**AN EVALUATION OF THE EFFECT OF ACCOUNTING SYSTEM ON FINANCIAL REPORTING OF TERTIARY INSTITUTIONS IN ADAMAWA STATE (A CASE STUDY OF ADAMAWA STATE UNIVERSITY MUBI)**

ABSTRACT

Now days, accounting system is the most valuable and crucial assets of an organizations to maximize its profit and to determine the ongoing process of that organization. Any organizations should focus on developing information system in order to effective and efficient pass decision, communications of their information’s, knowledge of financial report qualities and others. Four research questions and objectives was set to guide the direction of this study. The literature review discusses accounting systems based on information generated from scholars and institutions that employ various accounting systems in order to assess effective and qualified financial accounting and audit reports. In addition to this the ways of recording, summarizing, audit and financial reports of Adamawa state University Mubi were brought to less optimal decisions.

The study was to correct the gap among the users of accounting system of Adamawa state University Mubi. The study determines the profit obtained and ongoing process of Adamawa state University Mubi, due to the integration of accounting system. The research method utilized both primary and secondary data were used. Primary data was collected through questionnaires and the secondary data were taken from the institution records and files. Generally the findings of this study indicated that Accounting Information practices play role in the accounting and audit report quality as well as effective decision-making mechanism and controlling activities of the institution.

The result of the study indicated that accounting system of the institution have major role to prevent irregularities of payment, because all user of the system can see any payment at the time of payment or finally as a report of the statement. These develop control of activities because manager and other authorized body have the opportunity to verify and control all payments and collection on the system.

# CHAPTER ONE

# Introduction

# Background of the study

As we all know, accounting is the language of business as it records all transactions of an individual, firms or other bodies that can be run their business. Accounting is the scheme and art of collecting, classifying, summarizing and communicating data of financial nature required to make economic decisions. The rising global economic scenario characterized by advancement in information technology, rapid changes in production processes, increased sophistry of the consumer, fierce market competition and unethical skimming activities of producers in the drive to survive the unpredictable and complex business dynamics, had brought to the fore the crucial role of accounting information in economic and business discourse especially in relation to administrative effectiveness.

Accounting system deals with financial information’s of an organizations which is the most valuable asset. Financial information is very important to pass financial decisions and to determine ongoing process/success of an organization. It uses computer to collect, store and process the accounting transactions and financial data which was used by the internal users of the institution in order to give report regarding various information to the stakeholders of the institution such as creditors, investors, tax authorities, etc. it was a system to collect and store all information related to financial transactions and events in such a way that they can be retrieved for decision making by the internal management, accounts, auditors, etc. There may be a very simple ledger to various accounting, costing, financial reports like Statement of profit and loss, balance sheet, etc.

The earliest "intelligence techniques" in accounting were characterized by recorded transactions in clay and papyrus and systems of checks and balances to ensure that the records were accurate and could be verified. Early records indicate that ancient Romans were developed their own system of recording transactions and balances sheet to account for receipt and payment of money. Internal Controls were very important for every business organization. These were tools, checks, procedures, systems adopted by an organization to ensure the integrity of [financial](https://www.wallstreetmojo.com/financial-information/) [information](https://www.wallstreetmojo.com/financial-information/), prevention of frauds, errors, safeguarding of assets, etc. Accountants within any organization must use the accounting system to generate qualified accounting and financial reports. Accountants were usually part of a multiple-discipline team that designs or

implements accounting system. When an organization considers a change to its accounting system practice for accounting and auditing reports, accountants must be involved in decisions related to such matters to determine preferable software package to be purchased.

Computer integrated operational information system that fully integrates manufacturing with marketing and accounting data increasing both the quantity and timeliness of the information. Technological tools work to promote efficiency in the transferring of data between corporations and their different decisions, offices, customers, and even their accounting firms. Communications technology utilizes a combination of technologies to transmit data in a variety of forms to each of these recipients. This particular form of technology was of considerable importance for large firms, because it enhances communication capabilities to allow easier expansion into the worldwide market. This speeds up the transfer of information between an entity and its firm. For accountants, this means getting the most current information to work with.

Adamawa state University Mubi was the first private Insurance Company in Nigeria. In the Insurance industry, it dominates the market in terms of Assets, Capital, and customer. It has more than 50 branches that were expanded across the country. It has also more than 650 employees which creates job opportunity for the nation. According to the annual report of June 30,2020 and for fiscal year of 2019/2020, the total asset and capital of Adamawa state University Mubi reached Birr 3.41 billion and Birr 1.3 billion respectively. It contributes economic development of the country.

# Statement of the problem

The quality of delivering service is one of managements most complicated, but important duties simultaneously. The activities of the institution were controlled using this system and used as internal control mechanism.

Based on the evidence of financial report there were a gap of accountant and managers to control all over the transactions of the institution especially, on collection and payment undertaken by different branches of the institution. As well as In the institution, all directorate and branches were passing their daily collection and payment through general

insurance information system (GIIS), furthermore they were not effective to know the appropriateness and correctness of the ledger done by different branches, and this makes the problem of erroneous financial statement preparation. The internal auditors controls and verifies the activity of each directorate and branches once in a year. As it’s mentioned on their report, there was a problem of the knowhow of the designed and accessible of the available system. Therefore the researcher was investigated to full fill the gap already mentioned above with in this organization.

Financial managers need the financial and accounting data provided by accounting system to evaluate the firm’s past performance and to map future plans. Therefore, the organizational performance was measured in terms of return on assets and return on equity (ROE). These ratios were financial performance measuring ratios (Majeed, 2011). ROE was a key to provide useful information about the performance of debt in the capital structure that the general manager must try to influence in order to improve and manage the overall organizational performance (Miller et al., 2001). Performance management has a key role to play in improving the overall value of an organization (Armstrong and Baron, 1998). Largely, the quality of information depends on the reliability, form of reporting, timeliness and relevance to the decisions. Effectiveness of accounting system also depends on the perception of decision makers on the usefulness of information generated by the system to satisfy informational needs for operation processes, managerial reports, budgeting and control within the organization (Nwinee et al., 2016).

# Objectives of the study

* + 1. **General Objective**

The general objective of the study was to assess the accounting system practice in order to increase the quality of financial and audit reports in Adamawa state University Mubi.

# Specific Objective

Based on the aforementioned general objective, this study will specifically address the following specific objectives.

* To assess the accounting system practice of Adamawa state University Mubi.
* To identify the role of accounting system on internal control over financial accounting and audit report quality.
* To examine impact of accounting system on accounting transaction and audit reporting quality
* To investigate the effect of accounting system on financial and audit reporting quality.

# Research Questions

## The main research questions raised under this study were:-

* How accounting system practice assess and evaluate on an internal audit report and comments done on financial transactions in accounting process and financial report of the institution?
* What is the role of accounting system to minimize the transaction posting problem that has its own dilemma on the report generated by the Accounting system of the institution?
* Did accounting system Practice have the ability to examine the quality of accounting transactions and financial reports of the institution?
* Did the External Auditor reports, comments and questions have its own role to investigate and evaluate the accuracy of financial report of a company?
  1. **Research Hypotheses**

In this research work, the following hypotheses are to put forward to be tested in order to arrive at

reasonable conclusion and make recommendation therefrom, the hypotheses are present in null form.

* **H1:** The accounting guidelines and policies have no significant impact on the preparation of financial

statement of the institutions

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* **H2:** The administrator and other key officers of the institutions have not install effective

internal control system to forestalling errors, irregularities and forged documents and

operations of the accounting system

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# Scope and Limitation of the study

This study was limited to assess the accounting system practices and its impact on Adamawa state University Mubi’s accounting and auditing practices and reporting quality. In terms of geographic coverage, the study will be conducted at head office and some selected branches at Adamawa state. Based on the time constraints and covid 19 disease the sample of the research was limited to cover small number of branches exist in the Adamawa state.

# Significance of the study

The significance of this research were to draw significant change of financial and audit report quality in Adamawa state University Mubi and to recommend another person who will investigate over the same case of study for improving the impact of the accounting system by modifying the control system. The finding of this research will provide a knowledge that will aid in decision making for manager and help recognize internal control faults to prevent any negative consequence. The study will also help other researchers as a source of reference and as a stepping stone for those who want to make further study on the area afterward. Finally, the study provides for the stake holders an opportunity to gain deep knowledge about the impact of accounting system on internal control. It will provide information to the management how they can assess and prepare qualified financial and audit reports to keep up service quality exercised in the organization. Also it helps the institution not to incur any unnecessary cost in relation to the impact of accounting system.

# Operational Definition of Terms

* EVALUATION; Provide a systematic method to study a program,practice,intervention,or initiative to understand how well it achieves its goals.
* EFFECT; A change that result when something is done or happen eg.an event,condition,state of affairs that is produced by a cause.
* ACCOUNTING SYSTEM; A system that is employed in a company or organization to organize financial information.it can be either manual or computerized.
* FINANCIAL REPORTING; Is the process of collecting and tracking data on a companies or organization’s finances,including its revenues,expenses,profit,capital and cash flow.

# CHAPTER TWO

# Literature Review

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# Review of Theoretical literature

* 1. **Definition and concept of Accounting system**

In managing an organization and implementing an internal control system the role of accounting system (accounting system) was crucial. An important question in the field of accounting and management decision-making concerns the fit of accounting system with organizational requirements for information communication and control. Although the information generated from an accounting system can be effective in decision-making process, purchase, installation and usage of such a system were beneficial when the benefits exceed its costs. Huber, (2015), agrees that automated accounting system aids decision making for management of organizations. Benefits of accounting system can be evaluated by its impacts on improvement of decision-making process, quality of accounting information, performance evaluation, internal controls and facilitating company’s transactions.

The relationship between reporting quality and organizational performance has been studied by several researchers, for example: (Biddle .: 2009, pp. 112-131). Muda et al. state that accounting plays an important role in encouraging accountability, efficiency, and effectiveness of public services. The quality of information will improve the quality of management in seeing changes around the organization so that it can quickly and accurately respond to these changes. The same thing is known from the IPSASB statement (2013), which states that the allocation of resources by the government is inadequate if it is supported by poor quality financial information. The same view is conveyed by several researchers who concluded that the quality of financial reporting is closely related to company performance (Pneman & Zhang: 2010, pp. 22-37; Richardson .: 2009). Furthermore, Bell et al. document that the audit opinion and the timeliness of the submission of local government financial reports have a significant positive effect on the financial performance of local governments (Muda et al.: 2018; Bell .: 2018).

The accounting system (accounting system) describe the accounting information, which are intended to collect financial data to reach the information needed for internal or external decision-makers (Bodnar and Hopwood, 2010). The use of accounting information is vital in the management activities of a company, given its quantitative information on various activities. Accounting information is primarily intended to be useful in economic decision-making. Accounting information is needed not only by management in the direction of cooperation but also by shareholders, who need periodic financial data in order to assess the performance of the institution's management (Nnenna, 2012).

## Accounting system Quality

Accounting system play crucial and important role, providing information that could help the organization’s management perform its duties to the fullest. Many researchers have pointed out that the success or failure of an organization in achieving its objectives depends on the quality of the accounting system. The development of accounting system has a significant impact on the performance and effectiveness of operations in the organization, as the management of organization needs information that is characterized by consistency and confidence in decision –making. Further, the success of decisions and increasing their effectiveness depends heavily on the success accounting system presented to the decision makers at the right time (Al-Ali, 2014). In this regard, Al-Samaerraie, and Al-Zoubi (2012) stated that good and successful systems must be characterized by integrity, simplicity, flow of information, multiplicity of elements, in addition to excellence, correlation and correct outputs. In the same context, in order for the accounting system to be of high quality, and should be distinguished from other systems, identified by Al-Sibaei (2010) as follow:

Information by Romney and Steinbart (2015) is the data has been organized and processed to give meaning to the user. Users need the information to the make decisions or improve the decision making process. Gelinas and Dull (2013) describe the notion of information as follows: Information is the data is presented in a form that is useful in decision making activates. In line with various previous opinions (Laudon and Laudon, 2014) states the information is the data that has been shaped into something that has meaning and useful for users. Likewise with the views expressed by Susanto (2013). The information is the result the data processing that gives meaning and benefits for the user. Based on various definitions that have been presented, it can

be concluded that has meaning and useful for variety of users. Valuable information/Quality and can be used in decision making should have the characteristic/traits of certain (Stair and Reynolds, 2011). A high quality product information own characteristics, attributes or quality that makes information through the information timely, easily understood and can be verified Valuable information /quality accounting to Stair and Reynolds (2016) must have the characteristics: easily accessible, accurate/precise, complete, economical, flexible, relevant, reliable, safe, sample, available timely and verifiable.

One indicator of a skill importance was the ability of that skill to leverage other areas of knowledge and create the ability to solve semi-structured and unstructured questions. In the U.S. those accounting functions that were highly structured and require the least amount of individual decision-making have been outsourced (Ramakrwashnan and Frangulescu, 2017). Skills that were unique provide competitive advantage and require company specific knowledge should be retained in house (Alvwerez , 2017). For this reason it was imperative that accounting educators shift the focus away from structured skills to ones that cannot be highly automated and were enabled by technologies such as spread sheets, databases and computer assisted audit tools and techniques.

Many researchers have highlighted the role of accounting information can play in companies to achieve their goals, for example Patel (2015) emphasizes on the important of accounting information in making decisions. He added that the accounting information always plays an essential role in decision making of the managers related to the financial and economic issues and affects to the survival of an organization. In addition, accounting tools such as cost accounting system, management accounting system, price and profitability provide the useful information to the manager to make the financial and economic decisions also. Similarly, Hafij, Ahmed, and Tamanna (2014) evaluated the usage of accounting information by the decision makers in practices in five strategic decisions were as such as basic strategic decision, manufacturing decision; human resource decision, long term investment decision and marketing decision were considered for his study.

Government Financial Reports can be said to be of quality if they contain predetermined characteristics so that the information generated can become the basis for decision-making for its users. The internal control system is an integral process that is carried out continuously. This is supported by previous research, namely Kewo & Afiah, which states that understanding of the financial accounting system affects the quality of financial report information (Kewo & Afiah: 2017, pp. 568-572). This means that employees of the accounting/finance section of the Government Work Unit have understood the accounting process to become financial reports so that the goal of making quality financial reports can be achieved. The research results of McDonald explain that the financial accounting system has a positive and significant effect on the quality of financial reports (McDonald: 2019, pp. 11-22; Bordeleau 2020, pp. 173- 185). This means that the higher the level of application of the regional financial accounting system will improve the quality of financial reports. The ministry's performance will increase if the quality of government financial reporting increases, as well as this, can be seen from the objective of measuring financial performance according to Chohan, namely as a report on the operation of government activities aimed at assessing the organization's financial performance in terms of efficiency and effectiveness as well as monitoring actual costs and costs, which is budgeted (Chohan: 2019; Bordeleau 2020, pp. 173-185). The efficiency ratio is a ratio that describes the comparison between output and input or realized expenditure and realized regional revenue.

Other qualitative characteristics of accounting information can also be maintained if there was a sound internal control system in an organization (Toposh, 2014). Internal controls procedures were set up to protect assets, ensure reliable accounting reports, promote efficiency and encourage adherence to company policies as essential to achieve objective such as the efficient and orderly conduct of accounting transactions, safeguarding the assets in adherence to management policy, prevention and detection of error, prevention of fraud and detection of fraud and ensuring accuracy, completeness, reliability and timely preparation of accounting data.

Azhar Susanto (2010: 6) states that for a company, accounting system built with the main purpose to process accounting data coming from various sources into accounting information required by various users to reduce risk when making decisions. This is confirmed by Romney & Steinbart (2012: 238) that the basic function of accounting system is to provide useful information for decision making. Further Romney & Steinbart (2013: 238), in

order to be useful, accounting information generated by accounting system, such as financial statements and various types of reports should present an accurate, complete, and timely description of company activity. Meanwhile, according to Pompandejwittaja and Pairat (2012) that the effectiveness of information systems related to the collection, entry (entering), processing, data storage, management, control reporting accounting information so that organizations can obtain quality financial reports.

accounting system can overcome the weaknesses in financial reporting. Research conducted by Zulkanian (2014), concluded that the accounting system can accelerate the process of financial reporting and address the weaknesses of human resources in the process of financial statements into the financial statements. Another case rose by Ricchiute (334: 2015), states that the weak internal controls will cause an error misstatements in the financial statements cannot be prevented. Al-Qudah and Ahmed (2011) suggested a significant impact on the institution's internal control accounting system in creating accuracy, updated, comprehensive and comparative data.

The study of Patel (2015) examined the impact of accounting system on companies’ profitability. The study was based on the theoretical analytical approach to reach the results by reviewing the previous studies and concept of accounting system, the quality of accounting system, and the nature of the relationship between accounting system and profitability of companies and decision making. The result showed that there is an impact of accounting system on the profitability of companies and decision –making , also it was found that the accounting system contribute to provide the necessary information to take financial and economic decision

Confidentiality was about internal auditors respecting the information they receive while competence means they should be able to apply their knowledge, skills, and experience in performing their role. Further, accounting system were vital for internal auditors because they process the transactions that was, they maintain financial records. Such systems identify, assemble, analyze, classify record, summarize, and report transactions and other events Journal on the impact of accounting system on internal auditors in Turkey.

As an organization, information systems can also help organizations achieve organizational goals, control internally and improve accountability and corporate governance in public

institutions. This shows that an information system has a positive impact on various fields, such as financial management, public governance, and fiduciary risk management (ACCA, 2010).

In the government sector, the use of Information Technology (IT) has helped the government in Modernizing administration in the areas of accounting, finance, project management, inventory control, and counter service operations. Service quality in the public sector is still low; therefore, the widespread use of IT is expected to improve service quality. And the productivity of the government sector. The implementation of the government accounting system provides benefits and benefits to the government in realizing transparency and accountability in financial management so that the implementation of program activities is well recorded and has clear dimensions in the presentation of financial reports.

Karthikeyan. (2010), argued that those users were expecting the information was a high quality and useful. In addition, the accounting information quality was expected to play a crucial role in enhancing the objectives of cost accounting through planning, controlling, performance evaluation and decision making. Horngren (2014) explains how accounting aids decision making, planning and controlling through the five-steps decision, namely: making process: planning which consist of four steps, identify the problem & uncertainties, obtain information, make predictions about the future, and make decisions by choosing among alternatives. And the last step was controlling, implement the decision, evaluate performance and learn. Jawabreh and Alrabei (2012) stated that information should be collected in high quality of data to make it more successfully that will be lead to high quality of information about this enterprise, this information will be the way to planning, controlling and making right decisions.

Dellon & McLean (2013) use the term "success" of information systems to measure the technically successful system of information systems. Similarly, Pornpandejwittaya and Pairat (2012) use the term "success" to explain the successful application of accounting system in the areas of the organization's attention, widely used by one or more satisfied users and improve the quality of their performance. The term "quality" of the accounting system is used by Sacer et al (2016: 62) to show the integration of various components of accounting system-quality hardware, software, brain ware, telecommunication network and data base, and quality of work and satisfaction of users. Thus, in this study the

quality of accounting system means the functioning of information systems as a provider of quality accounting information

Scott (2011) states that the accounting system aims to present financial statements designed for external users and internal users. Similarly, Hall (2011: 14) states that fundamentally, the purpose of the Accounting system is: (1) to provide information on the organizational resources used, (2) to present information related to management decision making, and (3) to provide information for personnel- Operating personnel to assist the personnel perform their duties efficiently and effectively.

Computer integrated operational information system that fully integrates manufacturing with marketing and accounting data increasing both the quantity and timeliness of the information (Hansen & Mowen, 2017). Technological tools work to promote efficiency in the transferring of data between corporations and their different decisions, offices, customers, and even their accounting firms. Communications technology utilizes a combination of technologies to transmit data in a variety of forms to each of these recipients. This particular form of technology was of considerable importance for large accounting firms, because its enhanced communications capabilities allow for easier expansion into the worldwide market. This speeds up the transfer of information between an entity and its accounting firm. For accountants, this means getting the most current information to work with.

Servicing involves collecting payments due from issuers and paying the collected funds to claimants. In addition, a servicer maintains payment records, monitors contracts, and pursues action in defaults. In less developed economies, this aspect of financial service provision was relatively invisible. Most assets were originated and held by the same institution, particularly in the fixed income area. Intermediating involves the simultaneous issuance and purchase of different financial claims by a single financial entity. It occurs when an institution purchases one type of financial instrument for its own account and finances the transaction by issuing a claim against its own balance sheet.

Three types of such financial intermediation activity were common. These were:-

1. insurance underwriting whereby the issuer assumes the policy's contingent liability,
2. Loan underwriting, whereby the intermediary uses its own resources in extending credit to a borrower, through buying insurance for the assert obtained by loan and
3. Security underwriting which involves buying securities as principal to distribute to investors.

Accounting system (accounting system) was acknowledged as an effective tool to deal with the exterior and interior changes (Shagari, Abdullah, & Saat, 2017) through processing data and transaction to generating useful information for planning, controlling, and operating the organizational activities (Romney, Steinbart, & Cushing, 2016) as well as facilitating and gaining organizational performance (Saganuwan, Wasmail, & Ahmad, 2013). This issue has directed the scholars’ attention on accounting system effectiveness since such useful accounting information will contribute to the organizational efficiency improvement and accountability accomplishment (Mellemvik, Monsen, & Olson, 2014).

Company accounting system can be classified in 2 (two) subsystem, that is financial accounting system and management accounting system (Wilkinson, 2007: 15; Azhar Susanto, 2013: 84; Meiryani, 2016), while the management accounting system is intended for internal corporate users, such as managers, executives and employees in decision making Hansen & Mowen, 2017: 7). Information system is a tool (tools) used by management to perform analysis in decision-making related to corporate transactions (Mc Leod & Schell, 2013; Romli and Ismail, 2014; Ekpung, 2014; Sarwar and Mubarik, 2014 ; Okon and Monday, 2017; Kimengsi and Gwan, 2017; Bollazzi and Risalvato, 2018; Meiryani, 2018).

Accounting system (accounting system) was a tool that can help organizational management to improve its control on the firm’s operations and to develop its performance. accounting system involve Identifying, collecting, processing and delivering the accounting information to employees and decision makers throughout all organizational levels. accounting system were also seen as a system that was used to record the financial transactions of a business or organization. This system combines the methodologies, controls and accounting techniques to track financial transactions and to provide

internal and external reporting data as well as helping the preparation of financial statements with capabilities to improve organizational performance (Pérez ., 2010).

Borthick and Clark (2015) believe that accounting exists because it satisfies a need - primarily a need for information. In order to be relevant, accounting data must among others, be quick to respond to users’ (particularly the investors) needs. Generally, investors are not in a situation to directly access the performance of companies in which they intend to invest. They usually depend on financial reports prepared by the management of such organizations. Financial report is one of the best sources of accounting information about a company. Financial reporting is an essential part of disclosure and helps investor to discover investment opportunities. The primary purpose of financial statements is to provide information concerning the financial situation of the institution, its operational results, any changes of control in the institution and cash flow.

Accounting system (accounting system) just like any other information system was perceived to play a great role in the management of day to day operations in corporate organizations. Accounting system were regarded as one of the supporting information systems used in carrying out managerial functions such as planning, organizing, controlling and decision- making, for the better exploitation of the available resources (Samer, 2016). According to Borhan and Bader (2018) accounting system (accounting system) was a formal system for identifying, measuring, accumulating, analyzing, preparing, interpreting and communicating accounting information about a particular entity to a particular group. Accounting system represents a range of sources (persons and equipment), which were designed to collect financial data to reach the information needed for different decision-makers at a particular period of time (Bodnar and Hopwood, 2010).

Donelson . revealed that companies would only achieve high performance when they are able to carry out technology development (Donelson : 2017, pp. 45-69). Trofimova aimplement the implementation of the government accounting system, and regional management affects the internal control function (Trofimova .: 2019, pp. 416-424).

Good quality financial reporting can reduce the risk of imperfect information among users of financial statements or information asymmetry (Copeland & Galai: 2016, pp. 1457-1469). In the context of government, the government, which acts as an agent, certainly has more information than the general public, who acts as a principal. So, to reduce information asymmetry and

increase agency accountability, government agencies are required to submit accountability reports that contain performance achievement of activities.

Financial institutions provide more efficient discovery, evaluation, and dissemination of information about legitimate investment opportunities, which presumably reduces monopoly positions and inefficient risk taking. At the same time, such institutions may bring some production efficiency to the market. The institutions reduce transactions cost through efficient processing cost structures or information cost sharing. This was a kind of economy of scale that was part and parcel of the financial sector, and an important service that it performs. Managers have limited ability to diversify their investment in their own firm, due to limited wealth and the concentration of human capital returns in the firm they manage. This fosters risk aversion and a preference for stability. Internal control was process that guides an organization towards achieving its objectives. These objectives include operational efficiency and effectiveness, reliability of financial reporting, and compliance with relevant laws and regulations (Committee of Sponsoring Organization, 2017). Absence of these variables often results in organizational failure.

According to the International Organization of the Supreme Audit Institutions (INTOSA is, 2015), internal control was an integral process that was affected by an entity’s management and personnel and was designed to address risks and to provide reasonable assurance in pursuit of the entity’s mission. In addition, services were generally internally produced and frequently bundled with the investment management activities of the firm. Reasons will be offered for the emergence of such institutions and for the development of management techniques that limit the risk contained in their portfolios. Relevant information was particularly useful to investors, creditors and others for investment, credit and similar decisions. Such information must have the ability to impact on a decision by facilitating the formulation or prediction about the results of events occurring in the past, present and future. Noteworthy was the fact relevant information must help the decision maker to confirm or reject expectations. Usually, information facilitates both functions simultaneously because the knowledge of the results of the past actions will normally improve the outcome of similar future actions. It was not easy to make a forecast without a sound historical background.

The study conducted any Sajadi (2018) also shows the result that the implementation of accounting system in the institution, can lead to the improvement of the quality of financial statements and to speed up the transaction process of the institution. Xu & john (2013) study in Australia related to the key issues of accounting information quality management concluded also that issues related to accounting system are seen as the most critical issue of high information quality. The studies related to the influence of the quality of SIA on the quality of accounting information empirically show the following results: Sajadi et al. (2016) on the assessment of the effectiveness of accounting system also shows the result that the implementation of accounting system in the institution, can lead to improvements in the quality of financial statements and speed up the process of corporate transactions (Jermsittiparsert, Trimek & Vivatthanaporn, 2015)

The results of this study answer the various problems of the quality of accounting system in Indonesia, which can occur in business and non-business institutions resulting in information that is not qualified. As happened in the Director General of Mining, that there was no integration of accounting system resulting in inaccurate and aggregate information (dimensions of quality of accounting information), this was revealed.

Other problems regarding the low quality of the accounting system led to the emergence of potential loss of tax revenue from the mining sector in 2012, where data on coal production differed between Dirjen Minerba and the Central Statistics Agency. The essence of the problem of the low quality of accounting system is the lack of integration of accounting system. Integration is a key dimension in improving the quality of accounting system. The dimension of integration is the main dimension of the basic concept of accounting system, the quality of accounting system has the first dimension, namely the extent to which the system is able to facilitate information from various different sources, in other words integration it integrates all functions and components to help management make decisions. Based on the phenomenon, the formulation of the problem, the hypothesis and the results of the study, then the conclusions of the study are as follows: the quality of accounting information is influenced by the quality of accounting system. Accounting information is not fully qualified because it is caused by the system used by the organization not yet fully efficient. The integration between components and between subsystems has not been fully harmonized. Accounting system has not been able to

adjust to changes in both internal and external environment and Accounting system has not been easily accessed.

Accounting system was very vital to all organizations. It was designed to help in the management and collection of information, raw data or ordinary data and transform them into financial data for the purpose of reporting them to decision makers (Dandago and Rufai, 2014; Harash, Al-Timimi and Alsaadi, 2014). accounting system were a system that assists in the collection and recording of data and information regarding events that have an economic impact on organizations. It also helps in the maintenance, processing and communication of such information to both internal and external stakeholders (Olusola, Olugbenga, Zacchaeus and Oluwag bemiga, 2013). accounting system greatly help to provide internal and external reporting data, financial statements and trend analysis capabilities to affect an organizational performance. IOSR Journal of Business and Management (IOSR-JBM) Technology was progressively working to eliminate paper work almost entirely. Paper work slows down transaction time and burdens entities with maintenance needs. Image processing was voted by the Journal of Accountancy as the top technology affecting accountants in 2016. This process uses scanning to convert important paper images into electronic documents. These electronic documents were easier to transfer both internally and externally, resulting in more efficient, timely information.

Ponemon and Nagida (2018) also assert that the main reason for which accounting information is generated is to facilitate decision making. However, for financial reporting to be effective, among other requirements, it is relevant, complete and reliable. These qualitative characteristics require that the information must not be unfair nor has predisposition of favoring one party over the others. Accounting information should give a decision maker the capacity to predict future actions. It should also increase the knowledge of the users to identify similarities and differences in two type of information (Bolon, (2019). Therefore, reliable accounting information can be described as an essential pre-requisite for stock market growth. Based on the “engine of economic growth” potential of the stock market, developed nations do not toy with their Stock Markets and relevance of financial reporting.

The main function of Accounting system (accounting system) is to assign quantitative value of the past, present and future economics events. accounting system through its computerized accounting system (Contract Plus) produce the financial statements namely income statements, balance sheets and cash flow statement. The system will process the data and transform them into accounting information during input, processing and output stages that will be used by a wide variety of users such as internal and external users (Wilkinson, 2014). Wilkinson noted that an effective Accounting system (accounting system) performs several key functions throughout these three stages such as data collection, data maintenance, data Accounting system (accounting system) and Knowledge Management; data control (including security) and information generation.

That notwithstanding, financial information will only be useful, or relevant to business decision- makers or others if it was available when required, thus at the time a decision was to be made, and it has that capacity to influence decisions. Information that comes too long after the reported events have taken place was superseded by events and has no value for a decision and it's therefore irrelevant. However, under ideal conditions, financial accounting information should be available soon after the end of the period to which it relates. The significance or timeliness depends a great deal on the nature of the information to be communicated to influence decision making.

## Components of Accounting system (accounting system)

**Stakeholders** The starting and ending of every accounting aspects. There was a stakeholder, who feeds information into the system, collects, analyses, reports, etc., and there was another person (stakeholder) who needs information

**Data** It was all about various [accounting transactions](https://www.wallstreetmojo.com/accounting-transaction/), events, and other monetary items. Accounting system will not record any information which does not have a monetary base. Data can be anything like [sales](https://www.wallstreetmojo.com/sales-ledger/) [ledger,](https://www.wallstreetmojo.com/sales-ledger/) customer account, vendor’s ledgers, [financial reports](https://www.wallstreetmojo.com/financial-reporting/) like P&L and statement of financial position, [cash](https://www.wallstreetmojo.com/statement-of-cash-flow/) [flow statement,](https://www.wallstreetmojo.com/statement-of-cash-flow/) etc.

**Established Procedures** To perform various functions, as stated in the definition, accounting system follows predefined steps, procedures. To ensure consistency, this was one of the most basic needs of accounting system. accounting system may perform an action either with manual intervention or automatically. This action needs to be instructed to the person processing data or coded in the system in case of automatic systems.

**Software** A software or, in broader terms, software was a computer-based program that performs the stated functions. Software can be described as a database software package system that supports business processes and operations, including manufacturing, marketing, and financial, human resources, etc. It forms one of the main components of the Accounting system (accounting system).

**Information System Infrastructure** In simple terms, IT Infrastructure can be said a consortium of various IT & WAS hardware, tools, accessories.

Currently, the world and human life has been transformed from information age to a knowledge age (Curtwas, 2016), and knowledge has been recognized as the most valuable asset. In fact, knowledge was not impersonal like money and does not reside in a book, a data bank or a software program (Choe, 2017). Choe believed that knowledge was always embodied in a person, taught and learned by a person, used or misused by a person. Accounting information was an unbiased tool for an effective administration. Poor accounting information jeopardizes administrative effectiveness, which makes managers malnourished administratively especially in Nigerian construction industry. The consequence of this has been the current distressed syndrome that Nigerian construction industries were facing. Huber 2015) stressed that companies must learn to manage their intellectual assets (i.e. knowledge) in order to survive and compete in the ‘knowledge society’. Indeed, knowledge management was concerned with the exploitation and development of the knowledge assets

## Concepts of insurance services

Insurance was the pooling of fortuitous losses by transfer of such risks to insurers, who agree to indemnify insured’s for such losses, to provide other pecuniary benefits on their occurrence, or to render services connected with the risk. Insurance contracts were technical, legal documents that contain complex clauses and provisions. Without regulation, an unscrupulous insurer could draft a contract so restrictive and legalistic that it would be insignificant. Also, most consumers do not have sufficient information for comparing and determining the monetary value of different insurance contracts. It was difficult to compare dissimilar policies with different premiums because the necessary price and policy information was not readily available.

Accounting system have an impact on internal control as a combined plan, method and procedures used to safeguard asset, promote efficiency of operation and adherence to prescribed policies and directives. Insurance Underwriting refers to the process of selecting, classifying, and pricing applicants for insurance. The underwriter was the person who decides to

accept or reject an application. Underwriting starts with a clear statement of underwriting policy. An insurer must establish an underwriting policy that was consistent with company objectives. The objective may be a large volume of business with a low profit margin or a smaller volume with a larger margin of profit. Classes of business that were acceptable, borderline, or prohibited must be clearly stated. The amounts of insurance that can be written on acceptable and borderline business must also be determined. The insurer’s underwriting policy was determinedly top-level management in charge of underwriting. The underwriting policy was stated in detail in an underwriting guide that specifies the lines of insurance to be written; territories to be developed; forms and rating plans to be used; acceptable, borderline, and Prohibited business; amounts of insurance to be written; business that requires approval by a senior underwriter; and other underwriting details.

The United Kingdom Auditing practice Committee (UKAPC,2014) defined internal control as the whole system of control, financial and operational in order to carry on business of any enterprise to safe guard asset, ensure the completeness, accuracy of records , detect errors and fraud and ensure timely report of financial information. A sound internal control system helps an organization to prevent fraud, errors and minimize wastage. Custody of asset was strengthened; it provides assurance to the management on dependability of accounting data eliminates unnecessary suspicion and helps in maintenance of adequate and reliability data.

Claim Settlement was the payment transaction performed by claim directorate and the system was deducted the claim amount paid to customer from the premium collected and show the exact net amount exist after a claim payment was compensated on each policy. The first objective in settling claims was to verify that a covered loss has occurred. This step involves determining whether a specific person or property was covered under the policy, and the extent of the coverage.

The second objective was the fair and prompts payment of claims. If a valid claim was denied, the fundamental social and contractual purpose of protecting the insured was defeated. Also, the insurer’s reputation may be harmed, and the sales of new policies may be adversely affected. Fair payment means that the insurer should avoid excessive claim settlements and should resist the payment of fraudulent claims, because they will ultimately result in higher premiums.

The states have passed laws that prohibit unfair claims practices. These laws were patterned after the National Association of Insurance Commissioners a third objective was to provide personal

assistance to the insured after a covered loss occurs. Aside from any contractual obligations, the insurer should also provide personal assistance after a loss occurs.

According to Siayor (2010),Internal control systems refers to all the policies and procedures internal controls adopted by the directors and management of an entity to assist them in achieving their objectives of ensuring, as far as practicable, the orderly and efficient conduct of a business, including adherence to internal policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

Financial statements contain information about the performance and prospects of an enterprise or organization. Generally, users of financial statements include stakeholders, investors, auditors, employees, customers, governments and general public etc. Among the uses of this information provided were facilitation of investment decision-making, assessment of the quantity, timing and risk on returns on investment; and the evaluation of economic resources of enterprises and results of operations of the enterprise (David, 2013).

According to Wilkinson (2017:7) states that accounting system is a structure that integrated in an entity, which consists of a collection of human resources and equipment, used to transform data into information useful for users in making decisions. Romney & Steinbart (2016) Accounting system is a system that collects, records, stores, and processes data to produce information used in decision making. Accounting system is basically an integration of various subsystems processing or accounting sub accounting system because each transaction processing system has a transaction processing cycle so that accounting system can also be said as the integration of various transaction processing cycles then each transaction processing done by the system of processing transactions Or sub- accounting system have various components such as hardware, software, brain ware, procedures, databases and communication networks (Azhar Susanto, 2018). Integration is a critical factor for determining success in the application of Brown & Ross (2017) information systems.

Interim reports also provide information for periods less than one year. These provide users with timely information about enterprises to avoid the time lag between the annual reports. This has important implications for monitoring and control. If accounting information was not made

available early enough, it was not possible to monitor the performance of management and to detect other financial misconduct by employees of the enterprise. Indeed information can be delayed deliberately for that very purpose (Luo, 2016).It was thus imperative that delayed information should be analyzed more carefully.

# 2.2. Conceptual Framework

Inadequate financial resources have also accelerated to their inefficiency, reflected by irregular audit activities as well as absence of regular reports. The objective of this study was to establish the relationship between internal control activities and financial performance in institutions. The data for the study was collected using questioner and interview. The study revealed that all activities of the College were initiated by the top management, there was clear separation of role in the institutions’ finance and account department and that superior officer in the College supervised regularly work done by their subordinate, the institution financial statements were audited annually by external. However, there was a possibility for a single staff to have access to all valuable financial information without the consent of other staff. On the budgetary control, the study revealed that the institution adheres strictly to the provisions of annual departmental budget and that controls were in place to exclude incurring expenditure in excess of allocated fund. Also, there was poor security network in the College. The result further shows that, there was no significant relationship between internal control activities and financial performance. Internal controls were looked at from the perspective of Control Environment, Control Activities, Rask Assessment, Information and Communication system, and Monitoring .Thus this study focused on assessment of the effectiveness of the internal control system in Adamawa state University Mubi to identify the possible areas of deficiencies in the system. Based on the data analyzed the result indicates that internal control in Adamawa state University Mubi was not effective. Particularly the risk assessment component of internal control was not practiced in the universities. Though monitoring was better in the universities, there was in adequate control environment, control activities and inadequate flow of information and communication in Adamawa state University Mubi. Hence, it needs commitment from both universities management and responsible government authorities to improve those specific areas of deficiencies’ in internal control indicated.

The objectives that internal controls must meet to prevent errors and to be efficient so as to provide reasonable assurance were that:

* Recorded transactions were valid. The system should not permit the inclusion of fictitious or non

- existent transactions in accounting records.

* The transactions were properly authorized. The system should ensure that transactions were properly authorized.

* Transactions were recorded. The procedures must provide controls to prevent omissions of transactions from the records.

* Transactions were properly valued. An adequate system must include procedures to avoid errors in calculating and recording transactions at various stages in the recording process.

* Transactions were properly classified. Proper account classification accounting to appropriate categories or divisions must be ensured by the system.

* Transactions were recorded at the proper time. The recording of transactions either before or after the time they took place increases the likelihood of failing to record transactions or recording them at the wrong amount. Therefore, effective control system should ensure timely recording of transactions.

Adamawa state University Mubi was using the GIIS (General Insurance Information System) that organized and designed by foreigners and managed by Management Information system therefore, this makes there was a knowledge gap on every conception and linkage of the ledger of the system by the department such as finance, Audit and branches of the institution. Even though they were doing their daily activity they have some limitation on the system to distinguish financial report practice prepared by the system, this makes there was I gap between the finance and each directorate and branches because all transaction was summarized under Finance directorate as a financial statement report, therefore the knowledge gap on each transaction passed by other comes to finance as a report wrongly. Financial statements still remain the most important source of externally feasible information on companies. In spite of their widespread use and continuing advance, there was some concern that accounting practice has not kept pace with rapid economic and high technology changes which invariably affects the value relevance of accounting information. The importance of Chang’s assertion was reinforced by massive accounting fraud in developed countries especially United States of America (USA), rapidly changing business environment and reports by some researchers that value relevance of accounting information has declined. However, a number of researchers claim that accounting information has not lost its value relevance.

# CHAPTER THREE

# RESEARCH METHODOLOGY

# 3.1. Introduction

This chapter presents about the study research methodology. The first section presents the research design and approach. The second section presents data source and data collection. The third section presents about sample selection and determination. The fourth section of the chapter presents about method of data analysis. Finally, ethical consideration was presented.

# Research Design

According to Kothari (2008), there were 3 types of research design; Descriptive, Exploratory and Explanatory research design. Descriptive research design/statistical research/: research that describes phenomena as they exist. It can be used to identify and classify the element or characteristics of the subject. It would include techniques like case studies, observation and review of previous related studies and data and also it involves with collecting data in order to test hypotheses or answer questions concerning the current status of the subjects of the study.

Exploratory research design: type of research conducted for a problem that has not been clearly defined. It helps determine the best research design, data collection method and selection of subjects. It should draw definitive conclusions only with extreme caution. Given it was flexible and fundamental nature. Exploratory research often concludes that a perceived problem does not actually exist and the results were not usually useful for decision-making by themselves, but they can provide significant insight into a given situation.

Explanatory research design: the first type of correlational design and conducted when researchers want to explore the extents to which two or more variables co-vary, that was, where changes in one variable were reflected in changes in the other (Creswell, 2008). The purpose of the study was to explore a new universe, one that has not been studied earlier and research was mainly concerned with causes (why) or factor about some phenomenon.

As explained previously main objective of this research was to identify the correlation among two variables namely accounting system and practice of accounting and auditing report quality of the institution empirically. The central issues of conducting the research was to

show the impact of accounting system and provide remedies to deal with problems which arises on practice of accounting system in descriptive manner that will make it explanatory for it deals with the relation of two variables. Thus, this study used a descriptive research design to achieve its objectives.

# Research Method

According to Creswell (2003), there were three type of research; qualitative, quantitative, and mixed research approach. Qualitative Research Approach was the type by which were depending on human observations and descriptions. It was descriptive, no facts, highly subjective and designed to look beyond the percentages to gain an understanding of feelings, impressions and viewpoints.. This kind of method was used to assess knowledge’s, attitudes, behaviours, opinions of people depending on the topic of research and experiences which were not allowed to be used in quantitative method at all. Qualitative research implies an emphasis on the qualities of entities and on processes and meanings that were not experimentally examined or measured (Denzin & Lincoln, 2005).

Quantitative research Approach was a research approach aimed at testing theories, determining facts, demonstrating relationships between variables, and predicting outcomes. Quantitative research uses methods from the natural sciences that were designed to ensure objectivity, general ability, reliability and reality that exists independent of human perception, the investigator and investigated were independent entities. Therefore, the investigator was capable of studying a phenomenon without influencing it or being influenced by it and concerned with the collection &analysis of data in numeric form (Guba and Lincoln, 1994). Mixed research approach has the characteristics of both qualitative and quantitative research. This study will employ qualitative research approach because it describes the characteristics of an observed data from the source.

# Data Sources and Collection Methods

In order to gatherer data in relation to the intention of the research, both primary and secondary data sources were used.

**Primary data** obtained through questionnaire with relevant variable which contains both open ended and closed ended questions. Questions are developed by the researcher and distributed to the respective accountant, internal auditor, and other users of the accounting system including, underwriter, manager and cashier were conducted at the selected main branch of the institution who have accountant at a branch level to understand daily cash collection and payment done by accountant, underwriter and cashier by the help of accounting system. The main objective of the questions was to further support the data obtained using questioners.

**Secondary data** was obtained from company annual report, internal and external auditor’s feedback report and other relevant documents will be used to gather secondary data related to accounting system practices and its impact on accounting reporting and auditing practices and reporting. The study will specifically used structured documentary review method will be reviewed regarding on the impact of accounting system and the internal auditors reports on financial report, internal auditors comments on branch operation, internal auditors reports on the analysis of accountants was reviewed and external auditors reports was also examined toward the internal control of the institution.

This study used questionnaire which was a widely used and useful instrument for collecting survey information. The questionnaire was developed in two sections. The first one was on the general aspect of the respondent and the second one was developed based on standard of internal control. The first section was aimed to evaluate whether the status and experience of the respondents has an effect on internal control system. The second section was used to evaluate the effect of the standards of the controls were in those samples of Adamawa state University Mubi. This section uses questions to internal audit, finance and accountant and cashier of selected branches with response ranging from strongly agree to strongly disagree.

# Sample and Population

To gather data in relation to the intention of the research, the first task of the researcher was to know the population under the study. Population also called the space refers to any collection of specified group of human or non-human elements. The population for this research was defined as finance directorate and branches that have accountants at branch level and internal auditors’ directorate of Adamawa state University Mubi. Those provide the specified accounting transaction by the help of the system of the institution, employees engaged in this service and annual external auditors report that were occupied of the service. Others have no accountant at branch and their activities were controlled and operated by Finance directorate accountant.

All branches and department of the institution are used accounting system, therefore the study was performed in the both of Adamawa state University Mubi directorate and branches the total population was 40 employees working at head offices 22 employees from finance directorate, 5 staffs from audit directorate, 1 Employee from Risk and Compliance Department, Adamawa state University Mubi have 55 branches in the country and 31 branches are found in Adamawa state city from this four branches randomly selected in the study for data collection that are found in Adamawa state city administration based on their production and employee that have accountant at branch level this are 3 employees from Adamawa state Main Branch, 3 from Bole Main Branch, 3 from Finfine Main Branch and 3 from Life Main branch.

Based on the assumptions and method of Yamane’s (1967) formula for sample selection was adopted to determine the sample size.

The formula: n=N/1+N (e) 2

Where; n - designates sample size for the study

N- Designates Number of employees in the region

e= designates maximum variability or margin of standard error at 95% Confidence Interval 1= designates the probability of the event occurring.

Therefore, n=N/1+N (e) 2

n= [40/ 1+40\*(0.05)2]

n= 40/ 1.1 = 36; and 5% (non- response) made the sample size of 36. The

Sample side will be determined based on population proportion to size to Adamawa state University Mubi. Based on sampling frame of staff; individual researcher participants will identify using proportionate the institutionstratified simple random sampling technique. Since, the sample size for the quantitative aspect of the study will be obtained from a known population of the number of workers in the targeted operational units, with the basic population parameters.

# Data analysis technique

After data collection, questions were coded and entered into Statistical Package for Social Sciences (SPSS version 17) then analysis run. Data was analyzed using descriptive statistics for quantitative data and content analysis for the qualitative data. Descriptive statistics involve the use of frequencies, mean and standard deviation. Quantitative data was presented in tables, and chart, while explanations to the same were presented in prose. The data analysis was conducted to determine whether the impact of accounting system has force on internal control of the companies. The data collected was measured in interval measurements whereby ratio was possible to clarify the variables. Generally, data was analyzed by using statistical tools known as tabulation method.

# Data Reliability and Validity Test

The data collection tools were reliable and valid the data was based on the accountant system based report preparation and internal and external auditors accounting generated report and adjust problems occurred during transaction time on this particular manpower questionnaire were done based on the evidences available.

The study was accurately reflects or assesses the specific concept that the researcher was attempting to measure. And the accuracy of the actual measuring instrument or procedure, was based on the objective of the study External validity of the results of a study was generalized or transferable. The study has taken into account alternative explanations for causal relationships of accountant with the companies system available.

There was the internal consistency of the questioner answered by the participants and the research result obtained. This based on the consistency of people’s responses across the items on a multiple-item measure. In general, all the items on research measures were supposed to reflect the same underlying construct, so people’s scores on those items should be correlated with each other. Validity explains how well the collected data covers the actual area of investigation (Ghauri and Gronhaug, 2005). Validity basically means “measure what was intended to be measured” (Field, 2005).Reliability concerns the extent to which a measurement of a phenomenon provides stable and consist result (Carmines and Zeller, 1979). Reliability was also concerned with repeatability.

# CHAPTER FOUR

# DATA ANALYSIS, RESULTS AND DISCUSSION

# Introduction

This chapter involves data analysis, results & discussions of findings. This chapter is structured into many sections; Section the first part involves summary of the statistics, the second section analysis the empirical model, chapter discussions and conclusion given are discussed in another chapter.

# Research Questions Discussion and Findings

The Questionnaires response rate was administered to 36 respondents and from this sample selected 31 respondents returned the questionnaires. This translates to a response rate of 86.11%. The high response rate was attributed to the fact that most of the questions were structured and semi-structured making it easy for the respondents to fill in the questionnaires. Additionally, the questionnaires were delivered and collected by hand and hence there was a close contact and go behind up with the respondents. The high response rate is an indication that the results of this study are consistent.

## Table 2: Respondents profile

|  |  |  |  |
| --- | --- | --- | --- |
| Gender | Frequency | Percent |  |
| Male | 16 | 51.6 |  |
| Female | 15 | 48.4 |  |
| Total | 31 | 100 |  |
| Age | Frequency | Percent |  |
| 20-25 | 1 | 3.2 |  |
| 26-32 | 14 | 45.2 |  |
| 33-38 | 12 | 38.7 |  |
| >45 | 4 | 12.9 |  |
| Total | 31 | 100 |  |
| Position | Frequency | Percent |  |
| Accountant | 8 | 25.8 |  |
| Senior Accountant | 11 | 38.7 |  |
| Manager | 1 | 3.2 |  |
| Auditor | 5 | 12.9 |  |
| Under writer | 5 | 16.1 |  |
| Other | 1 | 3.2 |  |
| Total | 31 | 100 |  |
| Education | Frequency | Percent |  |
| Degree | 19 | 61.3 |  |
| Masters | 12 | 38.7 |  |
| Total | 31 | 100 |  |

51.61% and 48.4% of male and female respondents are participated in the questionnaire respectively in the study to collect the data. Almost the total number of male and female that was involved in this research were equal, it show the institution emphasize to employee n the equality of both gender because of it is the more productive for the validity of this investigation.

As the study shows that the percentage of the age of the response of the respondent were 3.2% from the age of 20-25, 45.20% from 26-32 age, 38.7% were at the age of 33-38 and the rest of 12.9% were more than 45 age, as this information shows that the most participated of this research to give or put their response of the questionnaire given to them were from the age of 26- 33 at matured enough to give the valuable information and feed back of the question stated on the questionnaire given to them.

As the above table shows from respondents profile senior accountant are the major experts of the institution that cover 38.70%, there are 25.80% accountant, 16.10% of the employees are underwriter that perform customer service, 12.90% of them are auditor and 3.20% of the employees are manager of the institution at finance and branches that are included in the sample covered by the thesis.

The institution is hiring more than first degree and majority of the employee are 61.30% hold first degree this makes that educated employee have the ability to solve the problem of accounting and audit report quality of the institution.

**Table 3:** Is there accounting system practice in Adamawa state University Mubi

|  |  |  |  |
| --- | --- | --- | --- |
|  | Percent |  |  |
| Yes | 80.6 |  |  |
| No | 19.4 |  |  |
| Total | 100.0 |  |  |

accounting system Practice in Adamawa state University Mubi, as Adamawa state University Mubi has its own software package that where good to run its production and base for controlling its own asset and properties that were located in different parts of the country through its branches. Each and Every employment of this organization assesses this application to execute or run the daily operations. The institution uses this application for controlling mechanism of financial management.

The respondents are practicing the accounting system of the institution to enhance the quality of audit report performed by internal and external auditor they cover 80.60% of the respondents have the same opinion that the impact of internal auditor have sound and important on the accuracy and integrity of financial report, the remaining 19.40% are not think they have effect on the institution report.

**Table 4:** Did accounting system play role for financial reporting quality

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent |  |  |
| Yes | 26 | 83.9 |  |  |
| No | 5 | 16.1 |  |  |
| Total | 31 | 100.0 |  |  |

The above table shows that 83.9% of the participant says yes and 16.1% of the remaining says no; from this accounting system have play a significant role on the financial preparation and quality of the report prepared by internal and external auditor.

**Table 5:** Did accounting system have a role in internal audit report quality

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent |  |  |
| Yes | 19 | 61.3 |  |  |
| No | 12 | 38.7 |  |  |
| Total | 31 | 100.0 |  |  |

Based on the table above 61.3% respondents says yes and 38.70% says no to determine the role plaid by accounting system for audit quality of the institution, the thesis concluded that for resources utilization effectively and efficiently to overcome the audit report quality the system that company use have a great role to enhance on the resource utilization wisely for report of the institution.

**Table 6:** The role of accounting system for management is for decision making and controlling financial data

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent |  |  |
| Yes | 21 | 67.7 |  |  |
| No | 10 | 32.3 |  |  |
| Total | 31 | 100.0 |  |  |
|  |  |  |  |  |

The table present that 67.30% of the respondents says yes and the remaining employees do not think. Therefore the accounting system of the institution uses have an important role for check and balance of the proposed plan settled at the beginning of the year and there were also examination and verification of the plan toward achieved or not by using the designed system. The management of the institution uses the report of accounting system for decision making purpose.

**Table 7:** The role of IT department for accounting system practices is to control the asses of necessary data

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent |  |  |
| Yes | 23 | 74.2 |  |  |
| No | 8 | 25.8 |  |  |
| Total | 31 | 100.0 |  |  |
|  |  |  |  |  |

74.2% of the employs of the institution says yes on the question organized for the thesis and 25.80% do not agree and says no. From this that the IT department of the institution practice used and designed by the institution was play a great role to show the exact position of the institution’s financial performance.

**Table 8:** Did you get and necessary training on accounting system

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent |  |  |
| Yes | 13 | 41.9 |  |  |
| No | 18 | 58.1 |  |  |
| Total | 31 | 100.0 |  |  |
|  |  |  |  |  |

The below table shows that 58.10 of the respondents answer the question by saying no, the remaining sample of the respondents 41.90% of them says yes. The study concluded that as employees are hired or in a job by human resource management of the institution for different department and branches they not equipped them by providing training on the accounting system of the institution in collaboration with MIS directorate and other concerned body. For this reason they not well deal with accounting and auditing report prepared by the system and not examine reports of external auditor in relation to their daily activity.

**Table 9:** Do you familiar with new technologies such as ERP, GIIS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent |  |  |
| Yes | 25 | 80.6 |  |  |
| No | 6 | 19.4 |  |  |
| Total | 31 | 100.0 |  |  |

80.60% says yes and 19.4% of them are not familiar with new technology update performed by the institution. Large number of the employee of the institution are updated themselves with new technology that the companies uses such as GIIS and ERP system available by the institution.

**Table 10:** Do you think financial reports generated by auditors are consistent

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent |  |  |
| Yes | 20 | 64.5 |  |  |
| No | 11 | 35.5 |  |  |
| Total | 31 | 100.0 |  |  |
|  |  |  |  |  |

The above table shows that 64.50% employer says yes and the remaining participants were 35.50% who says no. From this implication the management of the institution more depend on system generated report and it is consistence with report generated by other users of the system this enhance the quality of the report prepared by external and comments given by internal auditor.

## Table 11: The accounting system contributes to construct its information outputs more capable for understanding by decision makers or stakeholder.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Neutral | 5 | 16.1 |  |  |
| Agree | 12 | 38.7 |  |  |
| Strongly Agree | 14 | 45.2 |  |  |
| Total | 31 | 100.0 | 4.29 | .739 |

From the above table 45.20% were strongly agree, 38.70% were Agree and 16.10% were neutral on the contribution of accounting system on decision making purpose. Therefore as 45.20% of the employees were strongly Agree that accounting system used by the institution was capable to generate valuable output information to pass decisions that profits the institution and stakeholders available around the companies.

## Table 12: Internal auditors give valuable comments by understanding the accounting system of the institution.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Strongly Disagree | 1 | 3.2 |  |  |
| Disagree | 5 | 16.1 |  |  |
| Neutral | 7 | 22.6 |  |  |
| Agree | 12 | 38.7 |  |  |
| Strongly Agree | 6 | 19.4 |  |  |
| Total | 31 | 100.0 | 3.55 | 1.091 |

Above table put that 38.70% were Agree, 22.60% Neutral, 16.10% disagree. For this reason the internal auditor of the institution are not well understand the system of the institution to provide their valuable comments and to verify the transaction performed by each accountant and underwriter of the institution. This shows that there is knowledge gap exists between the internal auditor of the institution to follow up daily posting ledger transaction and accounting system of the institution used.

## Table 13: accounting system are integrated with other management information systems and helps them to control frauds occurred.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Neutral | 1 | 3.2 |  |  |
| Agree | 19 | 61.3 |  |  |
| Strongly Agree | 11 | 35.5 |  |  |
| Total | 31 | 100.0 | 4.32 | .541 |

Descriptive statics of the respondents show that 61.30% were Agree, 35.5% respondents were Strongly Agree on the integrated of accounting system with MIS of the institution. Therefore there were a cooperation of MIS on the designed system of accounting system to control and prevent fraud exist because of uninterrupted of the two variables. The respondents also agree that if there was the problem of the system not to work they give quick response on the issue concerning on the system.

## Table 14: accounting system contribute to the reliability of financial reporting

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Neutral | 2 | 6.5 |  |  |
| Agree | 17 | 54.8 |  |  |
| Strongly Agree | 12 | 38.7 |  |  |
| Total | 31 | 100.0 | 4.32 | .599 |

The table present that 54.80% were Agree, 38.70% of them were Strongly Agree, 6.50% neutral on the accounting system reliability of financial reporting. Therefore, financial statement of the institution arranged was based on the accounting system generated report that has its own contribution on the trustworthiness of the data available for decision making purpose.

## Table 15: accounting system encourage efficient and effective use of resources and operations based on the policy of the institution.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Disagree | 1 | 3.2 |  |  |
| Neutral | 5 | 16.1 |  |  |
| Agree | 16 | 51.6 |  |  |
| Strongly Agree | 9 | 29.0 |  |  |
| Total | 31 | 100.0 | 4.06 | .772 |

51.60% Agree, 29.00% strongly agree, 16.10 Neutral and 3.20% were disagree on resource allocation based on the policy of the institution. From this the study wind up that accounting system of the institution is the base for resources effect and efficient allocation as well as to plan administrative, premium collection, claim payment and other income generating and expense incurring of the company. Additionally, the accounting system have positive impact on the policy of the institution to control activities not go out of the planned strategies.

## Table 16: accounting system improve controls by limiting access to company data

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Neutral | 7 | 22.6 |  |  |
| Agree | 15 | 48.4 |  |  |
| Strongly Agree | 9 | 29.0 |  |  |
| Total | 31 | 100.0 | 4.06 | .727 |
|  |  |  |  |  |

The table put down that 48.40% Agree, 29.0% strongly agree, 22.60% neutral that improve the controls of the institution activity. accounting system of the institution are limited on the data of the institution to overcome and enhance controlling mechanism of the institution on the daily activity.

## Table 17: accounting system comprise detective controls, which are designed to identify errors or irregularities after they have occurred

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Disagree | 1 | 3.2 |  |  |
| Neutral | 4 | 12.9 |  |  |
| Agree | 22 | 71.0 |  |  |
| Strongly Agree | 4 | 12.9 |  |  |
| Total | 31 | 100.0 | 3.94 | .629 |

Based on the above table 71.0% Agree, 12.90% both Agree and Neutral therefore accounting system of the institution have major role to prevent irregularities of payment, because all user of the system can see any payment at the time of payment or finally as a report of the statement. These develop control of activities because manager and other authorized body have the opportunity to verify and control all payments and collection on the system.

## Table 18: There is knowledge and skills gap on transaction posting ledger on accounting system for specific accounting

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Strongly Disagree | 3 | 9.7 |  |  |
| Disagree | 2 | 6.5 |  |  |
| Neutral | 7 | 22.6 |  |  |
| Agree | 13 | 41.9 |  |  |
| Strongly Agree | 6 | 19.4 |  |  |
| Total | 31 | 100.0 | 3.55 | 1.179 |

The table shows that 41.90% were agree, 22.60% neutral, 19.40% strongly agree, 9.70% strongly disagree and 6.50% disagree. As it is known that practice of accounting and auditing report are depend on the transaction posted daily that determine accuracy of the financial report of the institution. The result shows that respondents that there is knowledge and skill gap exist by the employee on transaction posting to exact ledger to hold the expense to its appropriate ledger.

## Table 19: how do you rate your accounting system towards organizational effectiveness?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Neutral | 9 | 29.0 |  |  |
| Agree | 13 | 41.9 |  |  |
| Strongly Agree | 9 | 29.0 |  |  |
| Total | 31 | 100.0 | 4.00 | .775 |

There were 41.90% Agree and 29.0% neutral and strongly agree. The companies system has great space and close relation toward the institution’s success. Therefore the Organization should give great attention to develop and create conducive environment for the employee to equip them to practice with accounting system on accounting and auditing report of the institution.

## Table 20: The accounting system system is reliable

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Disagree | 1 | 3.2 |  |  |
| Neutral | 6 | 19.4 |  |  |
| Agree | 17 | 54.8 |  |  |
| Strongly Agree | 7 | 22.6 |  |  |
| Total | 31 | 100.0 | 3.97 | .752 |

The table shows that 54.80%, Agree, 22.60% strongly agree, 19.40% neutral and 3.20% and disagree. This result identify that the system used by the institution was more reliable on the institution data consistency.

## Table 21: It is easily understandable

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Disagree | 1 | 8.4 |  |  |
| Neutral | 6 | 21.7 |  |  |
| Agree | 17 | 50.5 |  |  |
| Strong Agree | 7 | 19.4 |  |  |
| Total | 31 | 100.0 | 2.98 | .852 |

The table shows that 50.50%, Agree, 19.40% strongly agree, 21.70% neutral and 8.40% was disagree. This result identify that the system used by the institution is understandable on the data of the institution.

## Table 22: The system is fast and flexible

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Disagree | 1 | 5.7 |  |  |
| Neutral | 6 | 17.2 |  |  |
| Agree | 17 | 56.6 |  |  |
| Strongly Agree | 7 | 20.5 |  |  |
| Total | 31 | 100.0 | 3.99 | .755 |

The following table shows that 56.60%, Agree, 20.50% strongly agree, 17.20% neutral and 5.70% disagree. This result identify that the system used by the institution is fast and flexible on the data of the institution and it was easy to generate the report for different kind of statement preparation such Trial balance, cash flow it was also help to identify the premium collected and claim insured during the fiscal year.

## Table 23: IT team provide adequate support for the use of accounting system

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Neutral | 7 | 22.6 |  |  |
| Agree | 16 | 51.6 |  |  |
| Strongly Agree | 8 | 25.8 |  |  |
| Total | 31 | 100.0 | 4.03 | .706 |

The ratio of the frequency of the system shows that 51.60% agree, 25.80% strongly agree, 22.60% are neutral. Therefore the result from questionnaire shows that accounting system cannot use without the support of the MIS the institution, this gives the employees were satisfied with support and responsive given by the management information system of the institution.

## Table 24: IT department has technically competent employees to support accounting system

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Neutral | 7 | 23.1 |  |  |
| Agree | 16 | 49.3 |  |  |
| Strongly Agree | 8 | 27.6 |  |  |
| Total | 31 | 100.0 | 4.00 | .703 |

The ratio of the frequency of the system shows that 49.30% agree, 27.60% strongly agree, 23.10% are neutral. The result shows that the It department of the institution or the MIS have competent employees to solve technical problem occurred against the use of the system.

## Table 25: IT departments is responsive and reliable

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Neutral | 7 | 24.1 |  |  |
| Agree | 16 | 48.5 |  |  |
| Strongly Agree | 8 | 27.4 |  |  |
| Total | 31 | 100.0 | 4.06 | .702 |

The ratio of the frequency of the system shows that 48.50% agree, 27.40% strongly agree, 24.10% are neutral. Based on the table MIS of the institution are doing their activity especially on the accounting system of the institution through responsive and reliable manner.

## Table 26: Staff utilizes the full capabilities of the companies accounting system?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Mean | Std. Deviation |
| Disagree | 1 | 3.2 |  |  |
| Neutral | 5 | 16.1 |  |  |
| Agree | 17 | 54.8 |  |  |
| Strongly Agree | 8 | 25.8 |  |  |
| Total | 31 | 100.0 | 4.03 | .752 |

Based on table above 54.80% agree, 25.80% strongly disagree, 16.10% neutral and 3.20% disagree from this percentage the employees of the companies are doing and utilizes the capabilities of the system as it needed, especially on accounting and auditing practice of the institution. This Make accounting system have the capabilities to show the exact picture of financial position of the institution based on report generated by the institution and approved and commented by internal and external auditor.

# 4.3. Result and Discussion for Open - ended questions

Respondents explain that the accounting system had the problem on bank reconciliation because of wrong entry posting and recording. In addition to this doing it by the help of the system on report preparation especially on cheque clearance was the difficult that cashier are wrongly clear the bank on the system differently from its deposit account. There is lack of training given by the concerned body when the system of the institution was upgraded. The respondents also publicize that there was the problem of duplicate ledger and wrong account balance. Sometimes the system of the institution is stuck for more than a day, especially there report generate part of the system. As a whole there is the problem of delegation of work within one department, according to the respondent accountant are doing different activity in the finance directorate therefore there were no well practiced job rotation among the employee that offer the accountants to understand different activity performed in the institution. There was no clear discussion between the MIS and users of the system or system developers before implementing the new system, because the previous system should not phase out for report preparation.

Sometimes system manipulation was found, the balance on the system and physically existence of the materials especially on fixed asset is not match each other and transaction is not recorded in place. Trial balance mismatch of found some times specially on fixed asset. According to the participants there was different amount of inventory found on the accounting system and audit report or misbalance.

Quality of Financial Reporting has a positive effect on the Organizational Performance of the Institutions. Based on the results of hypothesis testing, the Quality of Financial Reporting has a positive and significant effect on the Organizational Performance of the institution. The results of this study provide empirical evidence that the better the quality of financial reporting, the better the organizational performance of the companies.

The relationship between reporting quality and organizational performance has been studied by several researchers, for example: (Biddle et al.: 2009, pp. 112-131). Muda et al. state that accounting plays an important role in encouraging accountability, efficiency, and effectiveness of public services. The quality of information will improve the quality of management in seeing changes around the organization so that it can quickly and accurately respond to these changes (Muda et al.: 2018). The same thing is known from the IPSASB statement (2013), which states that the allocation of resources by the government is inadequate if it is supported by poor quality financial information. The same view is conveyed by several researchers who concluded that the quality of financial reporting is closely related to company performance (Pneman & Zhang: 2002, pp. 22-37; Richardson et al.: 2001).

Financial reporting plays an important role in promoting accountability, efficiency, and effectiveness of public services. The quality of reporting will improve the quality of management in seeing changes around the organization so that it can quickly and accurately respond to these changes. A resulting report is a form of accountability of government agencies for the implementation of government implemented. Effect of Accounting system Implementation directly has effect on Organizational Performance through the Quality of Financial Reporting.

The quality of good information is generated by a quality accounting system as well. Laudon and Laudon (2007: 14) also mentioned that by implementing a quality accounting system can produce quality accounting information, which can be used by users in making decisions (With the implementation of quality of accounting system Which was also used by the user in making decisions). The amount of influence of accounting information quality system to the quality of accounting information is (0,629 ×0,629×100%) = 49, 5%. The results showed that the quality of accounting system affect the quality of accounting information with the influence of 49.5%. This result indicates that the quality of the information referred to the quality of output generated by the information system, thus the better quality of accounting system can lead to the achievement of accounting information quality optimally.

# CHAPTER FIVE

**SUMMARY, CONCLUSION AND RECOMENDATION**

# Introduction

Chapter five consists of a brief summary of findings that were obtained. It also presents the deduced conclusions and offers recommendations on how to improve the present circumstances of the companies. The research implications are discussed and suggestions of opportunities for further research presented.

# Summary of the Study

The thesis intended to find out the impact and practice of Accounting system on the accounting and auditing report of the companies. The study measured impact and practice of Accounting system on the accounting and auditing report of the companies based on the various descriptive mode of evaluation, including, frequency, percent, mean and standard deviation and additionally information quality, service quality, system use, user satisfaction and net benefits of the accounting system are also seen as qualitative data presentation and evaluation.

# 5.3. Findings of the thesis

The finding obtained from the analysis was when the institution’s system is upgraded there were the problem of accurate data migration by MIS therefore internal auditor of the institution is not participating to solving this problem. There is no adequate training for internal auditor or there is no on job training how to find faults exists and the way of understand problem area occurred. The new system developed is called ERP, this system is not allow modifying of the transaction by accountant or underwriter if the problem occurred rather you report to MIS directorate to modify your transaction, Therefore it takes a few days to correct it as the respondents gave me the interview.

Few number of the respondents cited that there was lack of proper training and lack of proper system documentation as some of the challenges they face. Other respondents also noted that high staff turnover was another challenges of using the accounting system. They indicated that when the staff turnover was high, some of super trained staff leaves the institution and they happen to be having more information about the accounting system than the normal users of the accounting system.

# Conclusion

The thesis was conducting through data gathering by using questionnaire distributed among employees of Adamawa state University Mubi based on the formula of Yamane sample selection, and secondary data of internal and external annual report also used as the evidence of the research. The respondents have explained their opinion on the impact of internal auditor on the accuracy and integrity of financial report. As their consistency of the management report and accounting system there is check and balance of the proposed plan settled at the beginning of the year and there is also examination and verification of the plan toward achieved or not by using the designed system.

accounting system of the institution have major role to prevent irregularities of payment, because all user of the system can see any payment at the time of payment or finally as a report of the statement. These develop control of activities because manager and other authorized body have the opportunity to verify and control all payments and collection on the system. Large number of the employee of the institution are updated themselves with new technology that the companies uses such as GIIS and ERP system available by the institution.

This study showed that there is strong relationship among the accounting system and accounting and auditing report of the institution, which means right to use to accounting information, will lead to contribute the efficiency and accuracy of the report prepared. Therefore, I can be concluded that accounting system have an impact on the quality of accounting and auditing report of the institution.

A good accounting system, institution, or organization can increase its value through increasing quality and efficiency, especially in terms of supply chain efficiency and effectiveness, improving internal control structures, and improving decision making. this is because the existence of an accounting system can make the financial reporting process of an agency easier and faster because the management of data into accounting information can be done through the system so that it can reduce the risk of recording errors which will then result in the information presented and disclosed in the Ministry's financial statements. The institution becomes more qualified and reduces the possibility of material misstatement of the organization. The Government Agency Accountability System will specifically regulate how government agencies report their performance in accordance with the provisions of the prevailing laws and regulations. With this regulation, the measurement and reporting of government finances can be a starting point in assessing the performance of the institution in a more systematic and structured manner. The implementation of accounting system can also help reduce errors caused by negligence and the inability of a person to prepare financial reports so that they can present information in financial reports more accurately and validly. Valid information will result in unbiased decision-making and make optimal performance. In the context of governance, the government, which acts as an agent, certainly has more information than the general public, who acts as a principal. us, to reduce information asymmetry and increase agency accountability, government agencies are required to submit accountability reports containing performance achievements on management activities carried out; this will also have an impact on financial reporting which encourages accountability, efficiency, and effectiveness of public services. The quality of reporting will improve the quality of management in seeing changes around the organization so that it responds quickly and appropriately to changes.

# Recommendations of the Study

The thesis summarize that as employees was hired or in a job by human resource management directorate of the institution for different department and branches they not equipped them by providing training on the accounting system of the institution in collaboration with MIS directorate and other concerned body. For this reason they not well deal with accounting and auditing report prepared by the system and not examine reports of external auditor in relation to their daily activity. Therefore, trainer facilitator of the institution should plan the budget to provide the training for those employees who have access to use the system of the institution and they should focus especially on new employee of the institution.

As it was known that practice of accounting and auditing report are depend on the transaction posted daily that determine accuracy of the financial report of the institution. The study understand from the respondents that there is knowledge and skill gap exist by the employee on transaction posting to exact ledger to hold the expense to its appropriate ledger. As report of the company shows the performance of the institution, accountant and other user of the institution should try to upgrade themselves to solve this problem by asking the concerned body.

The respondents also publicize that there is the problem of duplicate ledger and wrong account balance. Sometimes the system of the institution is stuck for more than a day, especially the report generate part of the system. More about the system stacking problem is the concern of MIS directorate therefore they should equip themselves on such like problem not occur because as the system become disturbed the institution was losing its customer.

As a whole there was the problem of delegation of work within one department, according to the respondent accountant were doing similar activity in the finance directorate therefore there was no well practiced job rotation among the employee that offer the accountants to understand different activity performed in the institution. The finance directorate of the institution should give the opportunity to the employee to practice every activity undertaken in the finance directorate.

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2. AU Section 319 and Committee of Sponsoring Organizations (COSO) defines internal control
3. Dixon (1990) appropriate performance measures.
4. Freeman, 1987, 1994 study on the basic properties of accounting numbers, and predictive value.
5. Hansen & Mowen, 2007. Computer-integrated manufacturing, Communication Technology
6. Adamawa state University Mubi. (2019/20) Annual Report
7. Kinney, 2000. The implementation, assessment, and monitoring of effective internal control
8. Ndifon and Patrick (2014) studied the Impact of Internal Control Activities on Financial Performance of Tertiary Institutions in Nigeria.
9. Siayor (2010), on internal control policies and procedures adopted
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11. Tsedal (2015) on the Assessment of Internal Control Effectiveness in Selected Nigerian Public Universities.
12. Hafij, Ahmed, and Tamanna (2014) evaluated the usage of accounting information on decwasion.
13. Computer-integrated operational information system (Hansen & Mowen, 2007
14. (Nwinee et al., 2016). Effectiveness of accounting system depends on the perception of dissuasion makers
15. (accounting system) was acknowledged as an effective tool to deal with the exterior and interior changes (Shagari, Abdullah, & Saat, 2017)
16. Periodic financial data in order to assess the performance of the institution's management (Nnenna, 2012).
17. Success of decisions and increasing their effectiveness depends heavily on the success accounting system presented to the decision makers at the right time (Al-Ali, 2014).
18. Information by Romney and Steinbart (2015) is the data has been organized and processed to give meaning to the user
19. McDonald explains that the financial accounting system has a positive and significant effect on the quality of financial reports (McDonald: 1999, pp. 11-22; Bordeleau et al.: 2020, pp. 173- 185).
20. Patel (2015) examined the impact of accounting system on companies’ profitability
21. Karthikeyan. (2010), argued that those users were expecting the information was a high quality and useful.
22. Horngren (2014) explains how accounting aids decision making, planning and controlling
23. Borhan and Bader (2018) accounting system (accounting system) was a formal system for identifying, measuring, and etc.
24. Trofimova et al. implement the implementation of the government accounting system, and regional management affects the internal control function (Trofimova et al.: 2019, pp. 416-424).
25. The implementation of an accounting system can help reduce errors caused by one's negligence and inability to prepare financial reports (Bell et al.: 2018; Altamuro & Beatty: 2010, pp. 58-74).
26. The relationship between reporting quality and organizational performance has been studied by several researchers, for example: (Biddle et al.: 2009, pp. 112-131).
27. The quality of financial reporting is closely related to company performance (Pneman & Zhang: 2002, pp. 22-37; Richardson et al.: 2001).

# Part I. General Questions (Respondents Profile)

* 1. Personal Gender:- Male □ Female □

2. Age of the respondents:- 20- 25 □ 26-32 □ 33- 38 □ 39-44□ above 45□

1. Length of experience in year 0- 2 □ 3-5 □ 6-10 □ 11-15 □ above 16□
2. Your position in Insurance:- Junior Accountant □ Senior Accountant □Manger □

Auditor □ Underwriter □Cashier □ Other □

1. Educational Status: Diploma □ First Degree □

Masters □ above Masters □

# Part II:-Research Question

1. Is there accounting system practice in Adamawa state University Mubi? Yes □ No □
2. Did accounting system play role for financial reporting quality? Yes □ No □
3. Did accounting system have a role in internal audit report quality? Yes □ No □
4. The role of accounting system for management is for decision making and controlling financial data? Yes □ No □
5. The role of IT department for accounting system practices is to control the asses of necessary data? Yes

□No □

1. Did you get and necessary training on accounting system? Yes □ No □
2. Do you familiar with new technologies such as ERP, GIIS? Yes □ No □
3. Do you think financial reports generated by auditors are consistent? Yes □ No □

**Part III:-** Would you please indicate your agreement or disagreement by putting **(√)** mark in the space provided under the five-scale rating questions from 1 to 5 .Where:- 5 = Strongly Agree (SA) 4=Agree (A) 3 =Neutral (N) 2 =Disagree (DA) 1= Strongly Disagree (SDA)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No** | **Statement of the questionnaire** | **SA(5)** | **A(4)** | **N(3)** | **DA(2)** | **SDA(1)** |
| 1 | the accounting system contributes to construct its  information outputs more capable for understanding by decision makers or stakeholder |  |  |  |  |  |
| 2 | Internal auditor gives valuable comments by understanding the  accounting system of the institution. |  |  |  |  |  |
| 3 | accounting system are integrated with other management information systems  and helps them to control frauds occurred**.** |  |  |  |  |  |
| 4 | accounting system contribute to the reliability of financial reporting. |  |  |  |  |  |
| 5 | accounting system encourage efficient and effective use of resources and |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | operations based on the policy of the institution |  |  |  |  |  |
| 6 | accounting system improve controls by limiting access to company data |  |  |  |  |  |
| 7 | accounting system comprise detective controls, which are designed to identify  errors or irregularities after they have occurred |  |  |  |  |  |
| 9 | There is knowledge and skills gap on transaction posting ledger  on accounting system for specific accounting |  |  |  |  |  |
| 10 | How do you rate your accounting system towards organizational effectiveness |  |  |  |  |  |
| 11 | The accounting system system is reliable |  |  |  |  |  |
| 12 | It is easily understandable |  |  |  |  |  |
| 13 | The system is fast and flexible |  |  |  |  |  |
| 14 | IT team provide adequate support for the use of accounting system |  |  |  |  |  |
| 15 | IT department has technically competent employees to support  accounting system |  |  |  |  |  |
| 16 | IT departments is responsive and reliable on accessibility of accounting system |  |  |  |  |  |
| 17 | Staff utilizes the full capabilities of the companies accounting system practice |  |  |  |  |  |

# Part IV:-Lists and Discussions

1. Explain shortcomings you come across in the accounting system you exercise?

.

1. What clarification needed from internal auditor to develop and verify accounting system generated report is clear and accurate?

.

1. Please discuss if there is accounting system report gap between the audit report prepared by external auditor and system generated report

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