

**UNIVERSITY OF EDUCATION - WINNEBA
COLLEGE OF TECHNOLOGY EDUCATION**

DEPARTMENT OF ACCOUNTING STUDIES EDUCATION

**THE EFFECT OF ACCOUNTING SOFTWARE ON FINANCIAL REPORTING
QUALITY, A STUDY ON THE ELECTRICITY COMPANY OF GHANA - KUMASI.”**



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**A THESIS IN THE DEPARTMENT OF ACCOUNTING EDUCATION, FACULTY OF
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REQUIREMENTS FOR AWARD OF**

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DECLARATION

I hereby declare that except for the references made to other works which has been duly cited, this project is the result of our own findings and entirely mine. This is original work that has never been published in whole or part for any activities.

OWUSU ASHIA CLEMENT

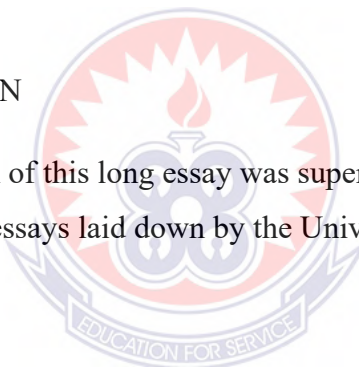
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SUPERVISION DECLARATION

I here declare that the presentation of this long essay was supervised in accordance with the guidelines of supervision of long essays laid down by the University of Education, Winneba



MR. MORRISON

.....

Supervisor

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Date

DEDICATION

Thanks to God for all he has done. This project is dedicated to Prof. Dr. Samuel Evans Adunyah, my mother Catherine Appiah and Dora Hulede. It is through their selflessness in both financial, guidance and encouragement that has brought me this far



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ABBREVIATIONS

AS= ACCOUNTING SOFTWARE

AIS= ACCOUNTING INTERNATIONAL STANDARDS



ABSTRACT

The main objective of this study will seek to investigate the effect of Accounting Software on financial Reporting Quality in delivering Financial Accounting information for making crucial organizational decisions by management. It also aims at assessing Accounting Software support to the production of Financial Statements in time, accurate recording transactions and also to ascertain the level at which accounting professionals in this field (utility) has adopted and applied information technology and conformed to the International Accounting Standard (AIS). The study, first analyses the initial phase of AS adoption in the organization, and shows how limited Accounting personnel skills, unplanned and uncoordinated innovations, and overwhelming organizational defects resulted in the inability of the technology to produce intended results. The study then proceeds to discuss how these initial problems were dealt within the subsequent phase to produce more positive outcomes. Reasons for this success included comprehensive data analysis, departmental representation in planning, and corporate support for the technologies at the highest organizational levels. Based on these findings the study concludes that ECG will be able to meet its stakeholder's information needs with aid of Accounting Software.



CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Accounting refers to the process of identifying, measuring and communicating economic information to permit informed and rational decisions, Omonuk (2009), computerized accounting is defined by Alan & Frankwood (2005) as a total suit of components that together comprises all inputs, storage, transactions, processing, collecting and reporting of financial transaction data. Computerized accounting system involves the use of computers in processing accounting data into information to facilitate quick decision making through timely preparation of financial reports and financial reporting in this case refers to the way in which financial information is recorded, processed and conveyed to the end users of this information in particular.

It is clear from the above definition that Financial Accounting goes beyond the ordinary imagination of many people to include being a means of measuring economic performances of industries in terms of money, building a system of monitoring that is the inflow and outflow of an organization in terms of assets and liabilities, revenue and expenditure. It also includes taking good decisions (as stewards) on the earnings of shareholders and reporting same in the form of financial statement to this group of users.

The ultimate purpose of accounting software is to report information in all the ways you need to see it. Most organizations "make do" at some level with inadequate output; the accountant or bookkeeper spends time at the end of each month and year combing through the general ledger for details or exporting data to Excel in order to create reports.

Accounting information system being an asset of methods, people, procedures and devices regularly used to process business transactions, Hermanson et al, (1987), information is therefore much more useful when it is conveyed through a proper reporting system which gives it good

qualities such as accuracy and reliability among others and this can be achieved by use of computerized accounting system.

1.2 Statement of the problem

The advancements in information technology have eventually led to the introduction of Computerised Accounting Systems in corporate reporting to help produce relevant and faithful representative financial reports for both management and external users for decision making (Greuning, 2006). The many advantages from the use of these systems have led many to conclude that Computerized Accounting Systems in Corporate Reporting is the ‘engine of growth’ in business organizations (Frenzel, 2006).

It is worth noting that, notwithstanding the introduction of these Computerized Accounting Systems and despite the enormous benefits from the use of these systems, the problem is that some companies still make use of the Manual Accounting Systems which are often characterized by keeping a large number of books and are usually associated with errors in recording large volumes of transactions. Reasons for the use of the manual accounting system may be attributed to factors such as inadequate supply of expertise knowledge about the Computerized Accounting Systems; high cost of installation and maintenance; resistance to change; risks of being hacked; power failure; viruses and losing information.

The problem is what could be the reasons for the adopting of the use of Accounting Software in corporate reporting? This would result in looking into the positive effects of accounting software in corporate reporting to the business world as well as the challenges that hinder the smooth use of the Computerized Accounting Systems. With increased complexity of transactions and the emergence of new technologies raises the question as to how the Electricity Company of Ghana (ECG) will take advantage of Information Technology to improve their corporate reporting.

1.3 Purpose of the Study

It is obvious and predictable that in today's modern business and organizational set up, businesses cannot succeed without technology. The world of technology has become dynamic and needs people and leaders who are proactive to survive and remain in business.

To prepare, analyze, and use accounting information in today's world, we need to understand the important role computers play in most accounting systems. In essence, computers are tool that help/enable Accountants to provide useful information for decision makers.

The purpose of the study was to assess the impact of computerized accounting on financial reporting in Electricity Company of Ghana.

The research also examines the compliance of this Financial Reports generated by this software with International Standards and regulations

1.3.1 Objectives of the study

In view of the questions and issues raised, the following objectives will be accomplished in this study:

1. To identify the accounting software used at ECG
2. To evaluate the quality Accounting Software used by ECG
3. To ascertain the contribution of Accounting Software to financial reporting in ECG
4. To evaluate the challenges in the use of Accounting Software in the general performance of ECG

1.4 Research Questions

The discussions, observations and questions would seek to answer the following questions:

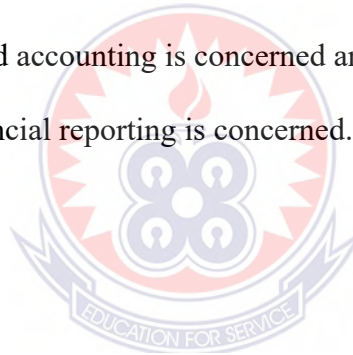
1. What accounting software is adopted by ECG?
2. What is the level of usage of the software by ECG?

3. How effective has the software addressed ECG's accounting challenges?

1.5 Significant of the Study

The study would be expected to make the following contributions.

- i. The study will help management of different organizations in determining what best accounting software to adopt in order on performance of the firms and the preparing quality and reliable financial reporting.
- ii. Identify and address some possible challenges associated with the use of a Computerized Accounting Systems in Financial Reporting.
- iv. The study would also be of great benefit to the students who will be able to access this information that will guide them in research and equip them with knowledge as far as manual and computerized accounting is concerned and the importance of computerized accounting as far as financial reporting is concerned.



1.6 Scope of the study

The research covered Accounts and finance departments of Electricity Company of Ghana Limited of Ashanti East branch.

1.7 Limitation of the study

The research would be faced with these limitations

Uncooperative respondents: as usual, not every respondent during research is completely willing to cooperate positively towards the demands of the researcher, some are even hostile. However, giving up on the respondent will only hinder the acquisition of the necessary information, so the researcher will not get tired as far as wooing the respondents to cooperate is concerned.

Language barriers in communicating with the respondents, bias on the part of the respondents to give out information about their status, the unwillingness of getting information from the management on the topic been study in the name of confidentiality are some of the anticipated limitations of the study.

1.8 Organization of the study

This study is structured into five main chapters.

Chapter 1 presents an introduction to the study and capture the background, problem statement, research objectives, and research questions, significant of the study and scope and limitations.

Chapter 2 reviews relevant literature in this area. Pertinent literature shall be collated to provide the needed conceptual and empirical framework for the study. Chapter 3 presents the detailed methodology for the study. In this chapter, the objective of the research shall be clearly stated along with the method of obtaining data. Also, it shall cover the data of analysis. Chapter 4 presents the findings and analysis of the study. Chapter 5 wrap ups with the conclusions and recommendations.

LIST OF ABBREVIATIONS

CAS	Computerized Accounting System
ECG	Electricity Company of Ghana
MiDA	Millennium Development Account
IAS	International Accounting Standards
AIS	Accounting Information System
IFRS	International Financial Reporting Standards
IT	Information Technology

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews literature on Financial Reports, information System and IT in general and its adoption and more specifically Accounting Software used in Electricity Company of Ghana. IFRS adoption is gaining widespread support among many countries in the preparation of financial statement and financial Report.

2.1 History of Accounting

Man's records, if any, of his early undertaking are vague and often remote: a broken piece of clay with inscriptions (George Jr. 1972). The ancient civilization was faced with the difficulty of how to record economics activities to facilitate decision making. The history of accounting could be traced to the pre-history periods 9,000 to 10,000 B.C., when people were living in small villages under the leadership of individuals appointed as kings and priests. Revenue were generated by levying taxes and the priests experienced difficulties in accounting for these taxes. Since there were no writing materials, records were kept by making notches on sticks. This approach was associated with the Sumerian priests at about 5,000 years ago. Accounting during the primitive period was very nebulous. Writing on clays, using a notch in a stick and strokes on walls were the system adopted to keep records of financial activities: taxes, loan given, revenue collected, flocks of sheep etc, this method was universal to many ancient civilizations. As Egyptians, Mesopotamians, Sumerians adopted clay tables for their writing, Nigerians as agriculturist used calabashes, bamboos, sees and grain, Asechemic, 1992 explained that Agriculture has influence on everything that is known to be Nigerian, including their methods of people, therefore used materials like calabashes, bamboos, seeds and grain, tally sticks and ropes, houses walls also served as recording

media in most parts of Nigeria, woods and animals bones are also known to have been used in record keeping in some part of the country.

According to Osmond, (2011), accounting is the way business owners manage their company's financial information in orders to make better decision regarding their companies. Meigs & Meigs (1986) also defines accounting as the art of measuring, communicating and interpreting financial activities. I do agree with both authors since the meaning derived out of their ideas are similar and state the actual art behind accounting.

As many professional accountants and auditors state - accounting is a language of business which is accepted in all developed and developing countries, but what exactly is accounting? Well, accounting has been defined by many authors in various ways. Osmond, (2011), states that; Accounting is several centuries old and that Luca Pacioli, an Italian friar from San Sepulcro, is the father of accounting. Pacioli is credited with developing the double entry bookkeeping system in 1494 using debits and credits to manage a company's financial information. His system included ledgers and journals where financial information was kept relating to business transactions. Pacioli's accounting system is still in use today, even by the various computerized accounting programs in the industry.

2.2. Financial Statement and Financial Reporting Systems

The essential characteristics of Accounting are; identification, measurement of financial information about economic entities to the interested parties. Millichamp (1996) defines accounting as the process of identifying, measuring and communicating economic information to permit informed judgment and decisions by users of information". According to Gurbutt (1989), Accounting is a discipline concerned with the recording, analysis, and other entities".

Accounting is the recording, analysis and interpretation of financial transactions (wood, 1995). This definition though very much in line with that of Douglas, introduces another element – the interpretation of financial transactions. According to Frank Wood and Alan Sangster (2005) the body of rules that governs financial accounting is called Generally Accepted Accounting Principles (GAAP). The elements of financial position of any Company are its assets and liabilities.

Financial accounting practices ensure that the preparation of financial statements of a company is to be used by both internal and external parties to the company. Users of these financial statements include creditors, managers, government agencies, investors, banks, debtors, tax authorities and unions etc. According to Philips, Libby and Libby (1999) financial statements contain these:

1. Balance sheet;
2. Income statement;
3. Statement of Retained Earnings;
4. Statement of cash flows;



According to Larson et al (1999) these statement present the companies' history in monetary terms. Comparatively, Electricity Company of Ghana also issue financial statements which have the same four components. This goes to show that almost all the organizations in the world are currently uses financial statements as a tool to communicate its information to outside world.

However, financial statements on its own may not be enough to explain the actual information to the users to make an informed decision. Therefore, there is the need for additional information to be made available in the form of notes and reports that explains and discloses the relevant additional information on the financial statements prepared. These together with the financial statements become financial reports. Financial reporting is the process of preparing and distributing financial information to users of such information in various forms.

The most common formal financial reporting are financial statements. Financial statements are prepared in accordance with vigorously applied standards defined by professional accounting bodies developed according to the legal and professional framework of specific local. Examples of information to be added to the financial statement include the Director's letter or supplementary schedules in the corporate annual report, prospectuses, reports filed with government agencies news releases, management's forecasts and social or environmental impact assessment statement and so on. These financial reports may differ from one company to other depending on the rules and regulations of the industry and other factors that may be required by law.

2.3. Motives for Reporting Financial Statements

The primary objective of financial reporting is to provide high-quality financial reporting information concerning economic entities, primarily financial in nature, useful for economic decision making (FASB, 1999, IASB 2008). Providing high quality financial reporting information is important because it will positively influence capital providers and other stakeholders in making investment, credit and similar resource allocation decisions enhancing overall market efficiency (IASB, 2006: IASB ,2008). Financial statement analysis is to provide information about the financial position, performance and changes in financial position of a copy that is useful to a wide range of users in making economic decision. By examining the past and current financial data, investors can evaluate a company's performance and financial position as well as assessing risks. Financial statement analysis yields valuable information about trends and relationships, the quality of a company's earning and the strength and weakness of its financial position. Financial statement also shows the results of the stewardship of management or the accountability of management for the resources entrusted to them by the shareholders. As investors, you must always use financial statements to assess the risk and return of your investments and take investment decision based on sound analysis.

The objectives of financial statement analysis include among others;

2.3.1 Assessment of past performance; past performance is a good indicators of future performance. As inventor you should be interested in the trend of past sales, operating expenses, net income, cash flows and returns on investment, among others. These trends offer a means for judging management's past performance and the possible indicators of future performance.

2.3.2 Assessment of current position: analysis of the current position indicates where the business stands today, such analysis will show the types of assets owned by a business enterprise and the different liabilities dues against the enterprise, the company's cash position as well as the debt the company has in relation to equity, among others.

2.3.3 Assessment of the operational efficiency;

The objective of every financial statement is to provide information about the reporting entity's financial performance and financial position that is useful to a wide range of users for assessing the stewardship of the entity's management and for making economic decisions. (ACCA study text, 2006/2007). There is always the need that the financial statement presented are easily understood by all users to lead to making an informed decision. Hence there should be enough disclosure of all relevant information. Managers are stewards to the shareholders and thus must be able to account for their stewardship through the financial reports they present to their shareholders in specified period.

2.3.1 Quality of good financial reporting

Financial reporting refers to preparation of financial statements by the business necessary in making decision by management (Kakuru, 2003). Good financial reporting is all about presenting useful information to users so that proper decision can be made and data presented. Financial

reporting should provide information about entity's economic resources, claims against those resources, owner's equity and changes in the resources and claims (Frankwood, 1999). Financial reporting should provide information that is useful to present or potential investors, creditors and other users in making national investment, credit and similar decision making (Larson et al, 1995).

2.4. Qualitative characteristics of financial statements

Financial reporting refers to preparation of financial statements by the business necessary in making decision by management. (Kakuru, 2013). Good financial reporting is all about presenting useful information to users so that proper decision can be made and data presented. Financial reporting should provide information about entity's economic resources, claims against those resources, owner's equity and changes in the resources and claims (Frankwood, 1999). Financial reporting should provide information that is useful to present or potential investors, creditors and other users in making national investment, credit and similar decision making (Larson et al, 1995).

Quality information depends on the intended users of the information and should be evaluated with respect to the users. Accounting qualities include relevance and reliability, neutrality, comparability, consistency and understandability/timeliness.

1. Reliability: Information is said to be reliable if it is from material errors and bias and represents faithfully that is purport to represent emphasized (Frankwood, 1999). Reliable information is verifiable faithfully representative. Botosan (2004) argues that it is difficult to measure faithful representation directly by only assessing the annual report, since information about the actual economic phenomenon is necessary to assure faithful representation. According to Maines and Whalen (2006), however, estimates and assumptions that closely correspond to the underlying economic constructs the standards pursue can enhance faithful representation. Therefore, we focus on items in the annual report that increase the probability of faithfully represented information. Therefore, we focus on items in the annual report that increase the probability of faithfully

represented information. These items do not always directly refer to the US GAAP or IFRS, yet they provide an indirect proxy of faithful representation of financial of financial reporting information prepared in accordance with certain accounting standards.

2. Comparability: *A second enhancing qualitative characteristic is comparability, which “is the quality of information that enable users to identify similarities in and difference between two set of economic phenomena” (IASB, 2008:39). In other words, similar situations should be presented the same, while different situations should be presented differently. Comparability is measured using six items that focus on consistency. Four items refer to the consistency in use of the same accounting policies and procedures from period to period within a company (Jona & Blanchet, 2000; Vincent & Schipper, 2003; Beuselinck & Manigart, 2007; Cole et al, 2007). Two items are used to measure the comparability in a single period across companies (Cleary, 1999; Jonas & Blanchet, 2000; Cole et al, 2007; Beuselick & Manigart, 2007; IASB, 2008). Comparability includes consistency. “Consistency refers to the use the same accounting policies and procedures, either period to period within an entity or in a single period across entities” (IASB, 2008:39). According to the ED, companies should strive for comparability by means of consistency. Jonas and Blanchet (2000) operationalize consistency by referring to coping with changes and uncertainty. New information, rules and regulation generally cause companies to change their estimates, judgements, and accounting policies. For instance, if new information is available which encourages a revision of the expected lifetime of a certain asset.; this may result in a change of estimate. The comparability of earning figures is important in the evaluation of the firm’s performance over time (IASB, 2006; Cole et al., 2007). If a company changes its estimates, judgments, or accounting policies it may adjust previous year’s earnings figures in order to visualize the impact of the change on previous results.*

3. Timeliness: “Timeliness means having information available to decision makers before it loses its capacity to influences decisions” (IASB, 2008: 40. Timeliness refers to the time it takes to

reveal the information and is related to decision usefulness in general (IASB, 2008). When examining the quality of information in annual reports, timeliness is measured using the natural logarithms of amount of days between year end and the signature on the auditors' report after year end is calculated. Based on the natural logarithms of the amount of days, each company received a score between 1 and 5.

4. Understandability: *The first enhancing qualitative characteristic, understandability, will increase when information is classified, characterized, and presented clearly and concisely. Understandability is referred to, when the quality of information enables users to comprehend their meaning (IASB, 2008). Understandability is measured using five items that emphasize the transparency and clearness of the information presented in annual reports (Jonas & Blanchet, 2000; Iu & Clowes, 2004; IASB, 2006). First classified and characterized information refers to how well-organized the information in the annual report is presented. If the annual report is well-organized, it is easier to understand where to search for specific information (Jonas & Blanchet, 2000). Furthermore, disclosure information, and in particular the notes to the balance sheet and income statement, may be valuable in terms of explaining and providing more insight into earnings figures (Beretta & Bozzolan, 2004). Especially narrative explanations help to increase the understandability of information (IASB, 2006; Jonas & Blanchet, 2000). Moreover, if the preparer of the annual report combines words and sentences that are easy to understand, the reader will be more likely to understand the content as well (Courtis, 2005). If technical jargon is unavoidable, for instance industry related jargon, an explanation in a glossary may increase the understandability of the information.*

5. Relevance: Financial information is relevant if investor can use it to make investment decisions and the information should enable investors to estimate the risk of an investment

(Turner, 2000). Relevance is referred to as the capability “of making a difference in the decisions made by users in their capacity as capital providers” (IASB, 2008: 35). Drawing on prior literature, relevance is operationalized using four items referring to predictive and confirmatory value. As discussed earlier, researchers tend to focus on earnings quality instead of on financial report quality. This definition is limited in scope because it neglects non-financial information and is excluded “future” financial information already available to the users of the annual report, for example on future transactions (Jonas & Blancet, 2000; Nichols & Wahlen, 2004). In order to improve the comprehensiveness of the quality assessing measurement tool, this study will consider a reader perspective on predictive value including both financial and non-financial information.

2.5. What is Information Technology?

Information Technology (IT) as defined by Arden (1994) is the use of computers and other associated devices for collecting, storage and manipulation of data to produce information.

According to BBC English Dictionary, information technology is the theory and practice using computers to store and analyze information. O’Brien (1993) considers IT as hardware, telecommunication database management and other information processing technology used in computer based information systems. As defined by French (1993); I.T is the technology which supports activities involving the creation, storage, manipulation and communication of information together with related methods, management and application. Therefore, I.T may be seen as the broadly based technology needed to support information system.

Carter (1996) likened the production of information to the production of goods in a factory. He writes “if I were to ask you to define what a factory is you would probably end up with a distribution of the finished goods. You would also need to make some reference to the use of machines and carry out this process”. If asked to define I.T the only change needed to make would be to replace raw materials and finished goods by terms such as data and information.

Carter therefore defines information Technology as the modern technology to aid the capture, processing, storage and revival and communication of information whether in the form of numerical data image. An IS according to Whitten et al....., (2004) is an arrangement of people, data, processes, and information technology that interact to collect, process, store and provide as output the information needed to support an organization. It could also be defined as the collection of computer programs, hardware, people, procedures, documentation, forms, inputs, and outputs used in or generated by handling business data. (Martin,.....et al, 1991). It is thus a complete package of all these elements and their interrelationship. An IS encompasses the whole organizational set up right from the receptionist to the MD and the various processes in the various departments in generating the products/services of the organization to its customers. These processes existed in structured organizations long before the introduction of computers in the early 1950s and could be manual or electronic or a combination of both as is being seen in today's modern businesses. Computers hardware and software only came in to enhance the information system already in place. According to A vision ...et al, (2006), an information system in an organization provides processes and information useful to its members and clients.

2.6.0. Benefit of Using Information systems (Software)

The use of information systems is very important in recording vital financial data that will be used in the future. In major companies, especially those in the retail industry will keep information's on sales, profits, expenses, and many other items for future use in their financial reports. The advantages as follows;

2.6.1 Maintain an Efficient Records System: Having immediate and ready access to all of your important financial records is integral to organizing your business. Details often make the business, allowing anticipating future outcomes of current expenses and improving relations with clients. A

small-to-medium business may not have the budget and staff found at large businesses to maintain an accounting department and personnel to handle official records. Small businesses do have the option of turning to comprehensive accounting software that can keep track of invoices and customer information. Accounting software provides instant access to all your information needs in one convenient setting so you can manage your business as needed and without confusion.

2.6.2 Consolidate Tasks: Accounting is a multistep system that involves such tasks as invoicing, budgeting, transactions, updating vendor lists and more. For owners who don't have much time, accounting can become a delicate balancing act of goals that may not be actualized in time to prepare for future transactions. Proper accounting software eliminates this separation of tasks and helps consolidate them into one, manageable list. Being able to compile all accounting needs into one system will greatly improve your efficiency as the owner of the business.

2.6.3 Reduce Costs: For new and small businesses, creating a separate accounting department or acquiring the services of a certified accountant can be a costly, ongoing investment. A number of different software can help take on nearly or all of your business accounting needs without the hourly expense. By incorporating accounting software into daily routine, you will be able to manage your business better, control outgoing expenses, and keep track of incoming payments. Staying aware of your business records on a daily basis results in a reduced chance of messing up your monthly budget or incoming transactions.

2.6.4 Improve Operations: Client relations are an integral part of running a successful business. Many accounting software allow you to maintain a complete record of your vendors and customers, in conjunction with all the necessary contact information. This can be incredibly useful when you find yourself needing to make contact with a customer over potential shipping issues or

when you require clarification from vendors on the nature of an expected shipment. Accounting software helps you prepare for potential setbacks and continue your smooth business operations.

2.7. Challenges in the use of Information Systems (Software)

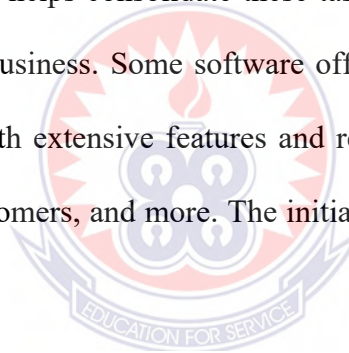
2.7.1 Limited Functionality: Not all software is created equal. Some may offer limited functionality for managing inventory, while others are more suited for service-oriented operations. Other accounting software may not offer much in the way of keeping track of employee records and payroll, which may not be useful to businesses with a medium to large staff. Knowing what you need from accounting software ensures that you make the right investment in the end.

2.7.2 Software Familiarity: Relying on accounting software to keep track of your business needs can maximize time and efficiency as long as the software is easily navigable. If you are not familiar with common accounting tasks or computers in general, it may be difficult to find the benefits of using certain software. Opting for a program that offers a streamlined format for multiple tasks, understandable functions, and a simple layout can save you a great deal of time initially. If you can't manage to familiarize yourself with the particular software, the efficiency of your business may be affected.

2.7.3 Not Receiving Adequate Help and Support: Business owners who anticipate the need for initial help from software developers to get the hang of it are better served by choosing accounting software that comes with extensive customer support. Being able to communicate with live personnel via telephone conversations, e-mails, or online chat support can go a long way in helping you become acclimated to all the various accounting goals you wish to accomplish.

2.7.4 Pricing: The cost of accounting software largely depends on how comprehensive it is. Some software focuses on nearly all aspects of running a business from payroll to shipping. Extensive, feature-rich software can run upwards of \$2000 and benefit from choosing software that focuses on a certain feature or function. It is also possible to customize some accounting software with add-ons and other upgrades that you may feel is necessary for running your business. Extras like customer support usually require a subscription for access. The initial investment may be suitable for medium to large businesses. Small companies with reduced budgets can appear costly, but acquiring accounting software in lieu of an actual accountant ultimately saves time and money.

Without taking care of various accounting tasks, a business would not be able to run at maximum efficiency. Accounting software helps consolidate these tasks so that you can maximize time and money spent on running your business. Some software offers a great deal of control over nearly every aspect of the business with extensive features and records that allow you to keep track of your inventory, employees, customers, and more. The initial upfront fee rivals an investment in an offline accountant.



2.8 IT Software

Software can be defined as a series of detailed instructions that control the operation of a computer system and exist as programs which are developed by computer programmers. Hardware of a computer refers to the physical devices, on its own it is useless piece unless there is software to run it or to take its instructions and execute them. Computing power even greater than that of the giant machines of the 1950s can now fit on a silicon sliver the size of a fingertip-an amazing feat of miniaturization that has put computers within the reach of almost everyone.

Moreover, modern machines can perform tasks scarcely dreamed of when computers relied on vacuum tubes and punched cards. The secret to this versatility lies in the software or programs or

instructions that give steel- and- silicon machines its myriad personalities (Alexandra and virgina 1986) software) According to pressman (2001) “Software is

1. Instructions (computer programs) that when executed provide desired function and performance
2. Data enable the programs to adequately manipulate information, and
3. Documents that describe the operation and use of the programs” it obvious that hardware take its instruction from the software and act on this instructions to produce results in the form of information or data to the user. Communication technology has long been used to reduce both the time and costs of preparing and disseminating financial statements and managerial reports.(p 528, Marshall Romney and Paul Stein Bart, Accounting information system tenth edition 2006)

Hardware refers to the devices that physically enter, process, store and retrieve, and deliver data and information. On its own it is a useless piece unless there is something to run on it or take its instructions and execute them. Hardware must be directed in its information processing by programs, and all of these programs are collectively referred to as computer software. According to Pressman (2001) “software is (1) instructions (computer programs) that when executed provide desired function and performance, (2) data structures that enable the programs to adequately manipulate information, and (3) documents that describes the operation and use of the programs”. This means that software take instruction or from the hardware and act on these instructions to produce results in the form of information or data to the user. They are pieces of computer language that are structured in a way to receive and manipulate instructions into a language that is understood by the computer and produce documents or information that are requested by the programs.

2.9 Types of Modules in Financial Reporting

Accounting Information Systems are systems that are used to record the financial transactions of a business or organization. The system combines the methodologies, controls and accounting techniques with the technology of the IT industry: computers, software and the user interface. The software used to track transactions provides internal reporting data, external reporting data, financial statements and trend analysis capabilities. This information is essential to decision makers and top executive. Accounting software provides instant access to all your information needs in one convenient setting so you can manage your business as needed and without confusion. By definition AS contains the basic accounting functions such as input, processing and output.

2.9.1 Accounting Modules

The core accounting modules perform standard accounting jobs; for example, order entry and billing, accounts receivable, accounts payable, inventory, payroll, fixed assets, job costing and general ledger. In addition to those core modules can exist other accounting-related modules, such as bank reconciliation, foreign currency managers, time and billing, and travel expense management, among other things. These modules are sometimes standard and sometimes sold separately. Software almost always includes a separate module called system manager (or a similar terms) that provides common services to all accounting modules – for example, searching data across all applications. Accounting modules are often supplemented with treasury modules that manage cash, working capital, derivatives, investments in bond and stock markets and foreign exchange and interest rate risk exposure.

2.9.2 Business function modules

These modules run the entire gamut, from functional areas to supply-and-demand chain management. The functional modules can be manufacturing related, such as material requirement

planning, capacity requirement planning, scheduling or warehouse management. Demand chain management may include modules like sales forecasting, customer relationship management of sales force automation; and supply chain management modules can consist of supplier relationship management and inventory forecasting and management modules. The business function modules may also contain industry specific modules – for example modules for non-profit companies.

2.9.3 E-commerce module

E-commerce module vary, from support for traditional EDI to web-based executive dashboards enterprise portals, which provide vital business information to executive, employees in a user-friendly format. Almost every accounting cycle has seen emergence of difference types of e-functionalities.

2.9.4 Third-party add-on products:

Add-on products can vary from vendor to vendor. Some accounting software products offer a comprehensive set of accounting module and do not need add-on products. Few accounting vendors offer core modules and have an open architecture for the software , and generally third-party developers can easily develop add-on products purchased separately. Additionally, standard modules on specific software can be add-on product for other accounting software, due to each product's market focus. The common add-on products are fixed assets modules; reporting modules such as F9, Crystal Reports or FRx; and e-commerce-related modules.

2.9.5 Customization tools:

Customization tools add or improve functionality of the software; import and export data; and customize forms , screen views and reports.

2.10 Classification of Accounting Software.

AS has evolved into several significant groups for users of PC based network systems. There are various categories of AS which are; extremely low-end packages, mid-range solutions, and high-end software, personnel software.

2.10.1. Extremely low - end AS packages

Are those accounting packages selling for less than \$1,000, characterized by such accounting packages as QuickBooks, Peachtree 7.0, Business Works, and like products. These are a “one size fits all” product. In otherwise Low-end is all-in-one software, which means all of the functions of accounting system is performed within one software. Therefore, low-end software is used for small companies. The grouping as low-end may have little to do with the features of the software, but more to do with the price. This group is also characterized by the fact that they are sold to the mass market, including retail stores, and are designed to be installed and operated by the end user. You will typically pay more for the installation than for the basic software itself, just because the software is so inexpensive.

2.10.1 . Low end accounting packages:

Are generally not sold to the mass markets through retail outlets, but are available through “channel partners” of the manufacturer. The cost of these packages range from \$1,000 to \$3,500. They will generally require installation by the channel partner, and you will pay extra for installation and training. You will typically end up paying close to double the software cost.

2.10.3. Mid-range accounting packages:

Are generally characterized as those in the \$3,500 to \$15,000 cost range, for software costs only. Again, such software packages are generally not sold to the mass markets through retail outlets,

but are available only through “channel partners” of the manufacturer. Installation and training are additional costs that could again, double the cost of the full system installation. This is because these packages come in separate modules, can have complex set ups, and require customization to be run by the end user. With the added power also comes added complexity, and this requires training. An example of commercially available packages in this group are; MAS 90, SBT Pro Series 5.0, Solomon, Peachtree 2000, and similar products.

2.10.4. High-end AS:

Here each accounting function comes in a separate module. Each module checks data for correctness, processes it, and updates all relevant accounts and finally, produces outputs such as documents and reports. Personal computer (PC) - based AS allows companies to computerize their manual systems and to provide better and timely information. In addition, PCs have been connected to other PCs via networks. This allows companies to process indefinite number of transactions occurring at different locations simultaneously within several minutes. They are packages which typically cost around \$15,000 for software costs only with full installations often running in excess of \$100,000.

2.10.5 Hybrid solutions:

As technology improves, software vendors have been able to offer increasingly advanced software at lower prices. This software is suitable for companies at multiple stages of growth. Many of the features of Mid Market and High End software (including advanced customization and extremely scalable databases) are required even by small businesses as they open multiple locations or grow in size. Additionally, with more and more companies expanding overseas or allowing workers to home office, many smaller clients have a need to connect multiple locations. Their options are to

employ software-as-a-service or another application that offers them similar accessibility from multiple locations over the internet.

2.11 . Commonly used Accounting Software's

2.11.1 QuickBooks Software by Intuit

3.5 million US small businesses and 235,000 accountants uses this software. In addition, 41,000 active QuickBooks pro-advisors are able to help small businesses as consultants, Blundell (2007). According to Wong (2010), since its launch 12 years ago, intuit's QuickBooks has dominated the market for small business AS. The software program has many features that are potentially useful for small businesses in applying management accounting concepts to assist in managing the business. QuickBooks allows convenient and low cost recording of transactions involving purchases and sales, payments and collections which are necessary inputs in terms of record keeping providing the data for management accounting information. QuickBooks has report features that allow a small business to easily create reports summarizing the effects of their transactions on company financials, customers and receivables, purchases, and vendors and payables. Despite the widespread application of QuickBooks in small businesses, little or no empirical evidence is available on either its use and or its effects. Several studies have examined the choice of AS (Bressler, 2006); Davis and Dunn, (2005) Bressler (2006) reported that the highest ranked reason for selection was recommendation by a business counselor. In a similar vein, Davis and Dunn (2005) reported advice from a CPA as the highest ranked reason for AS selection. Between 54% (Bressler, 2006) and 89% (Davis and Dunn, 2005) of users in these studies reported high levels of satisfaction with their software. QuickBooks can be used by small businesses to manage their cash flows.

2.11.2 Peachtree Software by Sage

Peachtree has been around for 20+ years. The company was not doing well and was recently acquired by Sage Group Plc, a firm located in Tyne, UK. It reported 2.4 million customers in US. Peachtree 2007 has five versions: First Accounting, Complete Accounting, Pro Accounting Total Care and Premium Accounting, with prices ranging from \$170 to \$400. Peachtree 2007 software is not compatible with Vista, the new Microsoft operating system. Peachtree 2008, Peachtree 2009, Peachtree 2010 SRI and Sage Peachtree 2011 were released by Sage Group Plc which are compatible with Vista and Windows 7. Sage has the accountant network. For \$300 per year, one gets the Peachtree Quantum edition 5 users, unlimited access to priority Peachtree support, payroll tax update service, Peachtree training CD and tools to grow your accounting practice, Savory (2007). Peachtree 2007 was installed and it was not difficult to use

2.11.3 Microsoft Small Business AS

In November 2005, Microsoft came out with the Small Business AS to compete with QuickBooks and Peachtree. The software is easy to learn one can learn it with the book by Frye and Pierce (2005). In 2007, this software was completely upgraded. There are now two versions: Accounting Express 2007 and Accounting Professional 2007. One can do the free download for the former with 30 days trial. Accounting Professional 2007 costs about \$150. If one buys the MS Office 2007 Professional Version or the Ultimate Version, then MS Accounting Express 2007 is bundled with it. Major strengths are for inventory FIFO, purchase orders and sales orders, multi-currency, fixed assets, point of sale integration, multiple users, and other related new features.

2.11.4 Microsoft Great Plains Software

A demo copy of MS Great Plains 8.0 software was enclosed with the book Arenas and Ward (2005). The information was overwhelming. Installation took about one hour. Then the software

worked well. After much research, it turned out that Microsoft has bought Great Plains, and is developing the high-end accounting and financial software, so called the Microsoft Business Solutions with software title such as Microsoft Dynamics: Small Business Financial, Great Plains CRM 3.0 Solomon, and Navision. MS Great Plains is one of the most sophisticated AS and it costs thousands of dollars. This software is suited for Global 500 corporations, not for the small businesses.

2.12 Motivation factors for the adoption of AS

The advent of powerful, low cost microcomputers, together with user-friendly AS, has allowed a greater number of SMEs to implement IT in recent years (Raymond and Bergeron 1992). The need to facilitate financial management is another motivating factor for adopting AS (McMahon and Holmes 1991, Gorton 1999). Moreover, some researchers have identified a link between the use of AS and enhanced business performance (see Gorton 1999, and Reid and Smith 2002). The alternative view is that a growing SME faces increased financial challenges and consequently there is a greater need for careful attention to financial management and financial reporting (McMahon, 2001). The major benefits of implementing AS are to increase business efficiency and to facilitate timely information (Burgess 1997). The impediments to implementing AS are lack of time (Proudlock et al, 1999). Owner-manager's view that the CAS is costly (Head 2000), perception that the technology is not suited to the nature of the business (ABS 2000), and lack of IT expertise (ABS 2000; Burgess 1997).

The technology acceptance model is based on the theory of reasoned action (TRA) (Ajzen & Fishbein, 1980) which proposes that an individual's behavioral intention to use a system is determined by two beliefs: perceived usefulness (PU) and perceived ease of use (PEOU) (Venkatesh & Davis, 2000). Davis (1989) defines perceived usefulness as "the degree to which a

person believes that using a particular system would enhance his or her job performance”. Perceived usefulness for the individual is most likely the result of improved job performance and user motivation (Robey & Farrow, 1982). Studies have reported that perceived usefulness is positively associated with system usage (Thompson, Higgins, & Howell, 1991). Perceived ease of use is defined as “the degree to which a person believes that using the system will be free of effort” (Davis, 1989). According to TAM, perceived usefulness is also influenced by perceived ease of use because, other things being equal, the easier the system, the more useful it can be. People who perceive ease of use are more likely to believe in the ease and usefulness of the system. (Robey & Farrow, 1982).

According to Davis et al. (1989) usefulness was more strongly linked to usage than ease of use. In associative cultures, typically found among Africans, Asians, and Arabs, perceptions and behavior are often diffuse i.e. they utilize associations among events that may not have a logical basis (Michael, 1997). In view of this, Anandarajan et al (2002) reasoned that individuals in associative cultures might not connect perceptions of perceived usefulness with usage behavior and hypothesized that perceived usefulness was not expected to influence usage, amplifying the role of perceived ease of use as an influence on both usage and perceived usefulness. But contrary to this finding, perceived usefulness was significantly related to usage (Fusilier & Durlabhji, 2005).

CHAPTER THREE

METHODOLOGY

3.0. Introduction

This chapter presents details about the methodology adopted in the study and elaborates on the chosen research philosophy, approach and strategy used and the reasons for their selection,. Further, the chapter describes the samples population and samples and how the primary data was collected and processed. This chapter further explains the data collection procedures and highlights on the validity and how data will be analyzed.

3.1 Research Design

The way a research is designed influences the process of data collection and analysis. The types of research methods used have implications for generalizing the research results. A descriptive survey was employed in the study. It was considered appropriate because, the design has the ability to reach people in a large geographical area and this has the tendency to give relevant information to describe people's perception and situation which is currently happening on the field. The descriptive survey is to describe a phenomenon and report on the state of the affairs. Assessing the impact of accounting software even though affects the whole organization is more intense and convenient with the Accounting and Finance Department. The research design for this study therefore was a case study. It involved a random selection of customers and employees at the Finance Department of ECG.

3.2. Population and Sampling

The entire population of this research is Electricity Company of Ghana in Ashanti Region. The Finance and Accounts Department employees were purposefully chosen because they use specific computerized systems to perform accounting functions. The researchers would draw a conclusion

on this study by studying a small sample of the total population. A purposive sample is a non-representative subset of some larger population, and is constructed to serve a very specific need or purpose. In all, Fifty (50) respondents were used in the study and forty (40) administered questionnaires were retrieved. For this study, the sampling frame would be in Kumasi. Only staff of Accounting and Finance Departments will be considered as the sample.

For purposive sampling, subjects were selected because of some characteristic (Patton, 1990). Currently the company has ten (10) regions and seventy eight (78) district offices.

The Finance Directorates is made of three sub divisions; each division is headed by a Divisional Manager who reports to the Director of Finance. The three Divisional Managers are (D/M Financial Accounting, D/M Treasury, D/M Management Accounting). Below them are sectional managers and regional accountants follow by districts accountants. For the data collection procedures, respondent were administered questionnaire to be answered. The researcher resorted to the use of simple purposive sampling technique. This sampling technique was chosen because the researcher targeted employees at the Finance Department of ECG, who directly use Accounting Software in their daily activities.

3.3. Sources of Data

The researcher used two main sources of data for the study. They are primary and secondary sources of data

3.3.1 Primary Source

The researchers were granted a face-to-face interview with the Accounting and Finance Officers in all the two branches in Kumasi and the annual report of ECG. In addition to the interview granted, questionnaire was used to gather some data from the Accounting and Finance Office staff. An advantage of proximity also enabled personal observational data study.

3.3.2 Secondary Source

Written documents such as internet books, journals, and newspapers were used. Also, information was obtained through internet and library search. The involvement of secondary data in this research was based on the fact that this exploratory one which studied relationship of facts. Also, the secondary data involved less resources requirements and provided comparative and contextual data to the researcher for easy analysis.

3.4 Data Collection Procedures

A carefully crafted questionnaire with clear instructions on how to answer the questions and asking the respondents to give the required answers was used for the data collection procedure. It took many of the respondents longer period of time to return the questionnaires administrated to them. To ensure high degree of return rate, the instrument was administrated personally by the researcher. For instance, the desire to conduct an inquiry into the facilitation of the effect of Accounting Software on financial reporting quality in Electricity Company of Ghana in Kumasi and facts pertaining to the inquiry were collected by the researcher from the interview and discussion had from the Accounting and Finance Officers. The employment of this method of data collection will help deepen the understanding of the topic and prove quite favorable.

3.5 Data Validity and Reliability

Validity of questionnaire refers to the extent to which it measures what it claims to measure (Magenda & Mugenda, 2003). In testing validity, the researcher prepared questionnaires and presented them to the supervisor for scrutiny and suggestions on the relevance, clarity and suitability of the information. The supervisor then made suggestions which were incorporated into the final draft. Reliability of the research instrument refers to the measure of degree to which

research instrument yield consistent result or data after repeated trails. To establish the reliability of the research instruments, the researcher administered the questionnaires and pilot tested them using 50 (fifty) respondents after which the researcher made the necessary corrections to the questionnaires.

3.6. Data Analysis.

The data was collected and analyzed using both quantitative and qualitative data analysis methods. Quantitative method involves both descriptive and inferential analysis. Descriptive analysis such as frequencies and percentages was used to present quantitative data in form of tables and graphs. Data from questionnaire were then coded and logged in the computer using Statistical Package for Social Science (SPSS V 20.0). This involved coding both open and closed ended items in order to run simple descriptive analyses to get reports on data status. Descriptive statistics involved the use of absolute and relative frequencies, measure of central tendency and dispersion.

3.7 Electricity Company of Ghana Limited

The Electricity Company of Ghana Limited is a public Utility Company that purchases bulk power from Volta River Authority or any other suppliers for distribution to the nation. The Company also Design, construct, operate and maintain sub-transmission and distribution networks across the operational areas. It ensures that adequate, safe, quality and reliable power supply is provided to all customers and also it ensures customer satisfaction through strict compliance to standard industry practices. In addition to that, the Company carries any other activity required for the attainment of the above mentioned objective. It is organized into a HEAD OFFICE and TEN (10) Regions namely Accra East, Accra West, Ashanti East, Ashanti West, Central, Eastern, Western, Volta, Eastern and Tema Materials/Depot. The *Company* currently supplies and distributes power in the

southern half of the country; the operational areas include Greater Accra, Central Region, Eastern Region, Western Region, Volta Region and Ashanti Region.

1. Vision

To be among the leading electricity distribution companies in Africa in terms of Quality, safety and reliability by 2020.

2. Mission

To provide quality electricity services to support economic growth and **Development in Ghana.**

3. CORE VALUES

The core value of ECG is POWER

Professionalism- Technical competence, discipline, teamwork, high operational standards, quality assurance

Openness- Communication, transparency, integrity, trustworthiness.

Wellbeing- Welfare and safety of employees, customer, the general public and company property

Excellence- Exceeding expectations of internal and external customers; demonstrate ingenuity

Reliability- Support quality and availability; prompt responses to customers; commitment to duty.

ECG will continue to focus on improving service delivery to customers and to pursue efficient work techniques, technologies and processes to achieve set targets. The Following are the highlights of our focus for the year 2017.

- 1) Reduce commercial losses through aggressive monitoring of customer metering facilities to verify the integrity of meters and to check energy theft;
- 2) Accelerate the deployment of prepayment metering and general improvement of metering technologies across operational areas;

3.7.1. Directorate's Main Responsibilities (Annual Report, 2015)

Financial Accounting Division

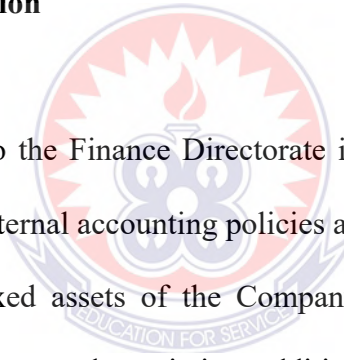
Key Responsibilities

- 1) Provide strategic direction to Finance Directorate in relation to Financial Accounting.
- 2) Coordinate financial accounting reporting functions and provision of accurate and timely management information and other reports.
- 3) Analyze monthly, quarterly and annual financial statements and prepare ad-hoc reports for additional accounting and financial information for senior management.
- 4) Monitor and control compliance of all accounting policies and procedures.
- 5) Responsible for ensuring that accurate and timely Financial Statements are prepared.
- 6) Perform special duties and assignments as may be required by the Director of Finance.

Management Accounting Division

Key Responsibilities

1. Provide strategic direction to the Finance Directorate in relation to Management Accounting matters and compliance of internal accounting policies and procedures.
2. Manage and account for fixed assets of the Company and review fixed assets procedures relating to work-in-progress, assets depreciation, additions and disposal of assets.
3. Manage the Chart of Accounts to ensure proper codification of incomes, revenue and capital expenditure accounts.
4. Coordinate and monitor activities relating to actual costs collection and proper internal accounting reporting.
5. Report on the monthly and quarterly expenditure performance of the Company.



CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF FINDINGS

4.0. Introduction

This chapter deals with how the data collected and presented. The data analysis is in two major sections. The first part deals with presentation and analysis of data collected from the account officers of the Finance Department of ECG in Kumasi and the second part deals with data related to the level of usage and the effects of Accounting Software on Financial Reporting at the Finance Department.

4.1 Gender distribution of respondents

This sections present data on the gender distribution of the respondents of the study. The results are presented in table 4.1

Table 4.1: Gender Distribution of Respondents

Gender	Frequency	Percentage
Male	26	65
Female	14	35
Total	40	100

Source: Field survey, June 2017

Table 4.1 presents the summary of the gender distribution of the respondents of the study. From table 4.1 majority of the respondents (n = 26, 65%) were male while small number of them (n=14 , 35%) were female. This indicate that possibly majority of the workers of ECG- Ashanti Region are males in the usage of Information System.

4.2. Age distribution of respondents

Table 4.2 Age distribution of respondents

Age Range	Frequency	Percentage
18 - 30	3	7.5

31 – 40	35	87.5
Over 40	2	5
Total	40	100

Table 4.2 presents data on the age distribution of the respondents the study. As indicated above, The research looks at the age group that is attracted to the use of Information systems in their daily transactions. Majority of the respondents (n = 35, 87.5%) are in the age range 31 – 40 years followed by 18-30 years which represent (n = 3 , 7.5%) while smaller number of them (n=2, 5%) were above 40 years.

4.3 Number of years worked

Number of years	Frequency	Percentage
Below 5	5	25
5 - 10	30	50
11 years and above	5	25
Total	40	100

Source: Field survey, June 2017

Table 4.3 presents data on the number of years of the respondents the study. As indicated above, majority of the respondents (n = 30, 50%) have worked with the organization for 5 – 10 years while smaller number of them (n=5, 25%) has worked with Electricity Company of Ghana for 11 years and above and 1 - 5 years respectively. This indicate that the organization has the right environment in the area of organization culture and climate which makes it possible for workers to stay longer with the organization. The reason why the majority of staff do not work beyond 10 years or more could be attributable to different reasons. Perhaps one of the reasons could be due to the low level of motivation. When majority of staff leave after a number of years, the subsequent effect is that, the company loses the rich knowledge and experiences that it could access

organizational benefits. Most of them eventually end up becoming assets to other competitors in the same industry. This and many others should be the reason why management would have to take another look at information technology.

4.4 Academic Qualification of respondents

TABLE 4.4. Respondent qualification

Academic Qualification	Frequency	Percentage
Secondary/ Technical	5	12.5
Polytechnic/University	29	72.5
Masters/Professional	6	15
Total	40	100

Source: Field survey, June 2017

Table 4.4 presents data on the academic qualification of the respondents of the study. As indicated above, majority of the respondents (n = 29, 72.5%) holders HND or University degree while a smaller number (n =5, 12.5%) holds Secondary or Technical certificate. A sizeable number of the respondents (n= 6, 15%) Masters or professional. The level of education is important because of the technicalities that accounting Information system brings. This makes sense of the caliber of the staffs and their inputs in contributing to achieve the goals and vision of the organization.

4.5 Designation of Respondents

Table 4.5. **Respondent designation.**

The next phase of the analysis will look at the designation of members of staff.

Designation of Respondents	Frequency	Percentage
Manager	2	5
Senior Staff	28	70
Junior Staff	10	25

Total	40	100
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Source: Questionnaire Interview 2017

The survey covered majority of the account employees of the finance department of Electricity Company of Ghana of Ashanti in Kumasi. This was done to find out the various categories of the employees using particular software. In all, (n = 28, 70%) of the total respondents were in senior staff position and (n = 10, 25%) were junior staff whiles the rest (n = 2, 5%) are in management position.

4.6 Computerized accounting packages used in the firm

When asked on what computerized accounting packages the firm uses the responses obtained were shown as below:

Table 4.6 : Computerized accounting packages used in ECG

Accounting Packages	Frequency	Percentage
Sun Accounting	29	72.5
Per Sol	10	25.0
Tally	0	0.0
Quick Book	0	0.0
Excel	1	2.50
Total	40	100

Source: Primary data

The use of Computerized Information Systems in accounting is a very important if a business is to achieve its long term goal. Using any accounting software one can perform complex calculations, thus saving time to do all calculations manually. Also, computerized systems can have an easy backup and restoration system. Out of a total number of eighty (40) respondents, 29 (72.5%) of

them indicated that it they are using sun accounting software, 1(2.5%) represent the usage of Microsoft excel and the rest (25%) uses per sol software.

4.6.1 Does the computerized accounting systems benefits ECG?

When the researcher asked the respondents on whether computerization of accounting function benefits the firm. The following were responses tabled below:

Table 4.7 : Benefits of the computerized accounting systems to the firm

Responses	Frequency	Percentage
Saves Time	15	37.5
Improved reporting to shareholders	11	27.5
Better record keeping	8	20.0
Minimized mathematical and arithmetic errors	6	15.0
Total	40	100

Source: Primary data

The above presentation (n = 15, 37.5%) of the respondents pronounced that computerized accounting benefits the firm by saving time, (n=11, 27.5%) it will improved reporting to shareholders, (n=8, 20%), it will enhance better record keeping while (n = 6, 15%) of them did say it will minimized mathematical and arithmetic errors. he firm. This therefore implies that the employees of the firm are aware of the benefits that the system offers to the firm.

After enquiring whether computerized accounting benefits the firm, the researcher focused on assessing the benefits in form of statement that presented the elements of the system on financial reporting and findings were summarized.

Table 4.8 : Responses on assessing the benefits of computerized accounting system to Financial Reporting.

Benefits	Responses			Total	Percentage (%)		
	A	N	D		A	N	D
Quick financial/reports	30	5	5	40	75.0	12.5	12.5
Improvement in business	20	8	12	40	50	20	30
Accuracy and efficiency	35	0	5	40	87.5	0	12.5
Simplified posting	30	8	2	40	75.0	20	5.0
Minimized errors	28	0	12	40	70	0	30
Easy auditing	27	8	5	40	67.5	20	12.5

Source: Primary data

Discussion:

75% of the respondents agreed that financial statements are quickly generated while 12.5% disagreed with the statement and had neutral idea on the statement respectively. 50% of the respondents agreed that computerized accounting system improves business performance, 30 % disagreed with the statement while only 20% were neutral. 87.56 agreed that accurate and efficient records are kept with computerized systems, while 12.5% disagreed with the statement.

75% of the respondents agreed that posting transaction to ledgers are simplified with computerized accounting while 20% disagreed and only 5% were neutral. Findings also showed that 70% of the respondents agreed on the minimization of the arithmetic errors and 30% disagreed and no one had a neutral view. 67.5% of the respondents agreed that auditing of financial statement eased when accounting system is computerized, 20% had neutral view and 12.5% disagreed with the statement.

The researcher established that the Electricity Company of Ghana considers two mandatory rules that govern its operations, technology and the people (users).

The next phase will analyze the responses from the ability of the software to generate reports when any of the systems are used.

TABLE 4.9. Responses to report generating.

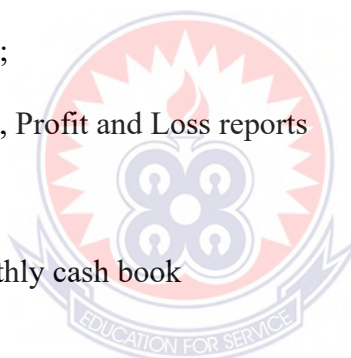
Report Generating	Frequency	Percentage
Yes	40	100
No	00	00
Total	40	100

Source: Primary Data June 2017

The research conducted shows that the current information systems used in the finance directorates can generate reports when needed.

The following are some of the reports that the respondents indicated that the current systems that they are using is able to generate;

- Trial Balance, Balance Sheet, Profit and Loss reports
- Expense Transaction,
- Accounts summary and monthly cash book
- Contract Creditors Report
- Fixed Assets Report



4.8 The quality of financial reports

The Researcher was interested in examining the quality financial reports generated by the ECG in order to find out whether they meet the basic qualities.

The qualities were examined in terms of reliability, relevance, understanding and timeliness.

The findings are below:

Table 4.9: Responses on examination of qualities of financial reports generated by the firm

Qualities	Responses	Percentages (%)
------------------	------------------	------------------------

	Yes	No	Total	Yes	No
The financial reports produced are very reliable that is free from material error and bias and represent the real status of the firm.	35	5	40	87.5	12.5
Financial reports can influence the decision of the stakeholders regarding issues on the organization	30	10	40	75	25
The investors greatly rely on the financial reports to make their investment decision	32	8	40	80	20
The financial reports are easily compared with period's reports.	37	3	40	92.5	7.5
The reports are always understood well by the stakeholders.	40	0	40	100	0

Source: Primary data

From the above presentation, it was found out that 87.5% of the respondents accepted that that the financial reports produced are very reliable while only 12.5% said that the reports are not reliable. 75% of them also sided with the timeless of the reports. 25% did not say that the financial reports produced are not timely to the user. Also 80% of the responses agreed that the financial reports are of relevance while 20% did not side. 92.5% pronounced that financial reports can easily be compared with previous reports while 7.5% did not side. 100% of the respondents said that the financial reports produced are easily understood.

4.9 Responses on the evaluation of quality of Accounting Software report.

Table 4.11 Responses on the evaluation of quality of Accounting Software Report.

Evaluation	Responses			Percentages (%)	
	Yes	No	Total	Yes	No

Regular training on the software usage	19	21	40	47.5	52.5
Clarity of report	40	0	40	100	00
Backing up data	12	28	40	30	70
The relationship of computerized accounting on financial reporting	32	8	40	80	20

Discussion

52.5% of the respondents made it know that they do not attend regular training on the usage of the software while only 47.5% answered that they attend regular training. It shows that all software that they are using can generate report and the reported generated contains enough details which help management to make good financial decision. When respondents were ask, whether can assess a common financial data from a centralized server, the respondents was that the current sun systems and per sol systems that they are not connected to other regions. Hence each region has its own server that they store financial information on. The majority of the respondents (70%) say that the controls on their system does not allow them to make a back-up, hence back-ups are done by the system administrator after the close of work while 30% says that they can perform back ups on their system that they are using. 80% of the respondent responded Yes while 20% responded No, therefore it implies there is a positive relationship on computerized accounting on financial reporting in the firm.

4.10 Effects of Accounting Software on Preparation of Financial Report (Financial Statements)

4.10.1 Level of effect of Accounting software on financial report

For one to appreciate and accept a working tool as being important and to able to affect the level of work that one perform, there is first the need to assess how the person sees or his perception about that working tool. The research first tried to assess how the use of an AS has or would have an

effect on Financial Reporting quality in the ECG. The data in Table 4.15 below shows that 29 respondents representing 72.5% strongly agree that the use of an AS has effect or would on Financial Reporting quality in the ECG. 10 respondents representing 25% also agreed that the software had impact or would impact on Financial Reporting quality. And 1 respondent representing 2.5% person was indecisive on the impact of the software on Financial Reporting.

Table 4.15. Impact of AS Financial Reporting

Impact of AS	Frequency	Percentage
Inclusive	1	2.5
Agree	10	25
Strongly agree	29	72.5
Total	40	100

Table 4.13 Area of duty AS has helped

Area of duty AS has helped	Frequency	Percentage
Management decision making would be improved as management can make comparative analysis from comparative reports presented by the AS	3	7.5
Proper track of customers billing would be aided	3	7.5
All of the above	3	7.5
Cost saving i.e. in reducing the volume of paperwork	4	10
Greater volume of work complete with few people	8	20
Presentation of timely report that are accurate	19	47.5
Total	40	100

19 respondents representing 47.5% responded that the use of AS would help in preparation of timely report that are accurate; 8 respondents representing 20% responded that the use of would help in the achievement of greater volume of work being completed with few people; 4

respondents representing 4% responded that the use AS would help in cost saving i.e. in reducing the volume of paperwork; 3 respondents representing 7.5% responded that the use of AS would help in proper tracking of customers bills; 3 respondents representing 7.5% responded that the use of AS would help in management decision making with comparative reports being presented. 3 respondents representing 7.5% responded that the use of AS would help or has helped all of the above.

The researcher upon observation found out that the out ECG were using the software have started incorporating into the sun AS, customers billing and receiving bills has become easier. The researcher was shown the execution of that portion of the software, the researcher saw that the system was configured to take account of the list of the meter readings and cost the followings tax liabilities, subsidies, services charge, street light levy. This calculated correctly each customer bill in every month and easy tracking of the customers' information. As a result the level of errors (as a result of human error) in the claims submitted by the customers is going to reduce.

Table.4.14 Area of Financial Reporting affected by the absence of AS

Area of Financial Reporting	Frequency	percentage
Late submission of weekly/monthly or yearly returns	20	50
Loss of revenue due to ECG in the absence i.e. improper tracking of customers debt	20	50
Total	40	100

Some set of question were directed to respondents who were in ECG that were not using an AS. This was to get realistic and actual happenings in Ashanti branch of ECG. The results shows that 50% respondents agreed that the absence of an AS, resulted in loss of revenue due to ECG and improper billing and tracking of customer information with 50% of the respondents that is 20 respondents agreeing that the absence has lead to late submission of weekly/monthly or yearly returns or Financial Reports to the appropriate users. The results is that huge revenue are loss due

to improper billing, late submission of bill collected in manual way. In terms of the financial reports itself, the ECG present statements in Accordance with IAS1 Presentation of Financial Statement which comprises:

1. A Statement of Financial position as at the end of the period;
2. A Statement of comprehensive income for the period;
3. A Statement of changes in quality for the period;
4. A Statement of cash flows for the period;

The use of AS does not suggest or conclude in any way that there were no challenges in the use and preparation of Financial Report.

Table 4.15. Challenges in the use of AS

Challenges	Frequency	Percentage
Yes	25	62.5
No	15	37.5
Total	40	100

Source: Author's survey 2017

As indicated in Table 15, (n= 25, 62.5%) of respondents using AS responded that there were challenges and (n= 15, 37.5%) responded that there were no challenges. Some of the challenges that were identified from the questionnaires administered indicated some of challenges as lack of adequate training and understanding of the use of the AS. The Sun AS used was still using the DOS system for inputting into the system. This made the system not user friendly as the interface was not friendly enough. User as a result made series of errors in the system and had to correct those errors by passing journals to correct them only at the time of preparing the final statement.

4.11 Influence of AS on financial report (financial statement) Preparation

Like any other organization, ECG prepared the Financial Statement with the used of AS. The most common of these statements being the statement of comprehensive income (income statement) 10 of the respondents representing 25% stated they were preparing the statement of comprehensive income, and 10 respondents representing 20% stated they were preparing all the statements (income statement, balance sheet, statement of cash flow and statement of changes in owners' equity). Another 15 respondents representing 37.5% did not have any direct link with the preparation of the financial statement and so did not prepare any statement at all. This result is presented in the table 4.19 below.

Table 4.16. Types of Financial Statements prepared

Types of Financial Statement prepared	Frequency	Percentage
Comprehensive income statement	10	2.5
Financial Position	3	7.5
Statement of cash flow	4	10
All of the above	8	20
None of the above	15	37.5
Total	40	100

The kind of financial statement prepared by each respondent for the ECG was influenced by the used of AS as per the table 4.16.

4.12. Effects of as on Management Performance

There are various standards for measuring the performance of management. But for the purposes of this research, performance was being measured in terms of control over expenditure and the mobilization or control over the mobilization of revenue for the ECG. Respondents from the Financial Department of ECG responded in areas of management performance that the absence of the software has had an effect. 71% of the respondents is 12 respondents out of 17 responded that

the absence of AS has resulted in leakage of revenue to the ECG due to the level of human errors and improper billing of customers. The effect is that ECG revenue levels drops and the availability of enough revenue to improve facilities at the ECG is also affected. The provision of quality customer service to customers is also affected due to the lack of proper equipments. 5 respondents representing 29% responds indicates that there are challenges in matching budgets with the level of

4.13 Effects of as on Management Decision Making

Performance of management is greatly affected by the decisions that management makes or implement. The effect is that management could quickly call for information and have access to information when it realizes the need of that information within a minute.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 introductions

This Chapter looks at discussions and summary of the findings based on the objectives, conclusions and recommendations of the study and suggested areas of further research.

5.1 SUMMARY OF THE FINDINGS

The researcher in his study based the discussions on the objectives of the study.

5.1.1 The benefits of computerized accounting to the firm

The researcher when assessing the benefits of computerized accounting on financial reporting found out the following:

5.1.2 Quick financial reports

The researcher found out that through computerized accounting financial reports can be generated very quickly.

The quickness in generation of reports is due to the fact that through computerized accounting, data processing and analysis are faster and more accurate. With such advantage, managers can instantly access different information which leads to easy and quick decision making.

5.1.3 Improvement in business performance

The researcher observed that computerized accounting system results into improvement in business performance. That computerized system is a highly integrated application that transforms the business processes with its performance enhancing features. Accounting functions, inventory control and statutory reporting can easily be done hence resulting in access to business information for good decision making (Indira, 2008).

5.1.4 Understandability

The researcher found that financial reports generated are very understandable to user. Financial information may be put easily by the user, financial reports need to be easily understood by the users as report acts as a way of communication between firm and stakeholders (Wood, 1996).

5.1.5 Characteristics of the respondents

The researcher revealed issues on computerized accounting and financial reporting. The survey basically covered employees in the Electricity Company of Ghana – Ashanti Region to assess how computerized accounting has impacted on financial reporting in the firm. The response rate was amazing that is all the selected respondents returned their questionnaires

5.1.6 Decision Making Function of the ECG

The study revealed that using AS in operations brings a lot of benefits in terms of decision making by management. It is evident from the above that ECG currently possessed enough computerized information systems to enable its members of staff at the finance directorates to perform their duties effective and efficiently. A report generated by AS provides assistance in all phases of decision making process in the ECG. Anytime management needs any information to enable them make quick decisions, the accountant is able to generate up-to-date and to the minute financial information or report by just clicking the bottom of the mouse for such purpose.

5.1.7 Operational Efficiency Function

The Accounting Software is very useful and easy way of recording financial transactions. Operationally, it is better, faster, and accurate than using the manual system. It helps the ECG to save a lot of space in a way of reducing bulky paper work. The only challenge about AS is the cost of training existing staff or recruiting new staff with the requisite qualification to manage the functions of the AS.

5.1.8 The Users of AS

We also realized in the research that some users especially the older accounting staff have no or little knowledge in computing, therefore making difficult for them to adopt to the new computerized AS, such as Pastel, Excel, Tally, Sage, Sun and Quick Books. Staff is exposed to delays in administrative operational activities thereby reducing moral and motivation among Staff.

5.1.9 Impact of (AS) on Financial Reporting

From the research it was evident that there was a strong agreement among staff on the impact that AS had or can have on kind of Financial Reporting quality that is being prepared. Data available showed that 62% of the staff strongly agreed on the impact and 38% through otherwise.

The level of impact in the Financial Reporting processes was reflection in accurate and timely reporting; the achievement of greater volume of work with few people; cost saving in terms of labor cost and proper track of accounts receivable (customers' bills) and other areas as discussed in the findings.

The research also revealed that ECG using AS prepared all the required financial statements with additional notes in accordance with IAS 1 with few people. Whereas those Staff that are not using AS did not prepare accounts in accordance with IAS 1. There was no balance sheet, cash flow statement or notes to the accounts. On the contrary there were a lot of people involved in the Financial Reporting process.

5.1.10 The impact of AS on Management Performance

The research showed that management performance was affected by the use and non use of AS. The other institutions that are not using AS suffered in terms of loss revenue due to leakages and

lack of proper tracking of customers' bills. Budget implementation was also a problem identified in ECG as there was no timely matching of budget with actual expenditure incurred. ECG in general, on the other hand using an AS, had their reports properly, accurately and timely presented that quickens management decision making. A lot of savings was also made in labour cost and proper management utility management board.

Decision making as a result of the use of AS was much quicker. There was timely and accurate presentation of information by the AS, comparative report and trend analysis was presented by the AS and proper analysis of gains or losses by the ECG through cash flow statement and statement of changes on owner's equity.

5.1.11 Performance of Duties

In the light of most the respondents combining both the computerized and manual system of accounting, the researchers recommend that such trend be maintained and where possible improved. Respondents who use the computerized system only are encouraged to keep it up but should some system of keeping backups or have some paper documentation of what they feed into the system. However to the respondent who were using the manual system alone, the researchers' advice the they quickly migrate to the computerized system or a combination. The migration should however not be drastic but well managed way to avoid chaos in the system.

The firm should set aside budgets for research and development specifically for its computerized projects. These will improve and update the computerized accounting system.

Data manager should ensure that all financial information capture and backed up, computerized systems security is sometimes prone to threats such as virus attacks. It is important that the data is backed up so that in case of a system breakdown, the data would have been secured.

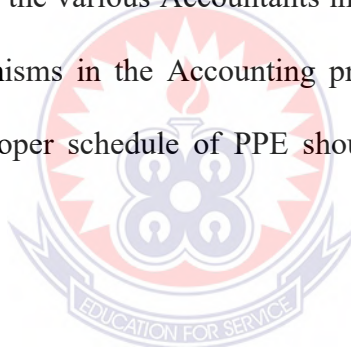
Internal control system also needs to be put in place so that in case errors occur, they can be traced and corrected.

5.1.12 Computerized accounting and its benefits

The study revealed that ECG accounting system are computerized and the most used accounting package is Sun Accounting as 86.7% of the respondent revealed so. The package has all function of data entry, double entry system and report generation. Sun accounting software is used in the finance directorate to handle accounting function. Other accounting package used are sage which the firm used in procurement and sales sections.

5.1.13 Preparation of Financial Reports

It is recommended that the department that are not prepared accounts or financial statement in accordance with IAS 1, as a matter of urgency start preparing the statement in conformity with the standards. It is only through this the various Accountants in those department could be challenged to keep abreast with the dynamisms in the Accounting profession. Else these Accountants risk being left behind and rusty. Proper schedule of PPE should be maintained in a accordance in accordance with IAS 16.



5.2 CONCLUSION

Firms, however, have realized that they can better gain competitive advantage if their competition effort is supported by Accounting Software. The need to automate the accounting process and system of every organization is now becoming a must in today's modern form of business. This position is supported by James Blaylock (2005), a CPA (Certified Public Accountant), who believed that, "Going paperless is no longer an option, but must with trend of moving in this direction, it is imperative to go paperless in order to keep up with the competition", Through Bhansali (2005) argued that no firm, especially for the small business, has increased its productivity significantly solely by eliminating paper or going automated in its offices, it is time for ECG and other private utility companies to take advantages of the increasing level of

technology to make use of AS in their accounting system. The benefits are enormous especially in the light of ECG customer management is concerned. This has shortened the duration of producing needed reports for management to make financial decisions with. Since in manual accounting systems, all entries are handwritten and all records are prepared by hand, although admittedly with the aid of a calculator. The Accounting Software has simplified accounting functions.

5.3 RECOMMENDATION

Based on the analysis and inferences made in this research, conclusions are drawn that the use of Accounting Software is of great importance to the organizational growth. However, it is important to note that massive Accounting Software alone cannot prevent fraud and maximize the company revenue collections if the employees do not have adequate knowledge in its usage. With reference to whether users of the systems attend training regularly, it was clear that the majority of the users of the systems do not attend refresher training regularly hence there is the need for management to organize regular training on the use of the current Accounting Software information systems for the employees. ECG should recruit a professional to handle computerized accounting systems. This is because any wrong entry of data will certainly generate inaccurate and unreliable results. The company should select packages or software that are user friendly and should consider customization of the systems to fit specific needs. Other than adopting off-shelf packages with customized packages, training costs will be reduced. The systems should suit business environment adapt to changes.

There should be routine system maintenance programmes put in place so that the system can be rid of shortfalls such as viruses and fraud among others that may affect the system operations. This should be done so that the system can operate to the expectation of management.

The researcher found out that, there is a need for centralized system. Which if installed at the head office, management and other accounts officers can assess financial information from all the regions. Finally job rotation needs to be done periodically to prevent members of staff from manipulating any lapses in the system that they will use to deprive the company from getting the necessary revenue. The researchers will again support the continuous computerizations of all the accounting functions with current accounting software as and when it is necessary.

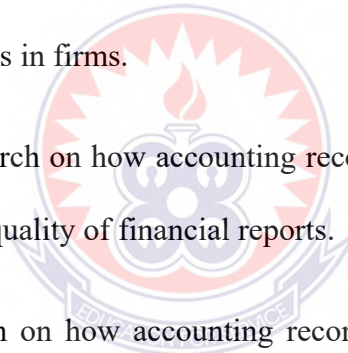
5.4 SUGGESTION FOR FUTURE STUDIES

There is need for more to be undertaken to establish the role of management in promoting the quality of financial reporting.

More research on business process re-engineering and how essential can be used in computerized accounting to achieve better goals in firms.

There is the need for more research on how accounting records can be maintained in providing in depth exposure to accounts and quality of financial reports.

There is need for more research on how accounting records can be maintained in providing in depth exposure to accounts and quality of financial reports



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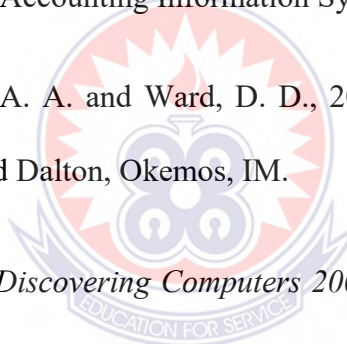
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APPENDIX 1:

**UNIVERSITY OF EDUCATION – WINNEBA
COLLEGE OF TECHNOLOGY EDUCATION- KUMASI**

DEPARTMENT OF ACCOUNTING STUDIES EDUCATION

Questionnaire for Electricity Company of Ghana, Kumasi

Dear Respondent,

The Researcher is a student of University of Education, Winneba, Kumasi Campus pursuing Masters in Accounting. This questionnaire is designed for academic purposes only. This information will be treated very confidential and will be an aid in obtaining data necessary for my research topic **“The effect of Accounting Software on Financial Reporting quality, a study on the ECG- Kumasi.”** This will contribute to the partial fulfillment of the requirement for the award of Masters of Business Administration in Accounting.

Instruction: *Tick the right option in box or fill in the blank spaces.*

A) Bio-data

Name (optional).....

1. **Gender:** Male Female

2. **Age:** 18-30 yrs 31-40 yrs over 40 years

3. **Marital status:** Single Married

4. Academic Qualification

Secondary Technical Polytechnic University

Masers Professional

5. For how long have you worked in the Accounts Department?

Below 5 years 5-10 years 11 and above

6. Designation of Respondents

Management Staff Senior Staff Junior Staff

B) Assessment of the impact of computerized accounting systems in firms.

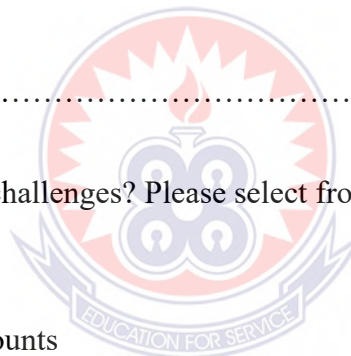
7. What computerized accounting packages are used in this firm?

- 1. Sage
- 2. Tally
- 3. Peachtree
- 4. Quick books
- 5. Sun Accounting

6. Others (specify).....

7. If yes did you encounter any challenges? Please select from the list. You select more than one

- (a) System requirement
- (b) Developing the chart of accounts
- (c) limiting access or creating user access/account
- (d) Initial integration of the old system to the new system
- (e) Others please specify.....



8. Have you had challenges using the accounting software? Yes [] No []

9. If yes, how where you able to resolve the challenge?

- (a) Through the vendor []
- (b) Self []
- (c) The internet []
- (d) Other specify.....

10. In your view, do you think computerization of the accounting system has benefits to the firm?

[] Saves time [] Better record keeping [] Improved reporting to shareholders

Minimized mathematical and arithmetic errors

11. Is it easy to generate reports from the system?

a. Yes b. No

C) Assessing Benefit of Computerized Accounting System to financial reporting

11. If yes, please tick any one option for the statements below:

A-Agree, **N**-Not sure **D**-Disagree

	Statements	A	N	D
	Financial reports are quickly generated			
	There is improvement in business performance due to computerization of the accounting system			
	There is accuracy and efficiency in account record keeping through computerization			
	Accounting functions like posting transaction to the ledger and double entry are simplified.			
	Arithmetic errors are easily minimized through application of computerized accounting systems.			
	Auditing of the financial statement is eased with use of computerized accounting systems.			

Other benefits:.....

12. How long have you been using the system?

a. 1-3years b. 4-6years c. 7-10 years

Close and open system; A closed system stands alone with no connection to another system,

An open system interfaces and interacts with other systems for example, an accounting system that records accounts receivables, account payable and cash flow is open if it receives its payroll figures from the payroll system.

13. Does ECG uses close or open system in making financial Decisions?

a. Close [] b. Open []

14. Do you have any previous knowledge in the system (software) ECG is using?

a. Yes [] b. No []

D) Evaluation of the quality of financial reports produced by the firm.

In this section, the respondent is required to tick any one option for each statement below.

15. The financial reports produced are very reliable that is free from material errors and bias and represents that real status of the firm.

Yes

No

16. Financial reports can influence the decision of the stakeholders regarding issues in the organization.

Yes

No

17. The financial reports are easily compared with previous period's reports.

Yes

No

18. The reports are always generated at the right time when needed by the stakeholders.

Yes

No

19. The reports are always understood well by the stakeholders.

Yes

No

20. The investors greatly rely on the financial reports to make their investment decisions.

Yes

No

Other qualities:.....

.....

.....

E) Level of Usage of Business Information System in ECG.

21. Do you have all the modules in the software? Yes [] No []

22. If No, what are some of the modules that you don't use?

Vendor Management [] Customer Management [] Refunds and Credit []

23. Does the software package suit your accounting skills? Yes [] No []

24. Do you attend refresher courses regularly? Yes [] No []

25. Is it easy to generate reports from the system? Yes [] No []

26. If yes give an example(s) of such instances?

.....

27. Is the generated report easy to understand? Yes [] No []

28. Can you assess information from a centralize server? Yes [] No []

29. Do you back up information in the system on daily basis? Yes [] No []

30. What are some of the changes you will wish to have in the current software that you are using?

.....

D) The relationship of computerized accounting systems and financial reporting.

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

SA-Strongly agree A-agree N-neutral D-Disagree SD-
Strongly disagree

Statements	SA	A	N	D	SD
Financial reports are timely generated for decision making purposes by the users.					
The financial reports can be prepared at regular intervals with much ease as a result of computerization of the accounting systems.					
Arithmetic errors in the financial reports have greatly reduced due to computerized accounting systems.					
Keeping of records and maintenance of accounting data have become easy and simple to perform.					
The stakeholders can greatly rely on the reports generated because of accuracy and quality of the financial reports.					
There is a guaranteed quick speed of processing financial statements.					

31. Do you think Accounting Software has an impact on financial reporting?

Yes Not sure No

Others (please specify):.....

APPENDIX 2

SEMI - STRUCTURED INTERVIEW

1) When did the company computerize its systems?

2) THE SOFTWARE:

General overview of the software

i. Author of the software

ii. How does it actually function?

iii. Can the CAS provide reports such as the trial balance, budget and variance analysis, VAT Returns, payroll analysis?

iv. Any limitations on the performance of the CAS?

3) COST-BENEFIT ANALYSIS

i. composition of the cost of the CAS

ii. Breakdown of the maintenance cost and do u have any better ways to bring the figure down

4) Which single important factor did the company consider before choosing the CAS?

cost savings ease of use speed storage accuracy

5) Under the CAS, how long does it take the company to report financial statements?

6) Could you please elaborate on the internet security platforms in place?

More so, what goes into these activities: documents creation, spreadsheet usage?

Any software control measures in place?

Thanks for your cooperation. God bless you.

APPENDIX 3**The international accounting standards (IAS)**

IASC Standards	Number	Purpose
IAS	1	Presentation
IAS	2	Inventory
IAS	7	Cash flow statement
IAS	8	Accounting policies, changes in accounting estates and error
IAS	10	Events after the balance sheet date
IAS	11	Construction contract
IAS	12	Accounting for taxes on income
IAS	14	Segment reporting
IAS	16	Property, Plant and equipment
IAS	17	Accounting for leases
IAS	18	Revenue
IAS	19	Employee benefit
IAS	20	Accounting for government grants and disclosure of government assistance
IAS	21	The effects of changes in foreign exchange rate
IAS	22	Business combination
IAS	23	Borrowing costs