	High
Arithmetic errors are easily minimized through application of computerized accounting systems	40	1.5882	0.55692	High
Auditing of the financial statement is ease with the use of computerized accounting systems	40	1.5588	0.66017	High

Source; Primary Data 2019

To analyse the findings on respondents' perception on Accounting Data Processing on efficiency at Stanbic Bank, Financial reports are timely generated for decision making had a mean of 1.9412 and standard deviation of 1.177425. The results indicated that timely release of financial reports generates good decision making at Stanbic Bank. There is improvement in business performance due to computerization of the accounting system with a mean of 1.7353 and standard deviation of 0.51102. There is accuracy and efficiency in account record keeping through computerized accounting systems had a mean of 1.8235 and standard deviation of 0.86936. this implied that Stanbic Bank largely relies on accurate record keeping to promote efficiency. Accounting functions like posting transactions to the ledger and double entry are simplified had mean of 1.4706 and standard deviation of 0.56329. Arithmetic errors are easily minimized through application of computerized accounting systems with mean of 1.5882 and standard deviation of 0.55692. This implied that computerised accounting strongly helps to eliminate unnecessary errors hence leading to increased efficiency at Stanbic Bank. Finally, Auditing of the financial statement is ease with the use of computerized accounting systems with a mean of 1.5588 and a standard deviation of 0.66017. Therefore the mean values for the finding range from 1.2059 to 1.9412. This showed that the respondent agreed with the statement.

Table 4.5: Descriptive statistics on Accounting Data Storage on Accuracy

	N	Mean	Std. Deviation	Interpretation
No items of income are overstated or understated	40	1.5588	0.5399	High
No items of expenditure are overstated	40	1.7059	0.62906	High
No business assets are undervalued	40	1.7059	0.62906	High
No business liabilities are overstated	40	1.7647	0.64345	High
There is no bias in the presentation of items in the financial statements	40	1.7836	0.65562	High

Source; Primary Data 2019

From the findings on respondents' perception on accounting data storage on accuracy at Stanbic Bank, No items of income are overstated or understated had a mean of 1.5588 and standard deviation of 0.5399. this implied that computerised accounting helps to minimise errors of overstating income figures hence promoting efficiency. No items of expenditure are overstated with a mean of 1.7059 and standard deviation of 0.62906. No business assets are undervalued had a mean of 1.7059 and standard deviation of 0.62906. this meant that all business assets are valued at their current values hence facilitating quality profitability analysis at Stanbic Bank. No business liabilities are overstated had mean of 1.7647 and standard deviation of 0.64345. and finally There is no bias in the presentation of items in the financial statements, this meant that computerized accounting provides information with no biasness which promotes efficiency and productivity at the Bank

Table 4.6: Descriptive statistics on Accounting Data Retrieval on Reliability.

	N	Mean	Std. Deviation	Interpretation.
Revenue/Expenditure information is collected regularly	40	1.48945	0.5166	Very High
Information is free from bias	40	1.58562	0.58453	High
The information is free from error	40	1.7059	0.62906	High
Information is not fraudulent	40	1.85642	0.69452	High
Information is normally complete	40	1.7836	0.65562	High

Source; Primary Data 2019

From the analysis, Revenue/Expenditure information is collected regularly had a mean of 1.48945 and standard deviation of 0.5166. This implied that Stanbic Bank collects all information that relates to all its businesses. Information is free from bias with a mean of 1.58562 and standard deviation of 0.58453, this promotes quality decision making within the organization hence increased efficiency. The information is free from error had a mean of 1.7059 and standard deviation of 0.62906. Information is not fraudulent had mean of 1.85642

and standard deviation of 0.69452. Also the Information is normally complete had a mean of 1.7836 and a standard deviation of 0.65562, this facilitates rational decision within the Bank hence increased profitability.

4.5 effects of effects of Accounting Data Processing on efficiency at Stanbic Bank-Uganda.

The regression analysis shown in the table below indicate the effect of Accounting Data Processing on efficiency at Stanbic Bank-Uganda.

Table 4.7 A: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1.	0.865 ^a	0.748	0.732	1.90103

a. predictors; (Constant) Accounting Data Processing.

Table 4.7A shows that $R^2 = 0.865$, therefore Accounting Data Processing contribute towards effective financial reporting of Stanbic bank by 86.5%.

Table 4. 7 B : Analysis of Variance (ANOVA).

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	332.704	2	166.352	46.031	0.000 ^b
Residual	112.031	31	3.614		
Total	444.735	33			

ANOVA statistics of the processed data at 5% level of significance shows that the value of calculated F is 46.031 and the value of F critical at 5% level is 3.31. Since F calculated is greater than the F critical ($46.031 > 3.31$), this shows that the overall model was significant.

Table 4.7C: Coefficients

Model	Unstandardized coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7.470	1.314		5.684	0.000
Accounting Data Processing	0.054	0.085	0.067	0.633	0.031

a. Dependent variable: Effective financial reporting

From the results in table 4.7c, accounting Data Processing is positive (B= 0.054) it statistically and significantly (p- 0.031) affect Effective financial reporting of Stanbic Bank. The sig value of accounting data processing is 0.031, is less than statistical significance 0.05 and this implies that accounting data processing significantly affect effective financial reporting of Stanbic. This means that an increase in accounting data processing, increases effective financial reporting and a decrease in accounting data processing, decreases effective financial reporting at Stanbic Bank headquarters in Kampala.

4.6 Effects of Accounting Data Storage on accuracy at Stanbic Bank-Uganda.

The regression analysis shown in the table below indicate the effect of accounting data storage on accuracy at Stanbic Bank-Uganda.

Table 4.8 A: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.752 ^a	0.645	0.682	1.86234

b. predictors; (Constant) Accounting Data Storage.

Table 4.8A shows that $R^2 = 0.752$, therefore Accounting Data Storage contribute towards effective financial reporting of Stanbic Bank by 75%.

Table 4.8 B : Analysis of Variance (ANOVA).

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	332.704	2	166.352	46.031	0.000 ^b
Residual	112.031	31	3.614		
Total	444.735	33			

ANOVA statistics of the processed data at 5% level of significance shows that the value of calculated F is 46.031 and the value of F critical at 5% level is 3.31. Since F calculated is greater than the F critical ($46.031 > 3.31$), this shows that the overall model was significant.

Table 4.8C: Coefficients

Model	Unstandardized coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7.470	1.314		5.684	0.000
Accounting Data Storage	0.045	0.085	0.067	0.633	0.026

b. Dependent variable: Effective Financial Reporting

From the results in table 4.8c, Accounting Data Storage is positive ($B = 0.045$) it statistically and significantly ($p = 0.031$) affect effective financial reporting of Stanbic Bank. The sig value of Accounting Data Storage is 0.026, is less than statistical significance 0.05 and this implies that Accounting Data Storage significantly affect effective financial reporting of Stanbic Bank. This means that an increase in Accounting Data Storage, increases effective financial reporting at Stanbic Bank and a decrease in Accounting Data Storage, decreases effective financial reporting at Stanbic Bank.

4.7 effects of Accounting Data Retrieval on reliability at Stanbic Bank-Uganda.

The regression analysis shown in the table below indicate the effect of Accounting Data Retrieval on reliability at Stanbic Bank

Table 4.9 A: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.605 ^a	0.366	0.360	3.96543

c. predictors; (Constant), Accounting Data Retrieval.

Table 4.9A shows that $R^2 = 0.605$, therefore Accounting Data Retrieval contribute towards effective financial reporting of Stanbic Bank by 60.5%.

Table 4.9 B : Analysis of Variance (ANOVA).

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	832.002	2	890.001	55.546	0.000 ^b
Residual	1537.476	31	15.608		
Total	2369.478	33			

a. Dependent Variable: effective financial reporting.

b. Predictors: (Constant), Accounting Data Retrieval

From table 4.9B above, the sig value of Accounting Data Retrieval is 0.000. This value is less than the value of statistical significance of 0.05 and this shows that Accounting Data Retrieval greatly contribute on the effective financial reporting of Stanbic Bank.

Table 4.9C: Coefficients

Model	Unstandardized coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.568	2.006		1.268	0.164
Accounting Data	0.688	0.0124	0.566	6.633	0.000

Retrieval					
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c. Dependent variable: performance

From the results in table 4.11c, Accounting Data Retrieval is positive ($B = 0.688$) it statistically and significantly ($p = 0.000$) affect effective financial reporting of Stanbic Bank. The sig value of Accounting Data Retrieval is 0.000, is less than statistical significance 0.05 and this implies that Accounting Data Retrieval significantly affect effective financial reporting of Stanbic Bank. This means that an improvement in Accounting Data Retrieval, increases effective financial reporting at Stanbic bank and a decrease in Accounting Data Retrieval, decreases effective financial reporting at Stanbic Bank.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS.

5.0 Introduction

This chapter discussed the summary of key data findings, conclusion drawn from the findings and recommendation made.

5.1 Summary of Findings

5.1.1 Effects of Accounting Data Processing on efficiency at Stanbic Bank-Uganda.

From the results in table 4.11c, accounting Data Processing is positive ($B = 0.054$) it statistically and significantly ($p = 0.031$) affect Effective financial reporting of Stanbic Bank. The sig value of accounting data processing is 0.031, is less than statistical significance 0.05 and this implies that accounting data processing significantly affect effective financial reporting of Stanbic. This means that an increase in accounting data processing, increases effective financial reporting and a decrease in accounting data processing, decreases effective financial reporting at Stanbic Bank headquarters in Kampala. This was because the researcher found out that timely release of financial reports generates good decision making at Stanbic Bank and that there is improvement in business performance due to computerization of the accounting system.

The researcher further found out that Stanbic Bank largely relies on accurate record keeping to promote efficiency. This implied that computerized accounting strongly helps to eliminate unnecessary errors hence leading to increased efficiency at Stanbic Bank. He further found that Computerized accounting involves the use of computers to handle large volume of data with speed, efficiency and accuracy aimed at overcoming the fundamental errors, this was in line with the finding by ACCA (2007) which held that computerized accounting helps in producing quality and reliable work.

5.1.2 Effects of Accounting Data Storage on accuracy at Stanbic Bank-Uganda.

From the results in table 4.11c, Accounting Data Storage is positive ($B = 0.045$) it statistically and significantly ($p = 0.031$) affect effective financial reporting of Stanbic Bank. The sig value of Accounting Data Storage is 0.026, is less than statistical significance 0.05 and this implies that Accounting Data Storage significantly affect effective financial reporting of Stanbic Bank. This means that an increase in Accounting Data Storage increases effective financial reporting at Stanbic Bank and a decrease in Accounting Data Storage, decreases effective financial reporting at Stanbic Bank. The researcher found out that computerized accounting helps to minimize errors of overstating income figures hence promoting efficiency. And that

all business assets are valued at their current values hence facilitating quality profitability analysis at Stanbic Bank. The researcher also recognized that computerized accounting system produces information with no bias in the presentation of items in the financial statements, this promotes efficiency and productivity at the Bank

5.1.3 Effects of effects Accounting Data Retrieval on reliability at Stanbic Bank-Uganda.

From the results in table 4.11c, Accounting Data Retrieval is positive ($B = 0.688$) it statistically and significantly ($p = 0.000$) affect effective financial reporting of Stanbic Bank. The sig value of Accounting Data Retrieval is 0.000, is less than statistical significance 0.05 and this implies that Accounting Data Retrieval significantly affect effective financial reporting of Stanbic Bank. This means that an improvement in Accounting Data Retrieval, increases effective financial reporting at Stanbic bank and a decrease in Accounting Data Retrieval, decreases effective financial reporting at Stanbic Bank. The researcher found that computerized accounting produces Information free from bias, this promotes quality decision making within the organization hence increased efficiency. And also that information is free from error and not fraudulent, this facilitates rational decision within the Bank hence increased profitability.

5.2 Conclusion.

Conclusively, this research gave a strong significant positive relationship between computerized accounting systems and effective financial reporting at Stanbic bank headquarters in Kampala as indicated by spearman correlation coefficient as 0.669 and correlation was significant at 0.05(2-tailed). This implied that with proper computerized accounting systems in place, effective financial reporting of Stanbic Bank can greatly increase which leads to high profitability, growth and expansion of the Bank.

5.4 Recommendations

The researcher recommended Stanbic Bank to embark on training all its employees on how to use computerized accounting systems since it's very efficient and produces quality information free from biasness. Therefore a lot of training of both junior and senior employees is required to ensure that they get full knowledge on the usage of computerized accounting systems

5.5 Area of further study

The researcher suggests that more research be done on Accounting information system and financial performance of the banking sector in Uganda. This is because it is very imperative in information sharing within an organization.

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APPENDIX 1.
QUESTIONNAIRE TO THE RESPONDENTS.

Dear Respondent,

I am a student of Bachelor of Business Administration in Kampala International University currently conducting my research entitled “Financial Management Decisions and Performance of the Private Sector in Uganda” using a case study of Kampala International University. I humbly request you to complete this questionnaire to enable me fulfill the partial requirements for the award of the degree of study. The information given will be treated with confidentiality.

Thank you for your cooperation.

Yours Sincerely

.....

KIZZA INNOCENT.

SECTION A:

Background Information (Please Tick Appropriate)

1. Gender

Male	Female
☐	☐

2. Age group

Below 30	30-40	41-50	Above 50
☐	☐	☐	☐

3. Level of Education

Certificate	Diploma	degree	masters	PHD

4. How long have you been here.

Less than 4 years	4 – 9 years	10 years and above

In section B, use the scale provided to tick or circle a number that describes your opinion on the effects of computerized accounting systems on efficiency at Stanbic Bank Uganda at the headquarters.. 1 strongly disagree, 2.disagree, 3.not sure 4.agree 5. Strongly agree.

Advantages of Computerized accounting systems at Stanbic Bank Uganda.

Statement	1	2	3	4	5
Accounting Data Processing					
Accounting Data Storage					
Accounting Data Retrieval					

Accounting Data Processing on Efficiency.

Statement	1	2	3	4	5
Financial reports are timely generated for decision making					
There is improvement in business performance due to computerization of the accounting system					
There is accuracy and efficiency in account record keeping through computerized accounting systems					

Accounting functions like posting transactions to the ledger and double entry are simplified.					
Arithmetic errors are easily minimized through application of computerized accounting systems					
Auditing of the financial statement is ease with the use of computerized accounting systems					

Section C; Use the scale provided to tick or circle a number that describes your opinion on the effects of computerized accounting system on accuracy at Stanbic Bank. 1 strongly disagree, 2. disagree, 3. not sure 4. agree 5. Strongly agree.

Accounting Data Storage on accuracy.

Statement	1	2	3	4	5
No items of income are overstated or understated					
No items of expenditure are overstated					
No business assets are undervalued					
No business liabilities are overstated					
There are no errors in the presentation of items in financial statements					
There is no bias in the presentation of items in the financial statements					

Section D; Use the scale provided to tick or circle a number that describes your opinion on the effects of computerized accounting system on Reliability at Stanbic Bank. 1 strongly disagree, 2. disagree, 3. not sure 4. agree 5. Strongly agree.

Accounting Data Retrieval on Reliability

Statement	1	2	3	4	5
Revenue/Expenditure information is collected regularly					
Information is free from bias					
The information is free from error					
Information is not fraudulent					
Information is normally complete					

Thank you for your cooperation.

APPENDIX III.

AN ESTIMATED BUDGET SHOWING EXPENDITURES DURING THE STUDY.

PARTICULARS	QUANTITY	UNIT COST	TOTAL COST
Internet/Cafe	Lump sum	10,000	10,0000
Communication cost	Lump sum	10,000	10,000
Typing, Printing and photocopying.	several	70,000	70,000
Travel		18,0000	36,000
Food and Drinks			15,000
Miscellaneous	Lump sum		15,000
TOTAL			156,000