

**COMPUTERIZED ACCOUNTING AND FINANCIAL REPORTING IN FINANCIAL  
INSTITUTIONS IN UGANDA  
A CASE STUDY OF STANBIC BANK,  
WANDEGEYA BRANCH**

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## DECLARATION

This research dissertation is my original work and has not been presented for any degree or any other academic award in any university or institution of learning. I am entirely responsible for everything written in this dissertation.

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## APPROVAL

I confirm that the research dissertation is done under my supervision as the university examiner supervisor.

Signature of Supervisor.....

Date.....<sup>th</sup> 12 June, 2019

**SUPERVISOR**

## **DEDICATION**

First of all, I would to dedicate this piece of work to my parents. Lastly I do dedicate this piece of work to all my friends at Kampala International University. May the Almighty God bless you all.

## ACKNOWLEDGEMENT

I extend my sincere gratitude to all those that have supported me in achieving all that I have today. First of all, I thank GOD for his great love towards me.

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## LIST OF ACRONYMS/ABBREVIATION

AIS	Accounting Information System
CAS	Computerized Accounting Systems
ERP	Enterprise Resource Planning
IT	Information Technology
SBU	Stanbic Bank Uganda Limited
SMs	Short Message Service
U.S	United States

## ABSTRACT

The study sought to examine the computerized accounting and financial reporting in financial institutions in Uganda: A case study of Stanbic Bank, Wandegeya Branch. The study objectives were; to establish the computerized accounting systems being used at Stanbic Bank, Wandegeya Branch, to establish the contributions of computerized accounting on financial reporting at Stanbic Bank, Wandegeya Branch and to examine the relationship between computerized accounting and financial reporting at Stanbic Bank, Wandegeya Branch. For the purpose of this study, a case descriptive research design was adopted to evaluating the computerized accounting and financial reporting at Stanbic Bank, Wandegeya Branch. Both quantitative and qualitative research approaches were applied. The study was carried from Stanbic Bank, Wandegeya Branch. The total sample size was 50 respondents. In this study, the target population of 58 involved Top managers of Stanbic Bank, Bank tellers of Stanbic Bank, Internal Auditors and Other bank's support staff. Purposive sampling were also used to select only respondents for the researcher to attain the purpose of the study. Other support staff of the Bank were randomly selected to give each an equal chance of representation. All respondents were assumed to have vital information on the subject matter of the research. Respondents who were willing to participate were approached. Data was collected from primary and secondary sources using questionnaires and interviews. After collecting data, the researcher organized well-answered questionnaire, data was edited and sorted for the next stage. The data was presented in tabular form, pie charts and bar graphs with frequencies and percentages. The study findings revealed that the sample constituted of 50 respondents of which 66% were males and the 34% remaining were females. This implies that males are the majority. The study concludes that QuickBooks was designed to manage payroll, inventory, sales and other needs of a small business. The software's features include marketing tools, merchant services, product and supplies, training solutions. The study recommends that the bank should prompt and encourage its users to always change their passwords within the accounting period. The frequent change of passwords and the combination features will help curtail the limitations of using password as authentication control. In the bank's effort to prevent the incident of commitment and concealment of fraud among their employees, the accounting duties should be segregated among bank staffs. Thus, the Computerized Accounting System should not allow a single person to enter data, post and authorize transaction.

## **CHAPTER ONE**

### **1.0 Introduction**

This chapter presents the background to the study, statement of the problem, the purpose of the study, objectives of the study, research questions and hypothesis, scope of the study, significance of the study, the justification of the study and the operational definitions of terms and concepts as applied to suit the context of the study.

### **1.1 Background of study**

Globally, accounting existed for centuries before computers. Bookkeepers relied on paper ledgers to record debits and credits, revenue and expenses (Baren, V., 2010). Machines began to play a role in the 1800s, then the invention of computers transformed accounting in the 20th century. In the United States, William Burroughs invented the adding machine in the 1880s. Adding machines didn't have the key features of computers, such as internal memory, but they enabled accountants to carry out arithmetic more efficiently and accurately. By the end of the century, inventor Herman Hollerith had developed a punch-card machine to speed up data handling for the U.S. Census. The tabulating machines recorded data by punching a pattern of holes into cards. The machine could also read the pattern to call up the information (Beaver, William H., 1978)

In Africa, thousands of years ago this information was engraved in rocks, books and other ways, but it was very hard to keep record and access the accounts as the system becomes complex (Burgess, S., 1998). Before, people had to look for financial records in rooms or places where they stored this information, it was time consuming and not efficient. This was before middle ages' evolution of computers on the continent. In Nigeria, the first computers were mainly owned and used by large public corporations such as MTN Nigeria since they were huge in size and extremely expensive to buy (Carl S. W, Wailes J.M. and Fess.P.E, 1999).

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, 2006). 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.

Stanbic Bank Uganda Limited (SBU) is a commercial bank in Uganda and is licensed by the Bank of Uganda, the national banking regulator. The Bank is the largest commercial bank in the country, by assets. Just like most commercial banks today, Stanbic Bank has embraced computerized accounting in its daily routine financial operations (Stanbic Bank Annual Report, 2015). The Bank uses computerized accounting system in order to improve on the quality of its financial report since it is easy to do accounting functions using computerized accounting systems.

At Stanbic Bank, the management has embraced the use of modern computerized accounting packages such as Quick Books and Tally software. These accounting packages enable the user to operate on a database using the required interface taking the required reports by suitable transformations of stored data into information. Furthermore at Stanbic Bank, the computerized accounting system also eliminates many cumbersome and time consuming manual processes. An additional benefit to automating the accounting process at the Bank is the ability to conveniently share information. Information regarding business accounts can be independently entered into an automated system by multiple authorized parties. It was therefore against this background that the researcher attempts to examine the relationship between computerized accounting and financial reporting at Stanbic Bank, Wandegaya Branch.

## **1.2 Statement of the Problem**

The advancements in information technology have eventually led to the introduction of computerised Accounting Systems in corporate reporting to help produce relevant and faithful representative financial reports for both management and external users for decision making (Greuning, 2006). The many advantages from the use of these systems have led many to conclude that Computerized Accounting Systems in financial reporting is the 'engine of growth' in business organisations (Stanbic Bank Annual Report, 2015).

Despite the presence of a well-established computerized accounting system at Stanbic Bank, Wandegaya Branch there are still cases of system failure, delay in processing financial statements leading congestion of customers and inaccurate financial records and yet with the existence of a well implemented computerized accounting system and skilled staff such

abnormalities are least expected, this therefore, prompted the researcher to carry out an investigation on the efficiency of the computerized accounting practices being used at the Bank.

### **1.3 Purpose of the study**

The Purpose of the Study was to examine the relationship between computerized accounting and financial reporting at Stanbic Bank, Wandegeya Branch

### **1.4 Objectives of the study**

#### **1.4.1 General objective**

The general objective of the study was to examine the relationship between computerized accounting and financial reporting at Stanbic Bank, Wandegeya Branch

#### **1.4.2 Specific Objectives**

- i. To establish the computerized accounting systems being used at Stanbic Bank, Wandegeya Branch
- ii. To establish the contributions of computerized accounting on financial reporting at Stanbic Bank, Wandegeya Branch
- iii. To examine the relationship between computerized accounting and financial reporting at Stanbic Bank, Wandegeya Branch

### **1.5 Research Question**

- i. What are the computerized accounting systems being used at Stanbic Bank, Wandegeya Branch?
- ii. What are the contributions of computerized accounting on financial reporting at Stanbic Bank, Wandegeya Branch?
- iii. What is the relationship between computerized accounting and financial reporting at Stanbic Bank, Wandegeya Branch?

## **1.6 Scope of the Study**

### **1.6.1 Geographical Scope**

The study was carried out in Stanbic Bank Wandegaya Branch. The bank is located after Wandegaya junction and a few kilo meters from Kampala City Centre.

### **1.6.2 Content Scope**

The study was carried out with a purpose of establishing the computerized accounting systems being used at Stanbic Bank, Wandegaya Branch, establishing the contributions of computerized accounting on financial reporting at Stanbic Bank, Wandegaya Branch and examining the relationship between computerized accounting and financial reporting at Stanbic Bank, Wandegaya Branch

### **1.6.3 Time Scope**

The study covered a period of three months and took place from April to June 2019 because of the nature of exercise that was undertaken in gathering, editing and processing data.

## **1.7 Significance of the Study**

The study will enable management to understand the significance of preparing quality and reliable financial reports.

The study will point out weakness in the computerized accounting which management needs to address.

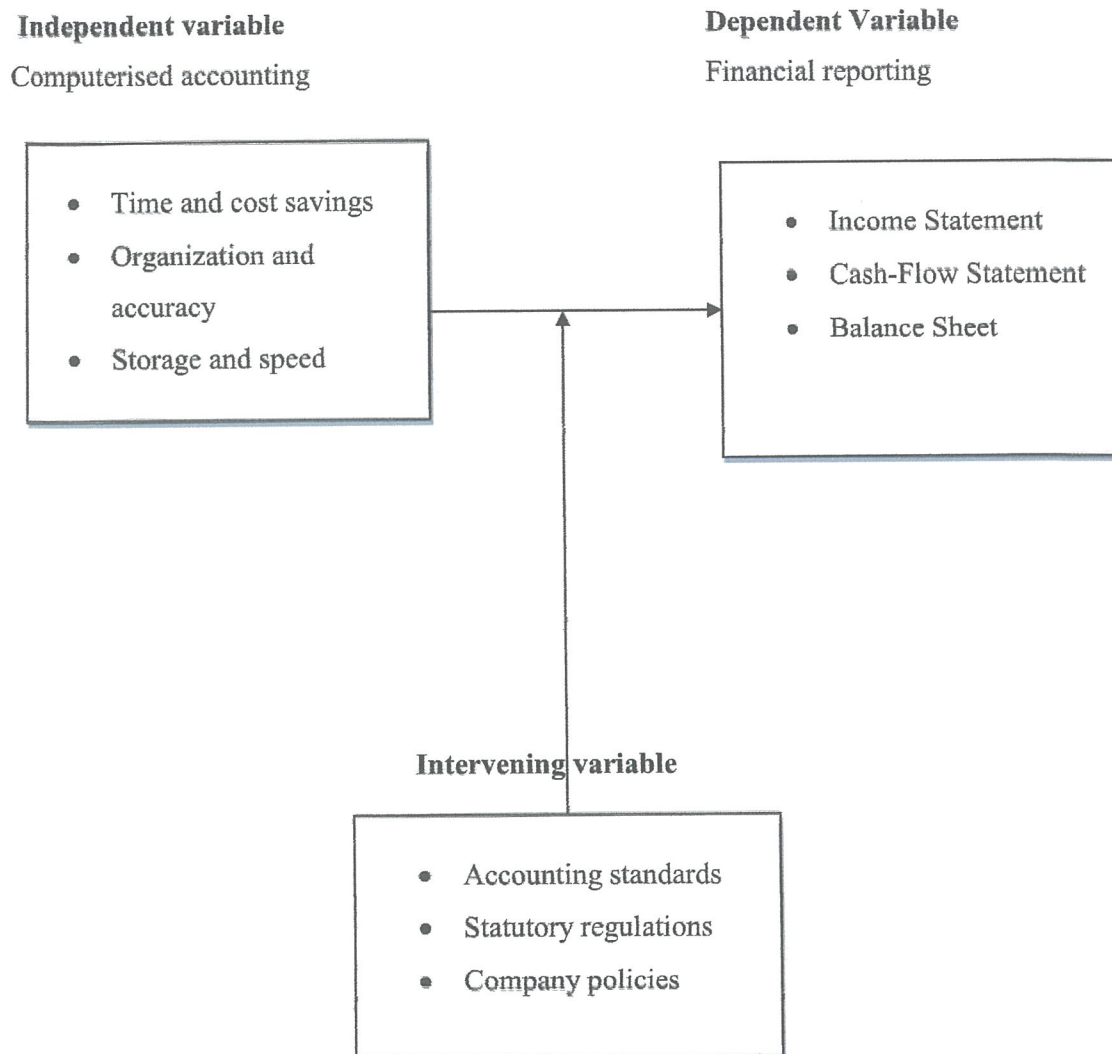
Other researchers will use the report as literature review in order to improve on their research topic in another period.

The study will be significant to the researcher in fulfilling one of the requirements for award of bachelor's degree in Business Administration

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

### 1.8 Conceptual Framework showing independent and dependent variables

The conceptual framework diagrammatically shows the relationship between the different variables in the study. The independent variable was perceived as computerized accounting and dependent variable was financial reporting



Source: Researcher, (2019)

The independent variable was perceived as computerized accounting whereas the dependent variable was financial reporting. The independent variable focuses on Time and cost savings, Organization and accuracy, Storage and speed whereas the dependent variable concerns Income Statement, cash-Flow Statement and Balance Sheet. This is intervened by Accounting

standards, Statutory regulations and Company policies. Conceptually, computerized accounting is associated with the financial reporting.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter presents the analysis of existing literature relating to the subject of the study and was structured according to the research objectives. This was a very wide aspect and the information given helped the researcher during the research study.

#### **2.1 Computerized accounting systems used in financial institutions**

##### **Quick Books**

QuickBooks is Intuit Inc's set of software solutions designed to manage payroll, inventory, sales and other needs of a small business (Gelinas, U., Sutton S., and Hunton, J., 2014). The software's features include marketing tools, merchant services, product and supplies, training solutions. Each solution is developed according to different industries and their needs.

Intuit's products for construction contractors include the Simple Start Plus Pack, Quickbooks Pro, Quickbooks Premier Contractor and Quickbooks Enterprise Solutions: Contractor. These products are designed to meet contractor's needs based on company size (Gorton, M., 2013).

These software solutions are used to monitor expenses, create invoices and reports, track change orders and job status, and manage inventory, customers, vendors and employees (Grabski, S., and Marsh, J., 2014). In addition to these industry specific packages and their corresponding capabilities, Intuit offers add-ons to Quickbook versions as well as third-party tools that integrate with Quickbooks in order to enhance current functions.

In his words Ethoven (1973-1979), that a sound and well designed accounting information system, is an essential element in the economic development of developing countries. Hence, in broad terms, it's widely accepted that accounting systems have the potential to play a vital role in many aspects of and organisation. Accounting information system like QuickBooks can play the vital role of catalyst in economic development process and this deserves serious attention for developing countries. The role played by AIS was greatly recognised in countries such as Cambodia, Spain, Lebanon, and Russia among others.

## **Tally accounting**

Tally is powerful accounting software, which is driven by a technology called concurrent multi-lingual accelerated technology engine (Greuning, H., V., 2015). It is easy to use software and is designed to simply complex day to day activities associated in an enterprise. Tally provides comprehensive solution around accounting principles, inventory and data integrity. Tally also has feature encompassing global business. Tally software comes with easy to use interface thus making it operationally simple.

Tally accounting software provides a solution around inventory management, stock management, invoicing, purchase order management, discounting, stock valuation methodology, etc (Indira, A., 2014). Tally accounting software also comes with drill down options, which can track every detail of transaction. It helps in maintaining simple classification of accounts, general ledger, accounts receivable and payable, bank reconciliation, etc.

The technology employed by tally makes data reliable and secure. Tally software supports all the major types of file transfer protocols (Lancouch, A. A. , 2013). This helps in connecting files across multiple office locations. Tally accounting software is capable of undertaking financial analysis and financial management. It provides information around receivables turnover, cash flow statement, activity consolidation and even branch accounting.

Tally accounting software is east to set up and simple to use (Lewis, R. and Pendrill D., 2013). A single connection can support multiple users. It can be easily used in conjunction with the Internet making possible to publish global financial reports.

According to S. Chand (2012), tally is user friendly accounting software developed by Peutronics Pvt limited. That is an online accounting information system. It is also a double entry accounting system used in organisation globally. He asserts that this system is simple and convenient to use as compared to other systems.

## **Pastel Accounting**

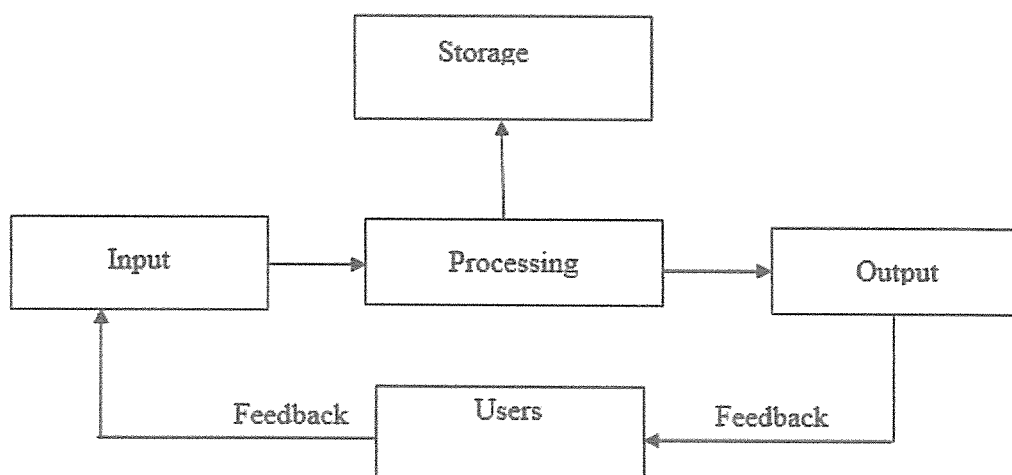
Pastel Accounting is a South African accounting software package developed by SoftLine Pastel since 1989. It is widely used in industry, with job advertisements frequently requiring proficiency in the software, and training courses are available by third-party providers

In a study, Nash et al (2013) argued that with the improvements in technology, information systems have been computerized. Improvements in this technology have replaced manual bookkeeping systems with computerized ones, hence, accounting information systems that were previously performed manually are now performed by computers in most companies. While accounting systems have been around for centuries, the introduction of business technology and Computerized Accounting Systems radically changes the playing field.

Lately, Vitez (2010) reviewed that paper ledgers, manual spreadsheets and hand-written financial statements have all been translated into computer systems that can quickly present individual transactions into financial reports. Computerized Accounting Systems follow the same logic of journal, ledgers, reports and statements in a manual system. Computerized systems simply consolidate posting functions and other basic tasks into a "behind the scenes" system. Companies can also generate reports and financial statements easier, allowing for better performance management reviews.

Computerised Accounting System is therefore a computer based system which combines accounting principles and concepts as well as the concept of information system to record, process, analyse and produce financial information to its users for making economic decisions. (Gelinas et al, 2014)

**Figure 2.2 A COMPUTERISED ACCOUNTING SYSTEM MODEL**



(Gelinas et al, 2014)

The definition of a Computerised Accounting System from above shows that a Computerised Accounting System has the following components with an illustrative diagram in figure 2.2 above;

**Input:** Data inputs are the facts that are collected and processed by the information system. Data input includes capturing data from a source document such as a sales order or purchase order (Lewis, R. and Pendrill D., 2013).

**Processing:** In order to produce useful and meaningful information, the data captured must be processed and organized into a useful form (Marivic, A., 2012).

**Output:** Output is the meaningful and useful information produced by the information system. It is usually presented in the form of a report (McBride, P., 2012).

**Feedback:** After the information has been presented in the form of a report, there is the need for a feedback. Feedback tends to serve as a source of input and also a control measure in the information system (McRae, T.W, 2011).

**Storage:** It serves as the repository of relatively permanent data maintained over an extended period of time (Meigs, F.R. and Mary. A, 2011).

Indeed, Waterfield and Ramsing (2011) argued that, all organizations have an information system of some kind. Many might see a minimal system as sufficient say, a manual accounting system that produces reports three months late. Furthermore, having good information is essential for an institution to perform efficiently and effectively the better its information, the better it can manage its resources. Their research shows clearly that in a competitive environment, the institution with better information has a distinct advantage. This means that among other benefits companies adopt Computerized Accounting Systems (CAS) in order to obtain competitive edge.

Raymond and Bergeron (2013) researched into the increasing rate of adoption of CAS among SMEs and concluded that, the advent of powerful, low cost microcomputers, together with user-friendly accounting software and the benefits associated with the use of CAS, has allowed a greater number of SMEs to implement IT in recent years. Therefore, CAS adoption among corporate bodies in general is as a result of combination of different factors as well as the benefits associated with such.

In a study by McMahon et al (2012) and their counterpart Gorton (2013) they argued that, the need to facilitate financial management is a motivating factor for adopting accounting software.

Also in the article, “Understanding and using financial management systems to make decisions”, Kimunya et al (2013) considered some factors that managers should take into consideration before adopting Computerised Accounting Systems. These factors include the need to have accurate, consistent and timely data in a variety of reporting formats. They also discussed the need to consider the ability of the system to save accounting staff time.

## **2.2 Contributions of computerized accounting on financial reporting**

Computerized Accounting Systems are important to businesses in various ways. The use of computers is time-saving for businesses and all financial information for the business is well-organized (Baren, 2010).

### **Time and Cost Savings**

Using a Computerized Accounting Systems saves companies time and money. The use of a computer makes inputting accounting information simple (Meigs, F.R. and Mary. A, 2011). Transactions are entered into the system and the system processes and posts transactions accordingly. Computerized Accounting Systems reduce staff time preparing accounts and reduce audit expenses as records are neat, up-to-date and accurate. Better use is made of resources and time; cash flow should improve through better debt collection and inventory control. More importantly, the system helps present financial reports on time to aid in the economic decision making process of external users.

### **Organisation and Accuracy**

A Computerized Accounting System enables businesses to stay organized. When information is entered into the system, it makes finding the information easy. Employees can look up any financial information whenever it is needed (Meigs, F.R. and Mary. A, 2011). There is less room for errors as only one accounting entry is needed for each transaction rather than two (or three) for a manual system. The accounting records are automatically updated and so account balances (e.g. customer accounts) will always be up-to-date.

## **Storage and Speed**

Storing information is vital to a business (Meigs, R., 2012). After information is entered into the system, the information is stored indefinitely. Companies perform backups on the system regularly to avoid losing any information. The introduction of Computerized Accounting Systems provides the ability to see the real-time state of the company's financial position.

## **Distribution**

Computerized Accounting Systems allow companies to distribute financial information easily. Financial statements are printed directly from the system and are distributed internally and externally to those needing the information (Michael, E. P and Miller .V. E., 2014). Reports can be produced which will help management monitor and control the business, for example the aged debtors analysis will show which customer accounts are overdue, trial balance, trading and profit and loss account and balance sheet.

McBride (2012) 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 (2013), 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 (2015) 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 (2013), 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.

### **2.3 Relationship between computerized accounting and financial reporting**

The influence of computerized accounting systems on financial reporting has been linked to the benefits of applying computer systems while generating financial reports. The presentation of scheduled reports can be triggered and simplified and prepared at regular interval with ease (McRae, 2011). With the application of computerization, generation of financial reports will be easy since information can be easily generated and updated on a timely basis. With the substantial increase in the number of transactions and increase in the need for real time information, maintenance of accounting data on a real time basis has become essential. This is achievable using computerized systems hence promoting the quality of financial reporting.

Carol (2013) says that computerizing business general ledger, payroll and other accounting tasks increases office efficiency. Computerized accounting systems have also been credited for their quick processing speed and large storage capacity.

In effect, Computerised Accounting Systems enable financial statements to be prepared and presented to meet the relevance and faithful representation criteria of financial statements.

According to McBride (2012), 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 (2012) 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 (2014) 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.

Using computerized accounting systems ensure up to date account balances are available at any time to aid management in decision making (Lancouch 2013). Computerization saves time on transaction hence leading to quality of financial reporting for instance timely, accurate and reliable information can be generated (Lewis 2012). The influence of computerized accounting systems depends on the end users satisfaction.

Mihir (2013) stressed that higher end users satisfaction leads to a positive attitude towards using the satisfaction and in turn increases the voluntary usage of the system.

Nash (2013) noted that the quality of accounting information and performance of the accounting systems is a great concern to management. A computerized accounting system is a delivery system of accounting information for purposes such as providing reliable accounting information to users, protecting the organization from possible risks arising as a result of abuse of accounting data and system among others.

Frank wood (2012), pointed out that firms should ensure that they promote the use of up to date and complete IFRS in the preparation and presentation of its financial statements and ensure compliance to the set standards and governing regulations.

Indira (2014) remarked that, firms should also ensure public availability of full sets of financial statements including notes for public interest entities rather than producing a summary of the financial reports to the stakeholders. Michael (2014) added that, firms should ensure that they recruit skilled professionals to handle its accounting and offer routine training to the employees in the field of accounting basing on the changing environment.

## **2.4 Related Studies**

The influence of computerized accounting systems on financial reporting has been linked to the benefits of applying computer systems while generating financial reports. The presentation of scheduled reports can be triggered and simplified and prepared at regular interval with ease (McRae, 2011). With the application of computerization, generation of financial reports will be easy since information can be easily generated and updated on a timely basis. With the substantial increase in the number of transactions and increase in the need for real time

information, maintenance of accounting data on a real time basis has become essential. This is achievable using computerized systems hence promoting the quality of financial reporting.

Carol (2013) says that computerizing business general ledger, payroll and other accounting tasks increases office efficiency. Computerized accounting systems have also been credited for their quick processing speed and large storage capacity. Using computerized accounting systems ensure up to date account balances are available at any time to aid management in decision making (Lancouch 2013). Computerization saves time on transaction hence leading to quality of financial reporting for instance timely, accurate and reliable information can be generated (Lewis 2012). The influence of computerized accounting systems depends on the end users satisfaction.

Mihir (2013) stressed that higher end users satisfaction leads to a positive attitude towards using the satisfaction and in turn increases the voluntary usage of the system. The quality of accounting information and performance of the accounting systems is a great concern to management. A computerized accounting system is a delivery system of accounting information for purposes such as providing reliable accounting information to users, protecting the organization from possible risks arising as a result of abuse of accounting data and system among others.

The influence of computerized accounting systems on processing of financial statements has been linked to the benefits of applying computer systems while generating financial statements. The influence of computerized accounting systems depends on the end users satisfaction. Mahir (2013) stressed that higher end users satisfaction leads to a positive attitude towards using the satisfaction and in turn increases the voluntary usage of the system.

All in all, despite the accrued benefits associated with the adoption of using computerized accounting practices in financial institutions as a basis of financial reporting, there is still a wide gap that needs to be addressed for example some of these automated accounting systems may not comply with Accounting regulatory framework.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter presents the methodology that was used in the research. The justification for the use of the research approach was explained. The chapter further provides a description of research design, nature of the study, sources of data collection, sources of information, sample size, the methods employed in data collection and limitations of the study.

#### **3.1 Research design**

For the purpose of this study, a case descriptive research design was adopted to evaluating the computerized accounting and financial reporting at Stanbic Bank, Wandegaya Branch. Both quantitative and qualitative research approaches were applied. The advantages of qualitative research are - producing more in depth information. Moreover, qualitative research can provide complex textual descriptions of how people experience a given research issue.

#### **3.2 Study area and population**

The study was carried from Stanbic Bank, Wandegaya Branch. The bank was located after Wandegaya junction and a few kilo meters from Kampala City Centre.

#### **3.3 Sample size and sample selection**

The total sample size was 50 respondents. In this study, the target population of 58 involved Top managers of Stanbic Bank, Bank tellers of Stanbic Bank, Internal Auditors and Other bank's support staff.

**Table 3. 1: Showing Research Population and sample size**

Type of population	Target Population	Sample Size
Top managers of Stanbic Bank	8	6
Bank tellers of Stanbic Bank	28	25
Internal Auditors	10	8
Other bank's support staff	12	11
<b>Total</b>	<b>58</b>	<b>50</b>

A sample size of 50 respondents was determined through purposive and random sampling methods. This was so because the nature of data to be generated requires different techniques for better understanding of the research problem under investigation. Besides this the approach is also commonly known for achieving higher degree of validity and reliability as well as elimination of biases as per Amin (2014).

The Sloven's formula (2010) was used to determine the minimum sample size.

$$n = \frac{N}{1 + Ne^2} = n = \frac{58}{1 + 58(0.05)^2} = 50 \text{ respondents}$$

n= 50 respondents

n = sample size

N = the population size

e = level of significance, fixed at 0.05

### **3.4 Sample Procedure**

The sample was purposively and randomly selected. The bank tellers, internal auditors and top managers were purposely selected because they dealt with all the issues concerning computerized accounting and financial reporting and thus had knowledge about the study topic.

Other support staff of the Bank were randomly selected to give each an equal chance of representation. All respondents were assumed to have vital information on the subject matter of the research. Respondents who were willing to participate were approached.

### **3.5 Sources of Data**

#### **3.5.1 Primary Data**

This was obtained through use of self-administered questionnaires and interviews to the respondents.

#### **3.5.2 Secondary Data**

This was acquired from text books and other related works of outstanding scholars such as published magazines, written data sources including published and unpublished documents, company reports and internet sources which were all referred to, to provide more information on computerized accounting and financial reporting at Stanbic Bank, Wandegaya Branch.

### **3.6 Data collection methods**

The researcher used the following tools and methods to collect data; questionnaires, key persons interviews and data sheets.

#### **3.6.1 Questionnaires**

The researcher constructed questionnaires containing items in line with the study objectives. The questionnaires were self-administered to study respondents to fill and later be collected. The items on the questionnaire were structured in a closed ended format to ease response. One of the major advantages of using questionnaires is that many responses can be collected in a short time. The questionnaire was sectioned according to the objectives of the study.

#### **3.6.2 Key Persons Interviews**

The researcher also used an interviews guided to collect primary data from respondents, this was basically because it allowed the researcher to obtain information that could not observed directly, to gain control over the time of questioning and allowed the researcher to rephrase questions and ask additional ones to clarify responses and secure more valid results.

### 3.7 Validity and Reliability of the Instruments

#### 3.7.1 Validity

This instrument was mainly ensured through expert judgment and the researcher made sure the coefficient of validity to be at least 70%. After the assessment of the questionnaire, the necessary adjustments made bearing in mind of the objectives of the study. The researcher used the following formula to calculate the validity of the instrument was

$$CVI = \frac{\text{no of items declared valid}}{\text{total no of items}}$$

$$CVI = \frac{14}{16}$$

$CVI = 0.875 \times 100\% = 87.5\%$  therefore the instrument used was 87.5 valid.

#### 3.7.2 Reliability

This is also another critical instrument that the researcher used as a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Amin, 2014). In addition, atleast an interview schedule and numerous questions were tested with the use of the respondents in the other branches of Stanbic Bank across Uganda. Joppe (2012) noted that reliability is used as an extent to which results are consistent to research instruments and accuracy in representation. The researcher measured the reliability of the instruments using Cronbach's Alpha results as indicated below;

Reliability Statistics	
Cronbach's Alpha	N of Items
.898	16

This therefore indicates that the instrument used was 89.8% reliable.

### 3.8 Data Processing

The processing of data was done after the collection of data for verification of the information that was gathered and for attainment of completeness, accuracy and uniformity. Data editing involved

checking the information for errors, which was an added advantage because it enabled the researcher to delete and eliminate possible errors that would have been traced which in the end would have manipulated the results of the study. Data was analyzed concurrently to avoid duplication thereby guiding the entire study for balanced and critical analysis. The researcher used hypothesis based on the questionnaire and for other items, tabulation pie-charts and percentage and simple statistical methods were used for data presentation, analysis and qualification.

### **3.9 Data Analysis and presentation**

The study explained, described, and presented the findings basing on the specific objectives of the study and research questions, where data analysis was initially done through sketchy and generalized summaries of the findings from observation and conclusions in the process of data collection. Data analysis was done using simple statistical percentages and frequencies and thereafter was presented in form of tables, charts and graphs.

### **3.10 Ethical Consideration**

The researcher carried out the study with full knowledge and authorisation of the Stanbic Bank, Wandegeya Branch. The researcher first of all acquired an introductory letter from the University which he would use to eliminate suspicion. The researcher thereafter went ahead to select respondents, and arrange for dates upon which he would deliver questionnaires as well as pick them in addition to making appointments for interviews to be conducted. The researcher was charged with a task of ensuring that he would assure the respondents of their confidentiality as this was paramount to research.

### **3.11 Limitations and solutions**

The time provided was not enough to exhaust all the aspects of the research like collection of data, receiving related literature among others. In order to solve this challenge, the researcher had to forego or postpone some of his work schedules to finish the study on time. The study was limited by financial constraints, insufficient funding for travel, typing of several drafts, logistics printing, costs of the final copy and contingency costs associated with research work. To overcome the limitation, the researcher had to secure enough money from parents/guardians for the research work in order to avoid financial delays.

Some of the respondents were willing to cooperate during the study. In order to solve this, the researcher had to brief respondents about the study purpose and let them know that it was purely academic.

## CHAPTER FOUR

### PRESENTATIONS, INTERPRETATIONS AND ANALYSIS OF DATA

#### 4.0 Introduction

This chapter covers the presentation of the findings according to the themes of the study which were: to establish the computerized accounting systems being used at Stanbic Bank, Wandegeya Branch, to establish the contributions of computerized accounting on financial reporting at Stanbic Bank, Wandegeya Branch and to examine the relationship between computerized accounting and financial reporting at Stanbic Bank, Wandegeya Branch.

#### 4.1 Demographic characteristics of respondents

Under this section, the researcher was interested in finding out the demographic characteristics of the respondents. They are presented as follows:

##### 4.1.1 Gender of Respondents

The researcher wanted to know the gender or sex distribution of the respondents and this is shown in the following table and illustration. This section indicates the both sexes with the community.

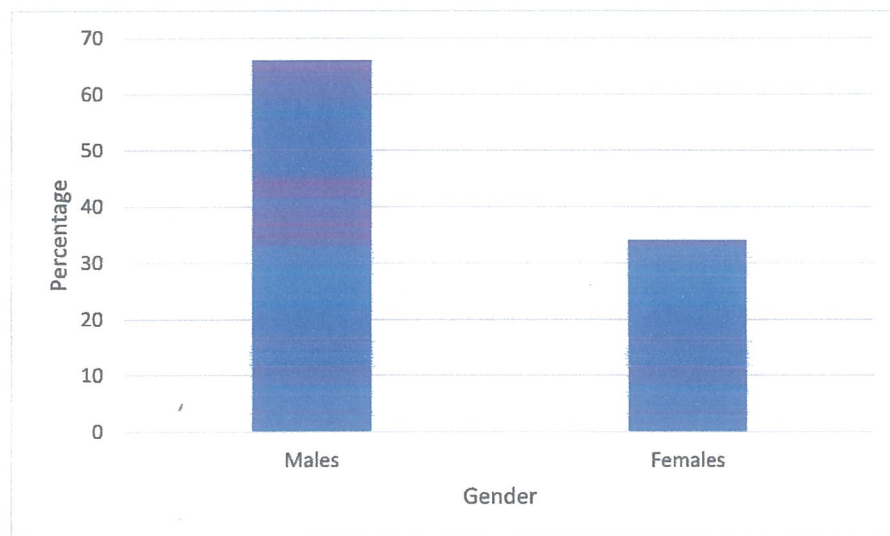
**Table 4. 1 : Gender distribution of the respondents who participated in the study**

Gender	Frequency	Percentage (%)
Males	33	66
Females	17	34
Total	50	100

**Source:** Primary Data (2019)

In the above table 4.1, the study findings revealed that the sample constituted of 50 respondents of which 66% were males and the 34% remaining were females. This implies that males are the majority. This implies that the most respondents were men due to the societal beliefs that the males are hardworking and hence capable of effectively managing computerized accounting and financial reporting operations at Stanbic Bank, Wandegeya Branch.

**Figure 4. 1: Gender of respondents**



#### **4.1.2 Age of the respondents**

The study went on to establish the different age groups of the respondents and the findings were as presented in table 4.2. The study also involved all respondents who are responsible and with mature understanding. For example, all the respondents were 20 years and above.

**Table 4. 2 showing age distribution of the respondents**

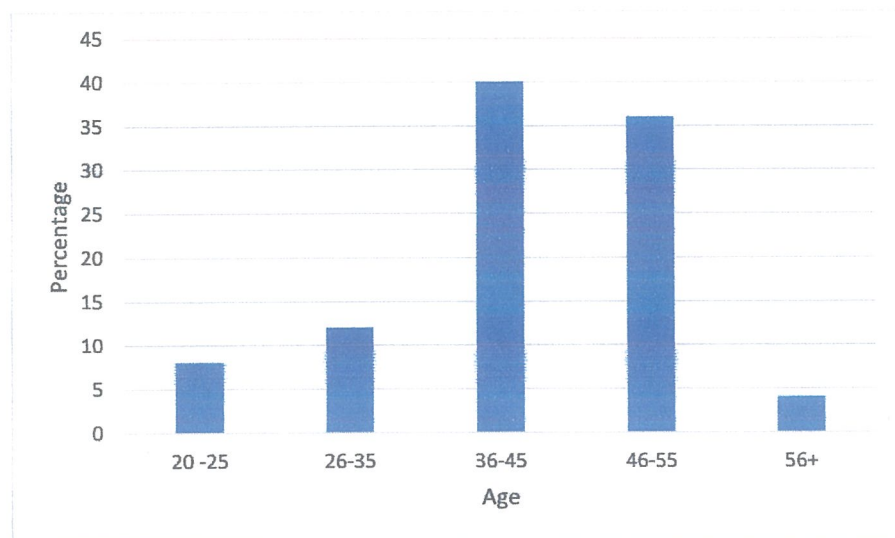
Age	Frequency	Percentage (%)
20 -25	4	8
26-35	6	12
36-45	20	40
46-55	18	36
56+	2	4
Total	50	100

**Source:** Primary Data (2019)

The study revealed that the majority of the respondents fell in the age category 36 - 45 with a 40% representation. Age category 46-55 had a total response of 36%, while 26 -45 age group was represented by 12% the 20 -25 category had a total representation of 8% while the least

represented category was that of the 56+ with a representation of 4%. This implies that elderly people are less energetic to participate actively in operations of the Bank. The most number of respondents were relatively middle aged who are more productive and attentive at work.

**Figure 4. 2: Age of the respondents**



#### 4.1.3 Marital Status of the Respondents

The study further went on to establish the marital status of the respondent and the findings were as represented in table 4.3. The researcher was also interested in finding out the marital status of respondents.

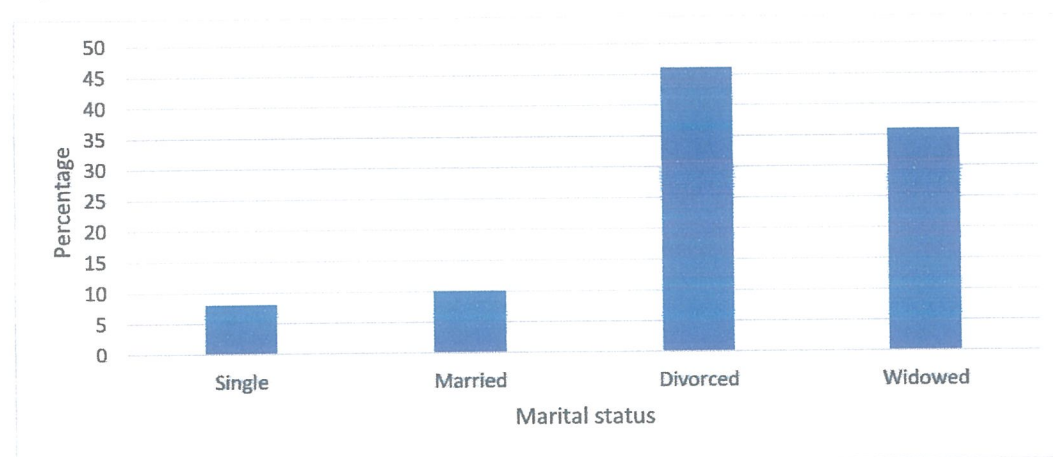
**Table 4. 3: Marital status of the respondents**

Marital Status	Frequency	Percentage
Single	4	8
Married	5	10
Divorced	23	46
Widowed	18	36
<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Primary Data (2019)

The study established that the majority of the respondents were widowed (36%). The divorced comprised of 46%, the married were 10% whereas the single were only 8%. Study findings established that, the majority were widowed and that due to their statuses, had children to take care of and yet resources were not readily available. This implies that widows and divorced were the majority. However, the single were the least represented because as singles, implying that they did not see the importance of engaging in computerized accounting and financial reporting operations at the Bank.

**Figure 4. 3: Marital Status of respondents**



#### 4.1.4 Education Levels of the Respondents

The study also sought about the educational levels of the respondents and the findings were as represented in table 4.4. Under this section, the researcher was interested in finding out the education status of all respondents involved in the study.

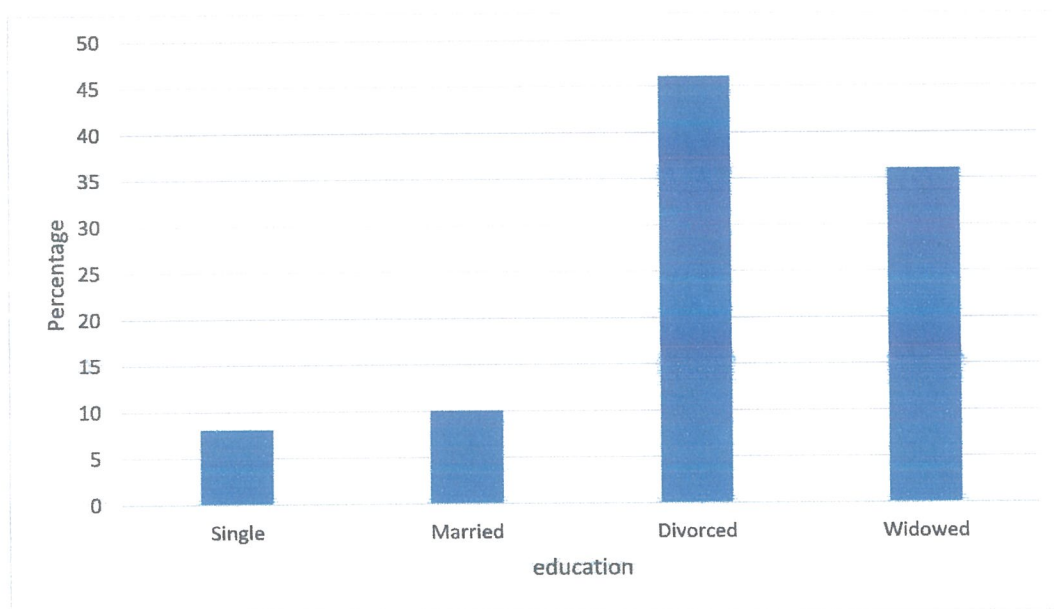
**Table 4. 4: Educational Level of the respondents**

Education level	Frequency	Percentage
Primary	25	50
Secondary level	13	26
Vocational	7	14
University	5	10
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary Data (2019)

Study findings in table 4.4 revealed that the least represented level of education was the university group which comprised of 10%, followed by vocational level group (14%), while secondary level was represented by 26% and the most represented group was that of primary level which comprised of 50%. This implies that most respondents in the study were mainly illiterate, thus with low levels of education. And this further indicated that the majority were relatively uneducated and this also further implied that they had low understanding regarding the computerized accounting and financial reporting in financial institutions in Uganda.

**Figure 4. 4: Education level of respondents**



#### **4.2 FINDINGS ON COMPUTERIZED ACCOUNTING SYSTEMS BEING USED AT STANBIC BANK, WANDEGEYA BRANCH**

To achieve this objective, the respondents were asked about the computerized accounting systems being used at Stanbic Bank, Wandegeya Branch. These are presented as follows:

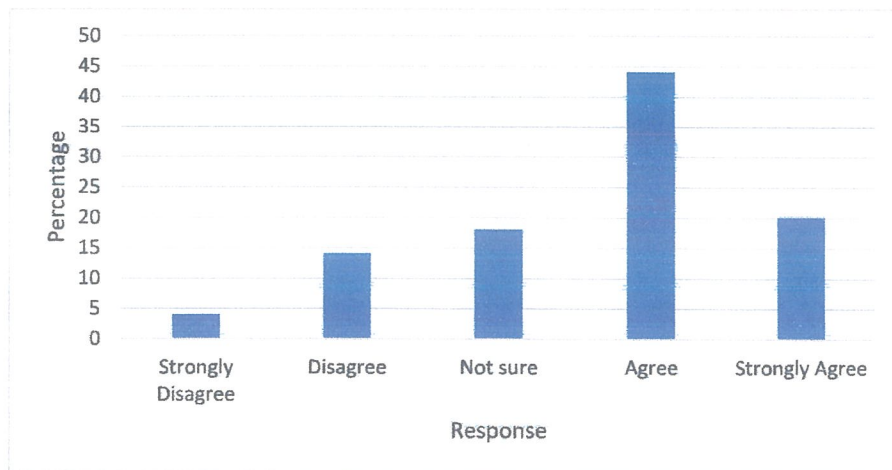
**Table 4. 5: Quick Books is one of the computer used accounting systems used at the Bank to manage payroll, inventory, sales and other accounting needs of the Bank**

Response	Frequency	Percent
Strongly Disagree	2	4
Disagree	7	14
Not sure	9	18
Agree	22	44
Strongly Agree	10	20
Total	50	100

Source: Primary Data (2019)

The table above indicates that 4% of the respondents strongly disagreed, 14% of the respondents disagreed, 18% of the respondents were not sure, 44% agreed and the remaining 20% of the respondents strongly agreed that Quick Books is one of the computer used accounting systems used at the Bank to manage payroll, inventory, sales and other accounting needs of the Bank. This implies that majority of the respondents were of the view that Quick Books was one of the major computerized accounting systems applied at Stanbic Bank to simplify their financial reporting operations.

**Figure 4. 5: Quick Books is one of the computer used accounting systems used at the Bank to manage payroll, inventory, sales and other accounting needs of the Bank**



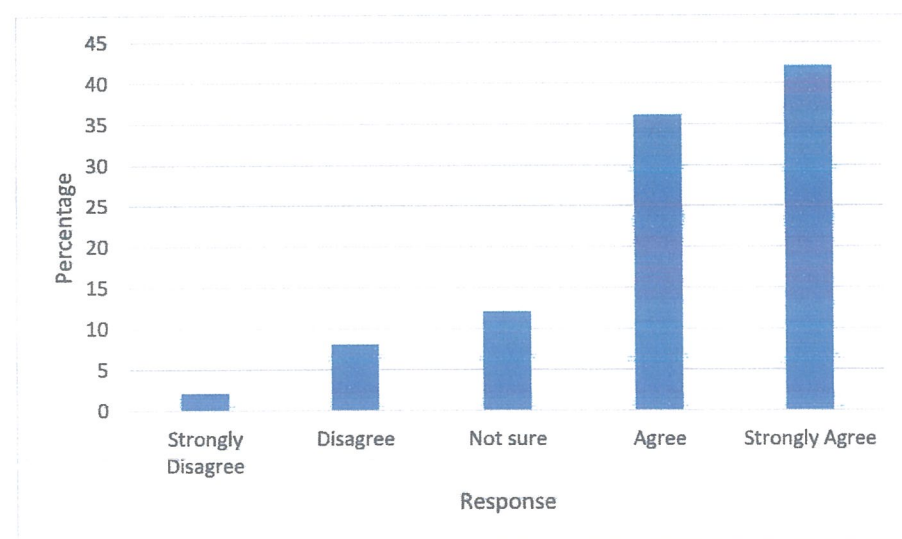
**Table 4. 6: Tally is another computer used accounting system used to simply complex day to day activities associated in the bank**

Response	Frequency	Percent
Strongly Disagree	1	2
Disagree	4	8
Not sure	6	12
Agree	18	36
Strongly Agree	21	42
Total	50	100

Source: Primary Data (2019)

The study results revealed that 2% of the respondents strongly disagreed, 8% of the respondents disagreed, 12% of the respondents were not sure, 36% of the respondents agreed and the remaining 42% strongly agreed that Tally is another computer used accounting system used to simply complex day to day activities associated in the bank. This implies that most of the respondents especially staff the Stanbic Bank revealed that they also do use Tally in their accounting operations.

**Figure 4. 6: Tally is another computer used accounting system used to simply complex day to day activities associated in the bank**



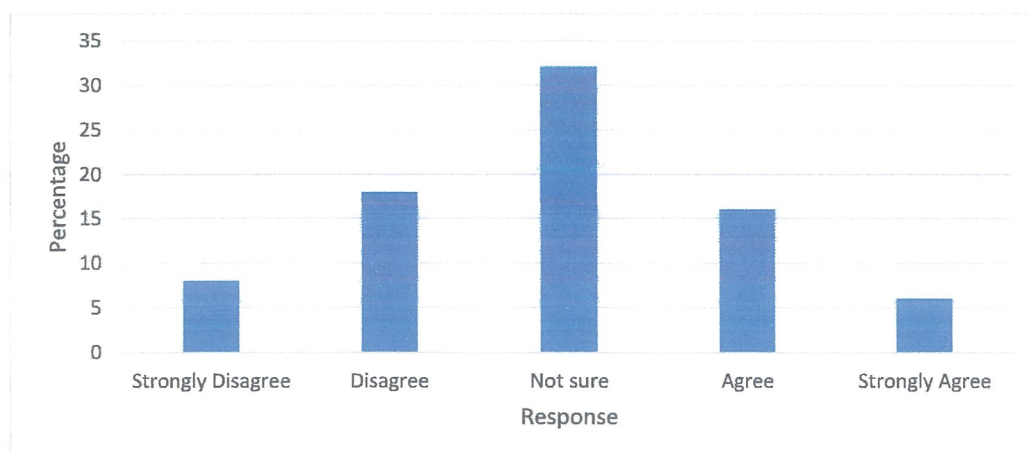
**Table 4. 7: Tally provides comprehensive solution around accounting principles, inventory and data integrity**

Response	Frequency	Percent
Strongly Disagree	4	8
Disagree	9	18
Not sure	26	32
Agree	8	16
Strongly Agree	3	6
Total	50	100

Source: Primary Data (2019)

The table above indicates that 8% of the respondents strongly disagreed, 18% of the respondents disagreed, 32% of the respondents were not sure, 16% of the respondents agreed and the remaining 6% of the respondents strongly agreed that Tally provides comprehensive solution around accounting principles, inventory and data integrity. This implies that majority of the respondents were not sure. This implies a lot still needs to be done to train and increase awareness about Tally Accounting Software in regard to the accounting principles, inventory and data integrity

**Figure 4. 7: Tally provides comprehensive solution around accounting principles, inventory and data integrity**



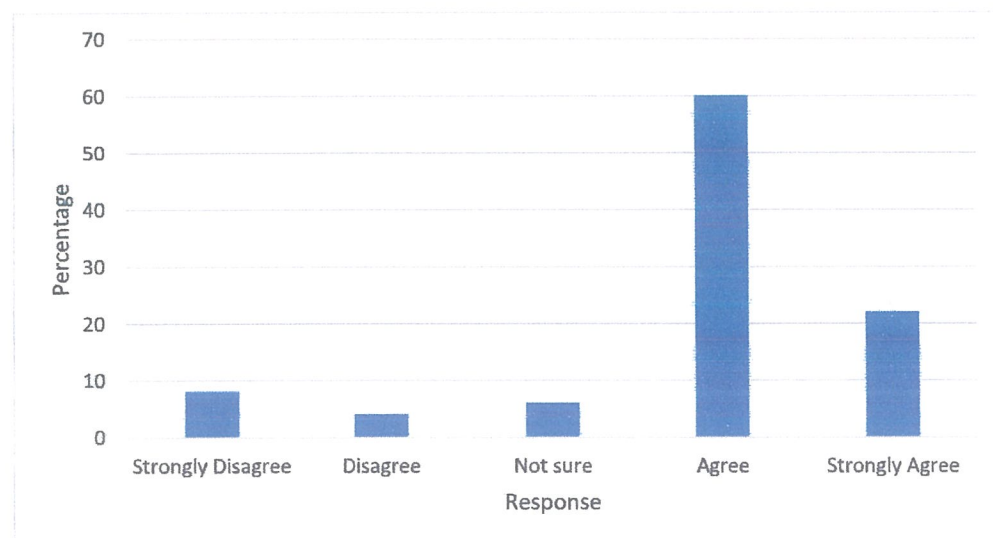
**Table 4. 8: Pastel Accounting is also used at the Bank for accounting purposes**

Response	Frequency	Percent
Strongly Disagree	4	8
Disagree	2	4
Not sure	3	6
Agree	30	60
Strongly Agree	11	22
Total	50	100

Source: Primary Data (2019)

The study results presented in the table above indicate that 8% of the respondents strongly disagreed, 4% of the respondents disagreed, 6% of the respondents were not sure, 60% of the respondents agreed and the remaining strongly agreed. This implies that the majority of the respondents revealed that Pastel Accounting was also used at the Bank for accounting purposes. This implies that Bank uses a multitude of computerized accounting softwares to boost its financial reporting operations.

**Figure 4. 8: Pastel Accounting is also used at the Bank for accounting purposes**



### 4.3 FINDINGS ON CONTRIBUTIONS OF COMPUTERIZED ACCOUNTING ON FINANCIAL REPORTING AT STANBIC BANK, WANDEGEYA BRANCH

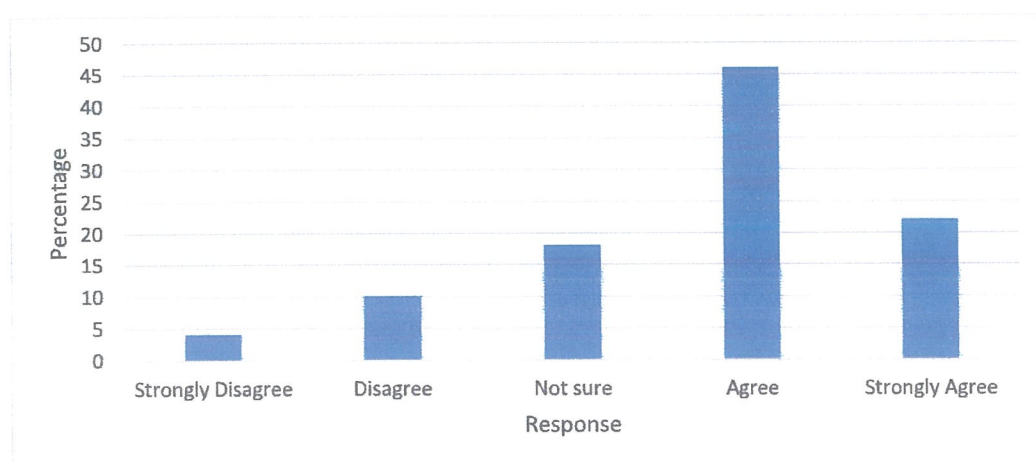
**Table 4. 9: Using a Computerized Accounting saves companies time and money**

Response	Frequency	Percent
Strongly Disagree	2	4
Disagree	5	10
Not sure	9	18
Agree	23	46
Strongly Agree	11	22
Total	50	100

Source: Primary Data (2019)

The results presented in the table above indicate that 4% of the respondents strongly disagreed, 10% of the respondents, 18% of the respondents disagreed, 18% were not sure, 46% of the respondents agreed and the remaining 22% of the respondents strongly agreed that using a Computerized Accounting saves companies time and money. This implies that Stanbic Bank uses these accounting systems in order to be able save time and resources during their operations.

**Figure 4. 9: Using a Computerized Accounting saves companies time and money**



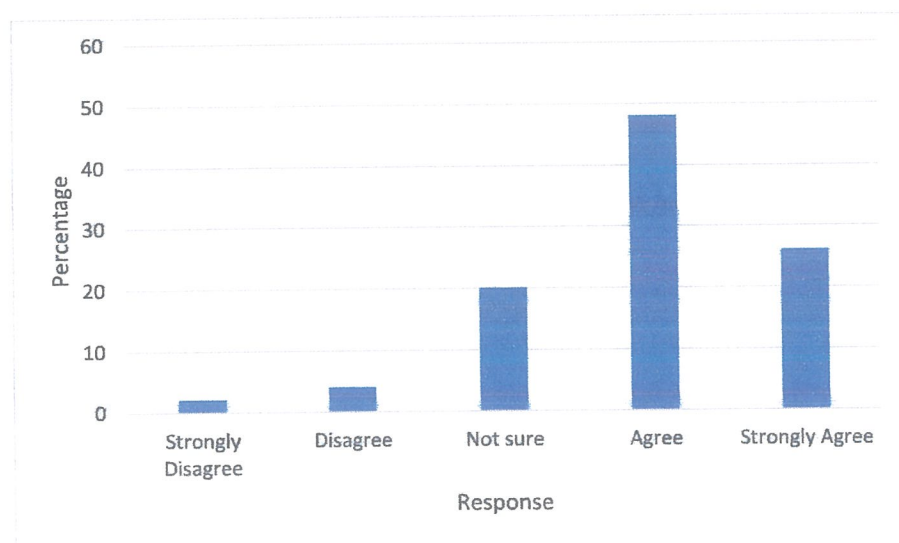
**Table 4. 10: A Computerized Accounting enables the Bank to stay organized**

Response	Frequency	Percent
Strongly Disagree	1	2
Disagree	2	4
Not sure	10	20
Agree	24	48
Strongly Agree	13	26
Total	50	100

Source: Primary Data (2019)

The table above illustrates that 2% of respondents strongly disagreed, 4% disagreed, 20% of the respondents were not sure, 48% of the respondents agreed and the remaining 26% of the respondents strongly agreed. This implies that majority of the respondents revealed that a Computerized Accounting enables the Bank to stay organized. This implies that with the aid of such computerized systems, banks can be able to execute their tasks in more effective and organized manner.

**Figure 4. 10: A Computerized Accounting enables the Bank to stay organized**



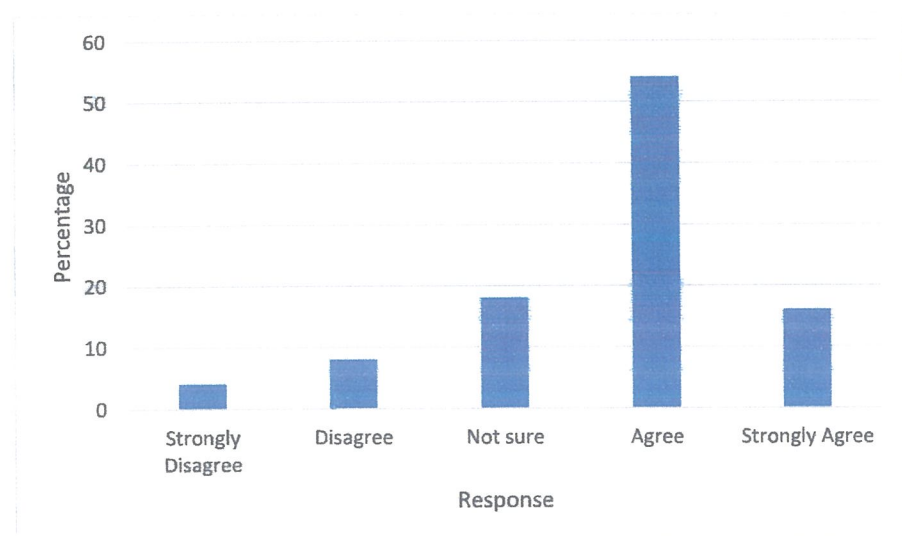
**Table 4. 11: Computerized Accounting allows the Bank to distribute financial information easily**

Response	Frequency	Percent
Strongly Disagree	2	4
Disagree	4	8
Not sure	9	18
Agree	27	54
Strongly Agree	8	16
Total	50	100

Source: Primary Data (2019)

According to the table above, 4% of the respondents, 8% of the respondents disagreed, 18% of the respondents were not sure, 54% of the respondents agreed and 16% strongly agreed. This implies that majority of the respondents revealed that Computerized Accounting allows the Bank to distribute financial information easily. This implies that with the use of such accounting packages in place, the Bank can be able to share its financial information effectively

**Figure 4. 11: Computerized Accounting allows the Bank to distribute financial information easily**



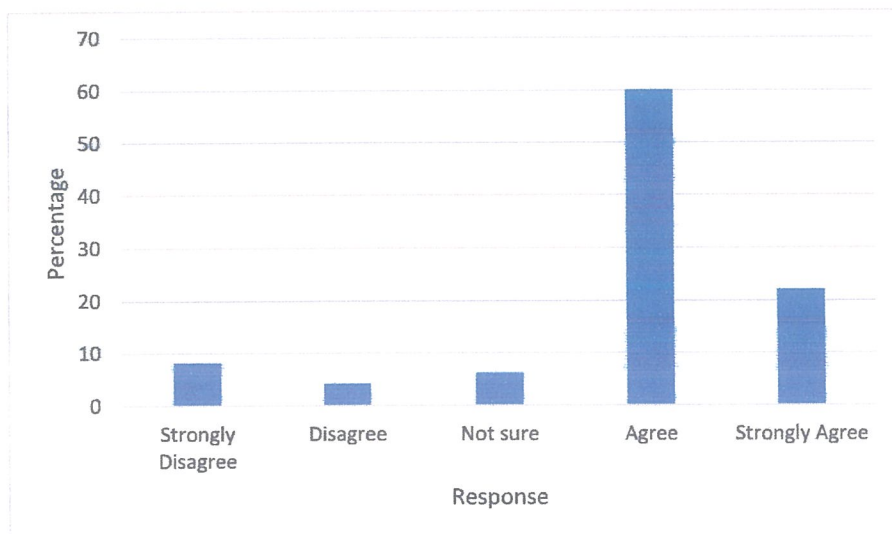
**Table 4. 12: It is easy to do accounting functions using computerized accounting systems**

Response	Frequency	Percent
Strongly Disagree	4	8
Disagree	2	4
Not sure	3	6
Agree	30	60
Strongly Agree	11	22
Total	50	100

Source: Primary Data (2019)

The study results presented in the table above indicate that 8% of the respondents strongly disagreed, 4% of the respondents disagreed, 6% of the respondents were not sure, 60% of the respondents agreed and the remaining strongly agreed. This implies that the majority of the respondents revealed that it is easy to do accounting functions using computerized accounting systems. This implies that financial institutions such as Banks are supposed to use computerized accounting systems

**Figure 4. 12: It is easy to do accounting functions using computerized accounting systems**



#### 4.4 FINDINGS ON RELATIONSHIP BETWEEN COMPUTERIZED ACCOUNTING AND FINANCIAL REPORTING AT STANBIC BANK, WANDEGEYA BRANCH

To achieve this objective, the respondents were asked the relationship between computerized accounting and financial reporting at Stanbic Bank, Wandegeya Branch. These are presented as follows:

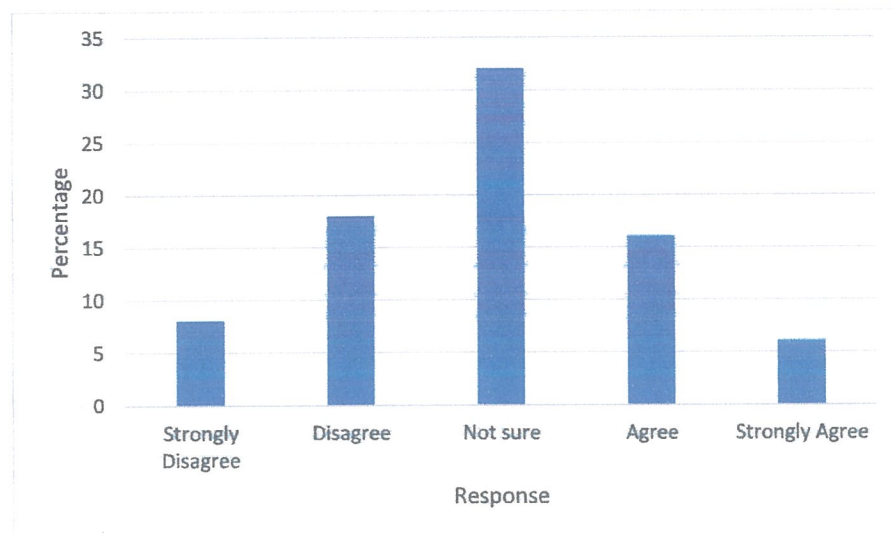
**Table 4. 13: The influence of computerized accounting systems on financial reporting has been linked to the benefits of applying computer systems while generating financial reports**

Response	Frequency	Percent
Strongly Disagree	4	8
Disagree	9	18
Not sure	26	32
Agree	8	16
Strongly Agree	3	6
Total	50	100

Source: Primary Data (2019)

The table above indicates that 8% of the respondents strongly disagreed, 18% of the respondents disagreed, 32% of the respondents were not sure, 16% of the respondents agreed and the remaining 6% of the respondents strongly agreed that the influence of computerized accounting systems on financial reporting has been linked to the benefits of applying computer systems while generating financial reports. This implies that computerized accounting system play an essential role towards financial reporting of financial institutions

**Figure 4. 13: The influence of computerized accounting systems on financial reporting has been linked to the benefits of applying computer systems while generating financial reports**



**Table 4. 14: With the application of computerization, generation of financial reports can be easy since information can be easily generated and updated on a timely basis**

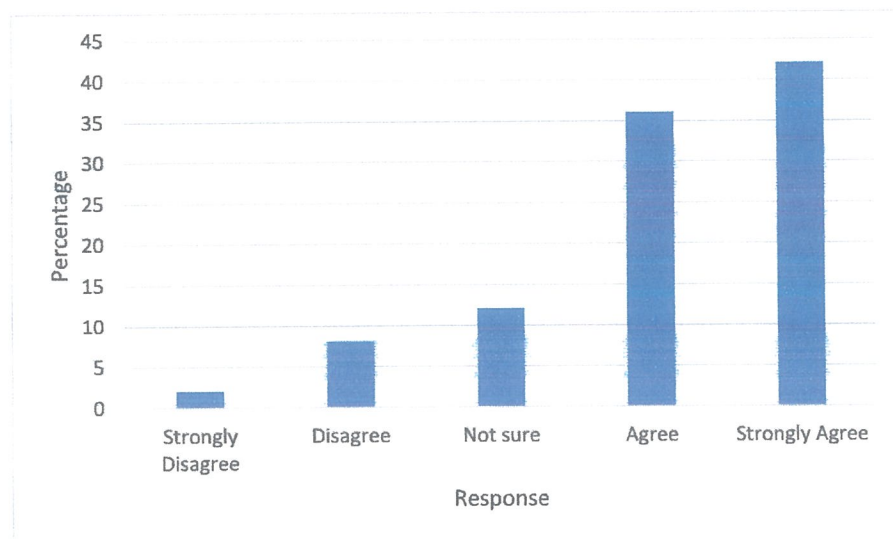
Response	Frequency	Percent
Strongly Disagree	1	2
Disagree	4	8
Not sure	6	12
Agree	18	36
Strongly Agree	21	42
Total	50	100

Source: Primary Data (2019)

The study results revealed that 2% of the respondents strongly disagreed, 8% of the respondents disagreed, 12% of the respondents were not sure, 36% of the respondents agreed and the remaining 42% strongly agreed that with the application of computerization, generation of financial reports can be easy since information can be easily generated and updated on a timely

basis. This implies that with the use of computerized accounting packages in financial institutions, it can be relatively easy to update data/ information timely.

**Figure 4. 14: With the application of computerization, generation of financial reports can be easy since information can be easily generated and updated on a timely basis**



**Table 4. 15: In effect, Computerised Accounting Systems enable financial statements to be prepared and presented to meet the relevance and faithful representation criteria of financial statements.**

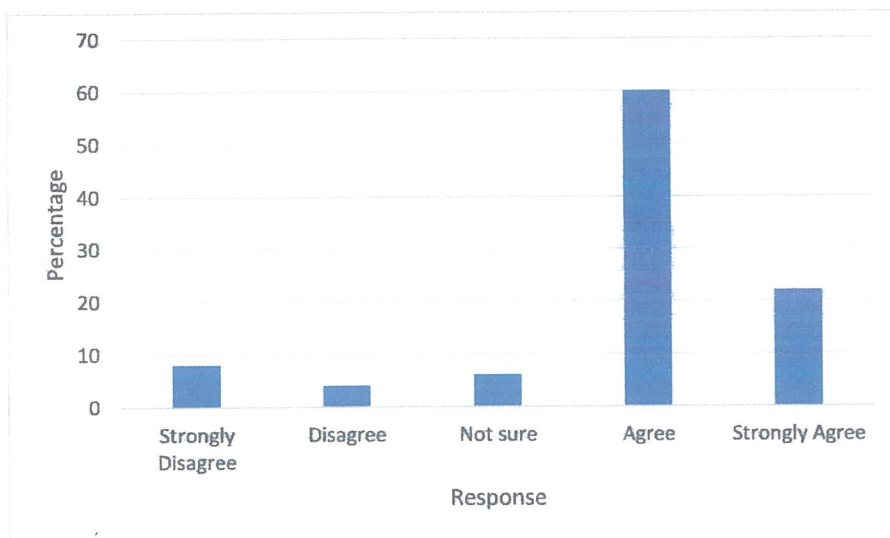
Response	Frequency	Percent
Strongly Disagree	4	8
Disagree	2	4
Not sure	3	6
Agree	30	60
Strongly Agree	11	22
Total	50	100

Source: Primary Data (2019)

The study results presented in the table above indicate that 8% of the respondents strongly disagreed, 4% of the respondents disagreed, 6% of the respondents were not sure, 60% of the respondents agreed and the remaining strongly agreed. This implies that the majority of the

respondents revealed that in effect, Computerized Accounting Systems enable financial statements to be prepared and presented to meet the relevance and faithful representation criteria of financial statements. This implies that Computerized Accounting Systems play an important role in meeting the required representation criteria of financial statements.

**Figure 4. 15: In effect, Computerised Accounting Systems enable financial statements to be prepared and presented to meet the relevance and faithful representation criteria of financial statements.**



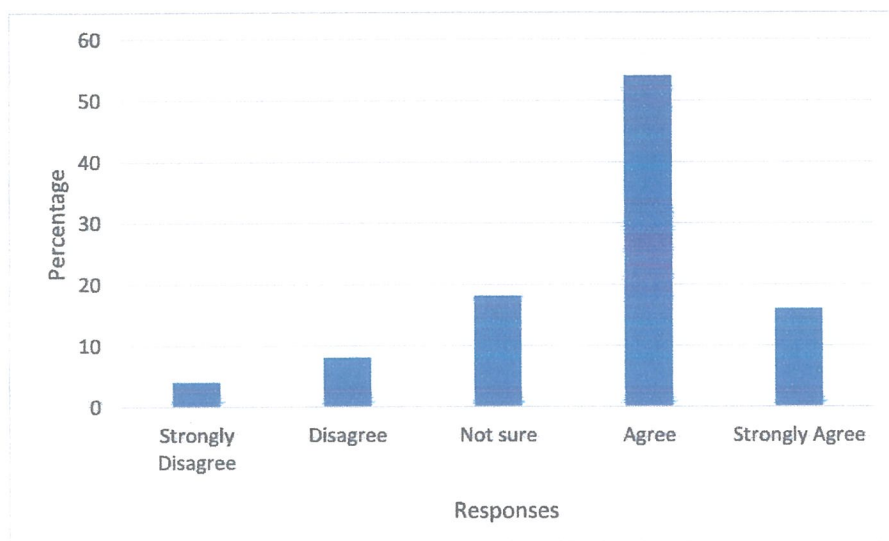
**Table 4. 16: Using computerized accounting systems ensure up to date account balances are available at any time to aid management in decision making**

Response	Frequency	Percent
Strongly Disagree	2	4
Disagree	4	8
Not sure	9	18
Agree	27	54
Strongly Agree	8	16
Total	50	100

Source: Primary Data (2019)

According to the table above, 4% of the respondents, 8% of the respondents disagreed, 18% of the respondents were not sure, 54% of the respondents agreed and 16% strongly agreed. This implies that majority of the respondents revealed that using computerized accounting systems ensure up to date account balances are available at any time to aid management in decision making

**Figure 4. 16: Using computerized accounting systems ensure up to date account balances are available at any time to aid management in decision making**



## **CHAPTER FIVE**

### **SUMMARY OF DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter discusses, concludes and recommends reflecting on the study findings presented in the previous chapter.

#### **5.1 Summary of the discussions**

##### **5.1.1 Demographic characteristics of respondents**

In summary, the study findings revealed that the sample constituted of 50 respondents of which 66% were males and the 34% remaining were females. This implies that males are the majority. This implies that the most respondents were men due to the societal beliefs that the males are hardworking and hence capable of effectively managing computerized accounting and financial reporting operations at Stanbic Bank, Wandegeya Branch. The study revealed that the majority of the respondents fell in the age category 36 - 45 with a 40% representation. Age category 46-55 had a total response of 36%, while 26 -45 age group was represented by 12% the 20 -25 category had a total representation of 8% while the least represented category was that of the 56+ with a representation of 4%. This implies that elderly people are less energetic to participate actively in operations of the Bank. The most number of respondents were relatively middle aged who are more productive and attentive at work. The study established that the majority of the respondents were widowed (36%). The divorced comprised of 46%, the married were 10% whereas the single were only 8%.

##### **5.1.2 Computerized accounting systems being used at Stanbic Bank, Wandegeya Branch**

It was found out that 4% of the respondents strongly disagreed, 14% of the respondents disagreed, 18% of the respondents were not sure, 44% agreed and the remaining 20% of the respondents strongly agreed that Quick Books is one of the computer used accounting systems used at the Bank to manage payroll, inventory, sales and other accounting needs of the Bank. This implies that majority of the respondents were of the view that Quick Books was one of the major computerized accounting systems applied at Stanbic Bank to .simplify their financial reporting operations. The study findings revealed that 2% of the respondents strongly disagreed, 8% of the respondents disagreed, 12% of the respondents were not sure, 36% of the

respondents agreed and the remaining 42% strongly agreed that Tally is another computer used accounting system used to simply complex day to day activities associated in the bank. This implies that most of the respondents especially staff the Stanbic Bank revealed that they also do use Tally in their accounting operations. It was revealed that 8% of the respondents strongly disagreed, 18% of the respondents disagreed, 32% of the respondents were not sure, 16% of the respondents agreed and the remaining 6% of the respondents strongly agreed that Tally provides comprehensive solution around accounting principles, inventory and data integrity. This implies that majority of the respondents were not sure. This implies a lot still needs to be done to train and increase awareness about Tally Accounting Software in regard to the accounting principles, inventory and data integrity

#### **5.1.3 Contributions of computerized accounting on financial reporting at Stanbic Bank, Wandegaya Branch**

The study found out that 4% of the respondents strongly disagreed, 10% of the respondents, 18% of the respondents disagreed, 18% were not sure, 46% of the respondents agreed and the remaining 22% of the respondents strongly agreed that using a Computerized Accounting saves companies time and money. This implies that Stanbic Bank uses these accounting systems in order to be able save time and resources during their operations. It was also discovered that 2% of respondents strongly disagreed, 4% disagreed, 20% of the respondents were not sure, 48% of the respondents agreed and the remaining 26% of the respondents strongly agreed. This implies that majority of the respondents revealed that a Computerized Accounting enables the Bank to stay organized. This implies that with the aid of such computerized systems, banks can be able to execute their tasks in more effective and organized manner.

#### **5.1.4 Relationship between computerized accounting and financial reporting at Stanbic Bank, Wandegaya Branch**

It was found out that 8% of the respondents strongly disagreed, 18% of the respondents disagreed, 32% of the respondents were not sure, 16% of the respondents agreed and the remaining 6% of the respondents strongly agreed that the influence of computerized accounting systems on financial reporting has been linked to the benefits of applying computer systems while generating financial reports. This implies that computerized accounting system play an essential role towards financial reporting of financial institutions. The study results revealed that 2% of the respondents strongly disagreed, 8% of the respondents disagreed, 12% of the

respondents were not sure, 36% of the respondents agreed and the remaining 42% strongly agreed that with the application of computerization, generation of financial reports can be easy since information can be easily generated and updated on a timely basis. This implies that with the use of computerized accounting packages in financial institutions, it can be relatively easy to update data/ information timely.

## **5.2 Conclusion**

### **5.2.1 Computerized accounting systems used in financial institutions**

The study concludes that QuickBooks was designed to manage payroll, inventory, sales and other needs of a small business. The software's features include marketing tools, merchant services, product and supplies, training solutions. It also concludes that QuickBooks is a sound and well-designed accounting information system, is an essential element in the economic development of developing countries. Hence, in broad terms, it's widely accepted that accounting systems have the potential to play a vital role in many aspects of an organisation. Accounting information system like QuickBooks can play the vital role of catalyst in economic development process. The study concludes that Tally is powerful accounting software, which is driven by a technology called concurrent multi-lingual accelerated technology engine. It is easy to use software and is designed to simplify complex day to day activities associated in an enterprise. Tally provides comprehensive solution around accounting principles, inventory and data integrity.

### **5.2.2 Contributions of computerized accounting on financial reporting**

The study concludes that using a Computerized Accounting Systems saves companies time and money. The use of a computer makes inputting accounting information simple. Transactions are entered into the system and the system processes and posts transactions accordingly. Computerized Accounting Systems reduce staff time preparing accounts and reduce audit expenses as records are neat, up-to-date and accurate. It concludes that a Computerized Accounting System enables businesses to stay organized. When information is entered into the system, it makes finding the information easy. Employees can look up any financial information whenever it is needed. There is less room for errors as only one accounting entry is needed for each transaction rather than two (or three) for a manual system. Storing information is vital to a business. After information is entered into the system, the information is stored indefinitely. Companies perform backups on the system regularly to avoid losing any

information. The introduction of Computerized Accounting Systems provides the ability to see the real-time state of the company's financial position.

### **5.3.3 Relationship between computerized accounting and financial reporting**

The study concludes that the influence of computerized accounting systems on financial reporting has been linked to the benefits of applying computer systems while generating financial reports. The presentation of scheduled reports can be triggered and simplified and prepared at regular interval with ease. It also concludes that computerizing business general ledger, payroll and other accounting tasks increases office efficiency. Computerized accounting systems have also been credited for their quick processing speed and large storage capacity. 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.

### **5.3 Recommendations**

The bank should prompt and encourage its users to always change their passwords within the accounting period. The frequent change of passwords and the combination features will help curtail the limitations of using password as authentication control. In addition, in the bank's effort to prevent the incident of commitment and concealment of fraud among their employees, the accounting duties should be segregated among bank staffs. Thus, the Computerized Accounting System should not allow a single person to enter data, post and authorize transaction. In order to monitor and control the Computerized Accounting Systems usage among employees in Stanbic, the bank should use Computerized Accounting System which has a feature that automatically records all the systems' transactions and activities in a log. These logs should be analyzed to monitor systems' activities and trace problems to their source. This analysis can reveal employees who accessed the system and what specific actions each user performed.

The study recommends that the bank should control the access use to workers in other branches of the banks and the functions that they can perform in the systems. A few should be given a limited function of sight privileges, thus they can only see accounts and transactions in a branch system but cannot alter those transactions. In addition, financial Institutions that train accountant should do well to include the study of Computerized Accounting System as part of

their courses to ensure that accountants are equipped with both accounting and the required Information Technology skills. In this area, it is recommended that management could enroll their employees on Business Information Technology programs.

With the issue of cost, the best way to avoid incurring a high cost in the use of a Computerized Accounting System is to pursue a low cost leadership strategy. Here, the manager tries to increase productivity but does so with a minimum cost. It is hoped that the financial institutions and other companies wishing to adopt a Computerized Accounting System would take a look at these recommendations in order to overcome these problems and challenges to be able to enjoy the full benefits of using a Computerized Accounting System.

#### **5.4 Suggested areas for future study**

This section suggests areas for further reading by the future researchers on computerized accounting and financial reporting. These areas are as seen below:-

The impact of computerized accounting system on the economy of Uganda

The impact of computerized accounting on the quality of financial statements

The role of financial reporting on performance of financial institutions in Uganda

Factors influencing the choice of a computerized accounting system

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## APPENDICES

### APPENDIX I: QUESTIONNAIRE

I am by the names of NIMUSIIMA DORIS, 1163-05014-07038, a student of Kampala International University pursuing a bachelor's degree in Business Administration in Accounting and Finance. I am carrying out a study on "Computerized accounting and financial reporting in financial institutions in Uganda: A case study of Stanbic Bank, Wandegaya Branch". I kindly request you to provide me with some data, by answering this questionnaire. Your response will be used for academic purpose only and will be treated with almost confidence.

#### Section A; profile of respondent's

Kindly tick ( ) on the blank space before each category

##### 1 your age

- a) 25-35 ☐
- b) 36-45 ☐
- c) Above 45 ☐

##### 2. Please state your gender:

- a). Male ☐
- b) Female ☐

##### 3. Education level (please specify)

- a) Certificate ☐
- b) Diploma ☐
- c) Bachelor ☐
- d) Master ☐
- e) Others specify ☐

**4. Number of years working at Stanbic Bank, Wandegeya Branch (please tick one)**

- a) Less than one year ☐
- b) 1-2 Years ☐
- c) 3-4 Years ☐
- d) 4-6 Years ☐
- e) Above 6 years ☐

**Section B:**

Direction 1: Please write your rating on the space before each option which corresponds to your best choice in terms of level of motivation. Kindly use the scoring system below:

Score	Response Mode	Description	Interpretation
5	Strongly Agree	You agree with no doubt at all	Very satisfactory
4	Agree	You agree with some doubt	Satisfactory
3	Neutral	You are not sure about any	None
2	Disagree	You disagree with some doubt	Fair
1	Strongly Disagree	You disagree with no doubt at all	Poor

**PART 2: COMPUTERIZED ACCOUNTING SYSTEMS BEING USED AT STANBIC BANK, WANDEGEYA BRANCH**

No	Statements	1	2	3	4	5
1	Quick Books is one of the computer used accounting systems used at the Bank to manage payroll, inventory, sales and other accounting needs of the Bank					
2	Tally is another computer used accounting system used to simply complex day to day activities associated in the bank					
3	Tally provides comprehensive solution around accounting principles, inventory and data integrity					
4	Pastel Accounting is also used at the Bank for accounting purposes					

**PART 3: CONTRIBUTIONS OF COMPUTERIZED ACCOUNTING ON FINANCIAL REPORTING AT STANBIC BANK, WANDEGEYA BRANCH**

No	Statements	1	2	3	4	5
1	Using a Computerized Accounting saves companies time and money					
2	A Computerized Accounting enables the Bank to stay organized					
3	Computerized Accounting allows the Bank to distribute financial information easily					
4	It is easy to do accounting functions using computerized accounting systems					

**PART 4: RELATIONSHIP BETWEEN COMPUTERIZED ACCOUNTING AND FINANCIAL REPORTING AT STANBIC BANK, WANDEGEYA BRANCH**

No	Statements	1	2	3	4	5
1	The influence of computerized accounting systems on financial reporting has been linked to the benefits of applying computer systems while generating financial reports					
2	With the application of computerization, generation of financial reports can be easy since information can be easily generated and updated on a timely basis					
3	In effect, Computerised Accounting Systems enable financial statements to be prepared and presented to meet the relevance and faithful representation criteria of financial statements.					
4	Using computerized accounting systems ensure up to date account balances are available at any time to aid management in decision making					

**Thanks for your responses  
End**

## APPENDIX II:

### TIME FRAME

ACTIVITY	April 2019	May 2019	June 2019
Topic formulation			
Introduction writing			
Literature review writing			
Methodology			
Typing and correction			
Reviewing			
Final copy formulation			

**APPENDIX III:**  
**STUDY BUDGET**

PARTICULARS	QUANTITY	UNIT COST	AMOUNT
<b>Stationary</b>			
Pens	3	350	1050
A flash Disk	2	43,000	86000
Rim of Papers	2	12,000	24000
<b>Sub Total</b>			<b>43100/=</b>
<b>Travel and Communication</b>			
Air time cards	-	-	25,000
Travels	-	-	37,000
Meals	-	-	35,000
<b>Sub Total</b>			<b>97000/=</b>
<b>Data Collection</b>			
Library	4 days	5,000/=	20,000
Internet	10 hours	1,500/=	15,000
<b>Sub Total</b>			<b>35000/=</b>
<b>Typing and Printing</b>			
Proposal	2 copy	20,000/=	40,000
Research Report	2 copy	70,000/=	140,000
<b>Sub Total</b>			<b>180,000/=</b>
<b>Consultations</b>			
Editing	1 copy	25,000/=	25,000
Miscellaneous	-	40,000/=	40,000
<b>Sub Total</b>			<b>65000</b>
<b>Photocopying and Binding</b>			
Research Report (Photocopy)	4 copies	5,000/=	20,000
Research Report (Binding)	4 copies	5,000/=	20,000
<b>Sub Total</b>			<b>40000</b>
<b>GRAND TOTAL</b>			<b>460100</b>



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

20<sup>TH</sup>/05/2019

To whom it may concern

Dear Sir/Madam,

**RE: INTRODUCTORY LETTER FOR NIMUSIIMA DORIS 1163-05014-07038**

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 her with all the necessary assistance regarding her research.


**TOPIC: - COMPUTERIZED ACCOUNTING AND FINANCIAL  
REPORTING IN FINANCIAL INSTITUTIONS**

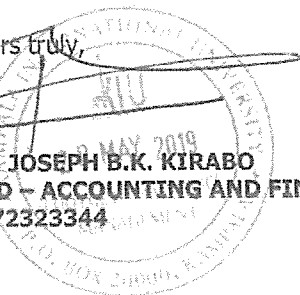
**CASE STUDY: - STANBIC BANK, WANDEGEYA BRANCH**

Any information shared with her 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**





# Stanbic Bank

Address: Wandegeya Town/P.O Box 48, Wandegeya, Kampala, Uganda

Phone: 041 4320550

Website: [www.stanbicbank.co.ug](http://www.stanbicbank.co.ug)

22<sup>nd</sup> April, 2019

## TO WHOM IT MAY CONCERN

This is to confirm that Nimusiima Doris has been official granted permission to carry out her research study from our esteemed bank branch.

Doris will be accorded supervision from the Bank's top authorities.

In reference to confidential matters, you will not without consent of your supervisor disclose any confidential matters to any one not authorized to receive them.

All information gather should be entirely for academic purposes.

