

**ACCOUNTING INFORMATION SYSTEM AND MANAGEMENT DECISION
MAKING: A CASE STUDY OF BUSIA DISTRICT LOCAL GOVERNMENT**

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**UGANDA CHRISTIAN
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DECLARATION

I Byahaya George declare that this is my original piece of work and it has never been submitted to any University or higher institution of learning for award of any qualification

Signature : 

Date : 27th / August, 2024.

APPROVAL

This is to certify that this research report has been done under my close supervision and is now ready for submission to the Department of Business Administration of examination with my approval.

Signature : 

Supervisor's Name : **Mr. OWINO SAMSON**

Date : 27th / 08 / 2024

DEDICATION

This report is a special dedication to my parents, wife and children for their support towards my education.

ACKNOWLEDGMENT

I thank the Almighty God for giving me protection and good health throughout this academic struggle.

I acknowledge my supervisor Mr. Owino Samson for the selfless and effective supervisory role he has played in enabling me come up with this work.

My sincere appreciation goes to my lovely parents, wife and children for being supportive by providing financial, moral, mental and physical support they have always given me so as to face the challenges with aggression and determination in this world.

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LIST OF ACRONYMS

AICPA	:	American institute of certified public Accountant
CVI	:	Content Validity Index
GAAP	:	Generally Accepted Accounting Principle
MIS	:	Management Information System
IT	:	Information Technology
SMEs	:	Small and medium enterprises
VR	:	Very Relevant
R	:	Relevant
AIS	:	Accounting information systems
PWDs	:	People With Disabilities

ABSTRACT

The study determined the contribution of accounting information System on management decision making of local government a case study of Busia district local government. It was supplemented by research objectives which included assessing the different ways in which accounting information system aids management decision making in Busia district local government establishing different ways in which decisions are made in Busia district local government and assessing the relationship between accounting information system and management decision making in Busia district local government.

The researcher used descriptive research design and a case study was Busia district local government. The study used simple random sampling and purposive sampling method. The study used a sample size of 63 respondents who comprised of employees at different levels. Data was collected from the respondents' using questionnaires and interview guide questions.

The findings revealed that accounting information system improves efficiency in terms of out-put, quality and timely service delivery was realized, helps in the management and control of organization's economic financial area, helps to track transactions, provide internal reporting data, external reporting data, financial statements, and trend analysis capabilities, reduces the general costs of operations" in organizations and accounting information system is an interrelated group of mechanism that collects, receives, processes, saves, and allocates information to support decision making and controlling an organization. In addition, the study indicate that employees participate in decision making, top management makes decision and staff implements, before decision are made consultations are carried out in the organization, employee's views are put into consideration and acted upon by management and employees feel a sense of belonging in the organization because of participation in decision making process. Besides, The findings indicate that service delivery was done accurately, employee's efficiency increased, accounting information system leads to increased organizational performance, minimizes on fraud and embezzlement of funds in organization, resource allocation was attained or realized through accounting information system, helps to track transactions, provide internal reporting data, external reporting data, financial statements, and trend analysis capabilities.

In conclusion, it was found out that service delivery was done accurately, employee's efficiency was increased, leads to increased organizational performance, and minimizes on fraud and embezzlement of funds in organization and resources allocation is attained or realized.

The researcher recommends management should consult employees before making any decision, employees should be sensitized on the importance of accounting information system, and there should be coordination between management and subordinates.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the back ground of the study, problem statement, objectives, research question, and significances of the study, scope of the study, operational definition of key terms and the conceptual frame work.

1.1 Background of the study

Eugenial et.al (2013) carried out research in United States of America and found out that a decision is essential for an organization's survival and development, since it is prior to any action. A manager is an individual responsible for an organization or a set of entities. Any manager is invested with formal authority in accordance with his assigned statute. In their role, managers have to make effective decisions to keep the organization flourishing. Hence, as long as there is management, there will be the "problem" of how to manage better.

Hadi Saeidi (2014) examined the impact of accounting information systems on the performance of selected petroleum companies in Yemen. He found that most of the petroleum companies in Yemen haven't applied modern Accounting Information system because the training courses provided to employees in the petroleum companies weren't sufficient to run and treat with modern accounting information system. The author suggested that continuous training should be provided to the accountants in petroleum companies to make them familiar with advanced accounting information systems (AIS).

Boockhodt, (2010), evaluated the effectiveness of AIS on the performance of Ethiopian manufacturing industries. The results revealed that AIS design and implementation enhances the quality of financial reports and financial transaction processes which leads to better decision making by managers and bring efficiency in internal control systems. The study suggested that policy makers should pay attention towards the current actual performance and future improvement of accounting information system of manufacturing firms.

Chenall et.al (2016), in the project entitled, “Impact of Accounting Information Systems On Organizational Effectiveness Of Automobile Companies in Kenya” find out the impact of Accounting Information Systems on the organizational effectiveness in selected Automobile Companies in Kenya. The findings of the study show that there exists a relationship between AIS and organizational performance. However, the author highlighted challenges faced by automobile organizations like lack of proper training, high staff turnover, and lack of proper system documentation.

The introduction of micro and mini computers have brought enhanced performance but the fundamental principle remains unchanged. Locally, in Uganda, record keeping has antecedents in the ancient kingdoms and empire and prominent then was the periodic contribution which was recorded on the wall, but the granting of royal charter to Ugandan Company was the turning point in record keeping in Uganda. The governing accounting principle in Nigeria was almost the same as the ones in Britain, our colonial master.

1.2. Problem Statement

Boockhodt, (2009), stated that accounting information system is a blend of principles, practices and theories of the accounting, information, and system. It is the system designed to record accounting transaction and events of a business and account for them in a way that complies with its policies and procedures. Accounting information system is a financial information system which includes accounting terms, records instruction manuals flow charts programs, and reports to fit the particular needs of the business. Its main function is to acquire, process, and communicate data that is essential to the operation of the organization. It is a network established in an organization to provide managers with information that will assist them in decision making.

However, in spite of the accounting information system being put in place by the ministry of finance, the challenge of fraud and embezzlement, misallocation of funds, awarding of contracts to incompetent contractors, delayed works, poor budgeting, non-accountability of funds spend, non-issuance of receipts and under declarations of funds collected greatly affects the financial performance in local governments of Uganda. It is upon this background that this study is to be carried out to improve decision making in Busia district local government.

1.3 Objectives of the study

1.3.1 General Objectives

Accounting information system and management decision making at Busia district local government.

1.3.2 Specific objectives

1. To assess the different ways in which accounting information system aids management decision making at Busia district local government.
2. To establish different ways in which decisions are made at Busia district local government.
3. To assess the relationship between accounting information system and management decision making at Busia district local government.

1.4 Research questions

1. What are the different ways in which accounting information system aids management decision making in Busia district local government?
2. What are the different ways in which decisions are made at Busia district local government?
3. What is the relationship between accounting information system and management decision making at Busia district local government?

1.5 Scope

This section covered content scope, geographical scope and time scope as explained below;

1.5.1. Content Scope

The study determined the accounting information system and management decision making at Busia district local government.

1.6.2. Geographical Scope

It is 196km from Kampala the capital city of the Republic of Uganda. The District lies approximately between longitudes 3305' East and 3401' East, and latitude 0010'North and 0035' North and it covers a total surface area of 743 sq. km. Land area is 648.95 sq.

1.6.3. Time Scope

The study covered information about the topic under study for a period of four years from 2017-2021. This period is being the most recent and given the limited research time frame.

1.7. Significance of the study

To the management

This study may help the management of the local government to appreciate the relevance of the accounting information system on decision making as it may help them to prepare timely and practical information, the system organizes complex data. Accounting not only processes a high volume of data, but also classifies and summarizes it in reports and queries valuable to management. Nobody wants to look at pages of data and get lost in them. In accounting, data is organized in such a way that if you are looking for certain information, you can easily find it. For example, if you want to know your office expense this year, you go to the account that has this information and you will get the information.

Banks

This study may help the banks to use accounting information system so as to prepare their financial statements in time for decision making.

Government

This study may enable the government of Uganda to use accounting information system in order to prepare financial statements in time so as to enable them make right decisions when preparing the national budget.

Researchers

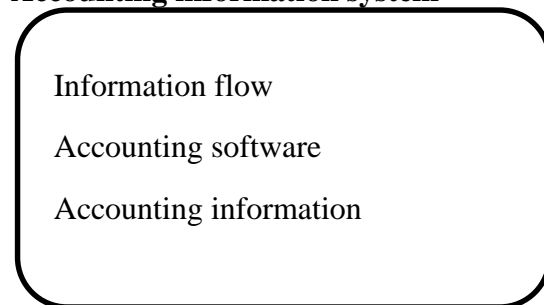
The study may be source of reference material for future researchers on other related topics; The study help other researchers especially those who take the same topic in their studies. The research results from this study are used by researchers to discuss the assessment of accounting information system on the management decision making in local governments.

1.8. Conceptual Frame Work

Figure 1.0. Shows the conceptual framework of the Independent variable, Dependent Variable and the moderating variable of the research.

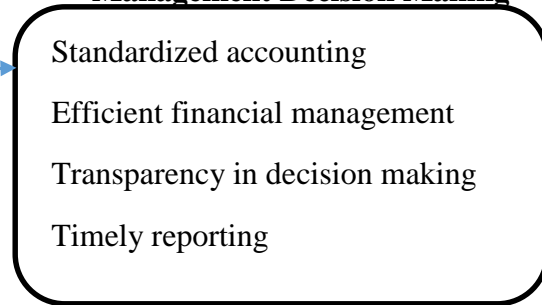
Independent variable

Accounting information system

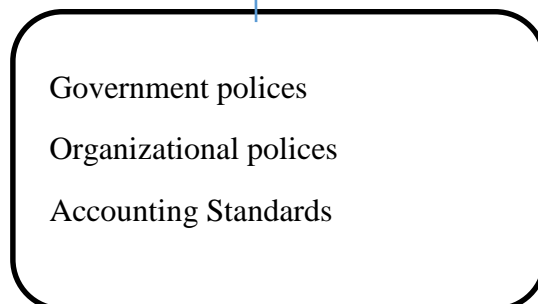


Dependent variable

Management Decision Making



Intervening variables



Source: Researcher's Conceptualization 2024

From the above conceptual framework explains the relationship between two variables that is accounting information system as the independent variable which comprises of information flow, accounting software, and accounting information which influence the dependent variable which is management decision making leading to standardized accounting, efficient financial management, transparency in decision making and timely reporting. If the independent variable is not well implemented negatively affects management decision making leading to lack of transparency, poor financial management, and poor timely reporting thus affects organizational performance.

1.8 Key terms

Information flow

An Information flow is the way information is communicated in an accounting system it starts by preparation of journal entries, journals are used for recording business transactions in their chronological order, preparation of general ledger and T-accounts, ledgers show business transactions by account. T-accounts are usually used to describe or analyze accounting transactions. Trial balance, this lists all account balances at a specific point in time and finally the preparation of financial statements for decision making.

Accounting soft wares

Accounting soft wares are computer programs that enable organizations to manage financial transactions. Such programs vary widely in scope, where by some programs are designed merely for bookkeeping and some are designed to manage the cash inflows and cash outflows of large organizations.

Accounting Information

Accounting information is raw material which is transformed into information that is used by the management of the organization to make decisions. Information is generated from analysis of data so that it meets a user's needs.

Government polices

Government policies are the rules or regulations amended by the government of Uganda to order or control the way activities are done in the organization

Organization policies.

Organizational policies are rules or regulations made by an organization in order to control the way activities are done in the organization and to control the way employees behave at the work place.

Accounting Standards

Accounting standards are principles that guide and standardize practices. They include the Generally Accepted Accounting Principles (GAAP)

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents review of the literature by other researchers who have conducted research in the same field. It contains opinions, attributes, research outcomes and conclusions from previous research done by other people and organizations.

2.1. The different ways in which accounting information system aids management decision making

Shields, (2011) stated that Accounting Information System is a tool which, when incorporated into the field of Information and Technology systems, are designed to help in the management and control of organization's economic financial area. Stunning advance in technology opened up the possibility of generating and using accounting information.

Armstrong, and Baron, (2010) defined an Accounting Information system as an interrelated group of mechanism that collects, receives, processes, saves, and allocates information to support decision making and controlling an organization. In addition, an accounting information system helps managers and workers to look at troubles and create new products.

Campbell, (2007) defined Information technology as the electronic resources that assemble, process, store, and broadcast information. Information technology is considered as one of the current issues that reflect the significance of using technically processed information to serve several aspects in the society.

Bolon, (2016) stated that “technologies reduced the general costs of operations” in organizations. Meaning that technologies produced Quality work and information for effective decision making by the management of the organization so as to achieve their goals.

Chang, (2011) observed that organizations using information technology in their production and service activities are distinguished from those still using material systems. In that organizations using accounting information systems produce accurate and quality work for decision making by the management of the organization while those using material system produce work which contains errors hence affecting the decisions the organization makes.

Curtis, (2015) state that “Efficient accounting systems are featured with several characteristics, which include: system reliability, flexibility and simplicity” which meant that organizations using accounting information systems produced quality information for decision making by the organization, besides the system is also easy to operate.

Chenhall, (2013) noted that the booming expansion of Modern information technology, accounting environment has greatly changed, however the conventional accounting information system cannot satisfy the diversity and individualized needs of the organization’s stakeholders meaning that though there is stunning advance in technology which has resulted into a change in the accounting environment, accounting information systems cannot satisfy all the needs of organizational stake holders such as the government and shareholders.

Daft, (2013) Accounting Information System is vital to all organizations. Which meant that every organization either profit or nonprofit-oriented need to maintain the Accounting Information System so as to enable them prepare financial statements in time in order aid the management of the organization in decision making.

Doms et.al (2014). defined an Accounting Information System as a whole of related components that are put together to collect information, raw data or ordinary data and transform them into financial data for the purpose of reporting them to decision makers.

To better understand the term 'Accounting Information System', according to El Louadi, (2008) three words constitute Accounting Information System which are elaborated separately. Firstly, literature documented that accounting is identified into three components, namely information system, "language of business" and source of financial information.

Gordon and Miller, (2016) stated that secondly, information is a valuable data processing that provides a basis for making decisions, taking action and fulfilling legal obligation. Finally, the system is an integrated entity, where the framework is focused on a set of objectives.

Huber, (2010) noted that Accounting literature argues that strategic success of an organization is considered by an outcome of Accounting Information Systems design. Which means a better design leads to better financial management and decision making in an organization hence leading to success.

Hunton, (2012) also said "that an appropriate design of an Accounting Information System increases the organizational decision making process hence increasing organizational performance."

Shields (2011), analyzed the impact of Accounting Information System in strategic management, whereby they examined the attributes of Accounting Information System under different strategic priorities. Furthermore, analyzed the effect of accounting information system on performance, interaction between certain types of strategies and different design of Accounting Information System for example using different techniques and information in preparing financial statements for the organization to use in decision making

Williams and Seaman, (2011), The appropriate design of an Accounting Information System must support the organization strategies in ways that increases the organizational decision making process hence increasing organizational performance.

GUL, (2011) states that an Accounting Information System combines the methodologies, controls and accounting techniques with the technology of the IT industry to track transactions, provide internal reporting data, external reporting data, financial Statements, and trend analysis capabilities to affect decision making hence leading to better organizational performance.

Armstrong, and Baron, (2010) states that, in managing an organization and implementing an internal control system, the impact of accounting information system (AIS) is crucial. An important question in the field of accounting and management decision making concerns the fit of Accounting Information System with organizational requirements for information communication and control. Benefits of accounting information system are evaluated by its impacts on improvement of decision making process, quality of accounting information, performance evaluation, internal controls and facilitating organization's transactions.

Borthick, and Clark, (2012) noted that Accounting information is the key component in all management decisions of an organization. Every year, business decisions worth billions of dollars are made. What is missing in most decisions is the quality component. Economic theoreticians and researchers particularly focus on the establishment of quality accounting information systems in organizations. Early papers dealing with the issues concerned with the accounting information system were in the late 19th century, in the context of the American printing industry.

Bolon, (2016) conducted an archival research and concluded that the use of accounting information in decision making has transformed traditional accounting techniques and accounting system costs. Johnson states the awareness of the importance and promotion of Accounting Information System

as an aid in decision making which has enabled managers to manipulate accounting information to support their decisions on prices, cost allocation and assessment, profit evaluation, business management decisions, and inventory control.

Choe, (2016) states that accounting information affects the quality of management decisions as a result of three intermingling variables: uncertainty, information storage and data storage. He discussed the effects of accounting information on uncertainty, information storage and data storage, that is, the effect on the quality of decision making. However the author emphasized the need for continued future research in the area as a very important and current issue that needs to be researched on an ongoing basis and then applied in practice.

Chenhall, (2013) on how enterprises select and use accounting information systems. In his study, he discovered that small enterprises were very many in the United States. Although most enterprises primarily belong to the small enterprise category, most research studies were on large multinational corporations. From big business to franchise, small enterprises remain an important entity in the global economy. What needs to be underscored is that this conclusion also applies to the structure of the Croatian economy. Nevertheless, small enterprises are unable to hire large accounting companies to obtain accounting consultants' advice in the verification of their items in the basic financial statements or in management reports.

El Louadi,(2008) particularly emphasized the importance of the value architecture of an information system, including new ways to creating value for the enterprise, which need to be implemented in the information systems. Gottschalk particularly focused on e -business and the database to be provided by the information systems.

2.2. The different ways in which decisions are made

Ismailjee, (2013) stated that Accounting Information System design is defined in terms of the information characteristics that it provides.

Chenhall and Morris (2011) described Accounting Information System according to the perceived usefulness of four information attributes, namely scope, timeliness, level of aggregation, and integration. Scope refers to the measures being used and to the extension of Accounting Information System in time and space. In their study, Information focused on future versus historical events or external versus internal events. They quantified information in monetary or non-monetary terms. Timeliness referred to the frequency, speed of reporting and the orientation of the information for a short or long run.

Hunton, (2012) pointed out that Aggregation referred to the way data is aggregated in time periods, functions or in accordance with decision models. Finally, integration referred to the need of providing information to reflect the interaction and coordination effects of several functions in the organization. These four attributes have been analyzed for comparing Accounting Information System as an aid in decision making. According to Gordon & Miller (2015). Recent studies begun to examine whether organizations systematically vary the Accounting Information System design to support their chosen strategy, recognizing that Accounting Information System have the potential to facilitate strategy in management and enhance organizational performance due to effective management decision making.

Hunton (2002) study, which investigated the relationship between accounting information system on effective organizational effectiveness; showed that there was a strong relationship between accounting information system and management decision making which leads to organizational effectiveness, which means access to accounting information will lead to effective management

decision making. Several recent studies on value of accounting information for equity valuation, share price and earnings prediction have queried current financial reporting model in the developed world. The same issue can be raised in Uganda about the value relevance of accounting numbers to investors.

Huuhtanen, Juha, (2012) also asserted that Accounting Information System plays a proactive role in the strategy management, acting as a mechanism that enables organizational strategy.

Kren, (2012) stated that in the present study it is assumed that the organizational performance is a function of the financial performance, performance management and the Accounting Information System. Fitness will exist in the combination of strategy and Accounting Information System that contribute to financial performance.

Mawanda, (2008) stated that appropriate review between designing of Accounting Information System and performance of commercial units by analyzing strategies explains that high performance of commercial units depends on a wide range of accounting information systems.

Mugenda and Mugenda, (2009), noted that many studies begun to examine whether organizations systematically vary the Accounting Information System design to support their chosen strategy, recognizing that Accounting Information Systems have the potential to facilitate strategy in management and enhance organizational performance.

Oguntimehin, (2011) states that “Accounting information system is an important mechanism of an organization that is vital for effective management decision-making in controlling the organization.”

Pekin Ogan, (2008) said that “Accounting Information System is classified in two categories which include: effective decision-making for information that is largely for control of organization and information that is mainly used for coordination of organization in decision-making.

Ponemon, & Nagoda, (2015) noted that effectiveness of Accounting Information System is to increase system integration which improves internal communication throughout the organization. Top management team with various planning and management information system influences on strategic performance due to presence of accounting information for management decision making.

Rahman, and Halladay, (2008) claimed that “in managing an organization and implementing an internal control system the role of accounting information is crucial. An important question in the field of accounting and management decision making concerns the fit of accounting information with organizational requirements for information communication and control.

Reneau, and Grabski, (2017) Accounting information system is considered as a subsystem of Management Information System (MIS). To regard accounting as an information system, perhaps, is the latest definition of accounting, as can be deduced from the statement of American Institute of Certified Public Accountants (2016). “Accounting actually is an information system and to be more precise, accounting is the practice of general theories of information in the field of effective economic activities and consists of a major part of the information which is presented in the quantitative form”.

Boockhodt (2010), defines accounting information systems as systems that operate functions of data gathering, processing, categorizing and reporting financial events with the aim of providing relevant information for the purpose of score keeping, attention directing and decision making.

Rono, (2016) studies show that successful implementation of accounting system requires a fit between three factors. Firstly, a fit must be achieved with dominant view in the organization or perception of the situation. Secondly, the accounting system must fit when problems are normally solved for example the technology of the organization. Finally, the accounting system must fit

with the culture, for example the norms and value system that characterizes the organization. Accounting information system will be useful when information provided by them is used effectively in decision making process by users

Salih, (2012) argue that accounting information are important parts of the fabric of organizational life and need to be evaluated in their wider managerial, organizational and environmental information not only depends on the purposes of such systems but also depends on contingency factors of each organization.

Wilkinson, (2013) said that “Accounting information systems are said to be effective when the information provided by them serves widely the requirements of the system users. Effective information should systematically provide information which has potential effects on decision making process.

Salih, (2012) stated that the effectiveness of accounting information has long been a subject of many researches, Accounting information is usually categorized under two groups which include: information that influences decision making and mainly for the purpose of controlling the organization; information that facilitate decision making process and mostly used for coordination within an organization.

Pekin Ogan, (2008) argues that integration of accounting information leads to coordination in the organization, which in turn, increases the quality of the decisions. Some researchers in accounting show that the effectiveness of accounting information system depends upon the quality of the output of the information system that can satisfy the users’ needs.

Ponemon, and Nagoda, (2015) pointed out that Accounting provides information for managers to use in operating organizations. In addition, accounting provides information to other stakeholders to use in assessing the economic performance and condition of the organization. Accounting

information is information provided by accountants and accounting systems. This information is usually presented in financial statements such as the income statement and the balance sheet.

Oguntimehin, (2011) states that Accounting information presented in financial reports helps in decision making by showing where and when money has been spent or earned and what commitments are made. Accounting information helps to predict the future effects of decisions.

Hongren et al further explains that Decision makers who use financial reports include managers, owners, investors and politicians who use accounting information for making decisions.

Flamholtz et.al (2014) observed that accounting information is used to assess the profitability of alternative courses of action, measure performance, and evaluate the position of enterprises in terms of profitability, liquidity, activity and leverage. It is used to improve the performance of SME, especially while making financial decisions.

Mawanda, (2008) noted that managers use accounting information in making investment decisions; investors use accounting information in valuing stocks, bankers rely on accounting information in deciding whether to lend money to a business and in assessing the risk of the loan, accounting information is crucial in evaluating the performance of employees at various levels in an organization.

Simon (2007) in his study used the first part of the statement as measure of control for management and the second part for evaluating the effectiveness of the accounting information via continuous monitoring.

Kren, (2012) states that Accessibility to information relating to the main transaction of an organization leads to categorized detailed information which facilitates decision making in any difficult situation. Meaning that when an organization accesses receipts and other documents of transactions they have carried out, it easy to make decisions

Hunton, (2012) accounting information system is a computer based system that that increases the control and enhances the cooperation inside the organization. Quality of information generated from accounting information is very important for management decision making.

Kim (2009) argues that usage of accounting information depends on the perception of the quality of information by the user. Quality of information depends on reliability form of reporting, timeliness and relevance to the decision. Effectiveness of accounting information system also depends on the perception of decision makers on the usefulness of information generated by the system to satisfy informational needs for operation processes, managerial reports, budgeting and control within organization.

Ismailjee, A(2013) revealed that Accounting information system is considered as a subsystem of Management Information System (MIS). For the first time in 1966 the Statement of Basic Accounting Theory, published by the American Institute of Certified Accountant (AICPA) stated that “Accounting actually is an information system and practice of general theories of information in the field of effective economic activity and consists of a major part of information which is presented in the quantitative form”. In this statement, accounting is part of general information system of an economic entity. Hence, Accounting Information System is described as systems applied to record the financial transactions of a firm.

These systems combine the methodologies, controls and accounting techniques with the technology of the information technology (IT) industry to track transactions which provide internal reporting data, external reporting data, financial statements, and trend analysis capabilities to influence on organizational performance (Grande et al., 2010).

Doms, (2014) Accounting Information System is described as a system that operates function of data gathering, processing, categorizing and reporting financial events with the objective of

providing relevant information for the purpose of score keeping, attention directing and decision-making. Accounting Information System, according to Nicolau (2010), is a computer based system that increases the control and enhances the cooperation within the firm. Management is engaged with various types of activities with different quality components. They require non-financial information such as production statistics, quality of production. However, quality of information generated from Accounting Information System is very important for management decision making.

Studies carried out by Cameron (2016), indicate that the effectiveness of Accounting Information System depends on the quality of output information that satisfies the users. According to Zimmerman (2015), Accounting Information Systems are considered as essential organizational mechanisms that are necessary for effectiveness in decision management and control in organizations.

Otley (2010) argued that accounting systems are an important part of the fabric of organizational life and have to be evaluated in their wider managerial, organizational and environmental context. Therefore, the effectiveness of Accounting Information System not only depends on the purposes of such systems but also depends on contingency factors of each organization. Accounting Information Systems are said to be effective when the information provided by them serves widely the system users' needs.

According to Choe, (2009), the effectiveness of Accounting Information Systems has long been a subject of many researchers. Effective systems should systematically provide information, which has the necessary potential effective on decision making process

Existing literature offers scant evidence of the relationship between Accounting Information System and financial performance. According to Chenhall (2003), recently, many studies have

confirmed that Accounting Information System plays a proactive role in the strategy management, acting as a mechanism that empowers organizational strategy.

According to Zajac and Pearce (2010), the latter is extensively implemented in management literature. However several studies were on the aspect of value relevance. Ball and Brown (2008) provided evidence about security market reaction to earnings announcements. On the basis of their studies, they stated that accounting information could be a useful tool for investors in forecasting the expected values and risks of security returns and the results showed that earnings were value relevant.

Pank-off and Virgil (2010) presented an inventive and ambitious laboratory experiment to compute the usefulness of accounting and other information to professional security analysts who participated as subjects in the laboratory stock market. Usefulness of information is defined as “the extent to which information facilitates decision making”. Based on this definition they presented five methods to appraise usefulness of information item which include; subject’s demand for the item; the degree to which the item influences on the subject’s forecast; the extent to which the item leads to good forecasts; the degree to which the item affects the subject’s decisions and the extent to which the item leads to good decisions.

According to Elena Urquia (2010), the main advantages of an optimal use of Accounting Information System in decision making of an organization are: better adaptation to a changing environment, better management of arm's length transactions and a high degree of competitiveness. There is also a boost to the dynamic nature of firms with a greater flow of information between different staff levels and the possibility of new business on the network and improved external relationships for the firm, mainly with foreign customers who access through the firm’s web

Williams and Seaman (2011), an appropriate review in designing of Accounting Information System and performance of commercial units by analyzing strategies explains that high performance of commercial units depends on a wide range of accounting information systems. Many studies begun to examine whether organizations systematically vary the Accounting Information System design to support their chosen strategy, recognizing that Accounting Information System have the potential to facilitate strategy management and enhance organizational performance.

Sadia Majeed (2011), states that financial managers need financial and accounting data provided by Accounting Information System to evaluate the firm's past performance and to map future plans. For an organization to derive its organizational performance, its Return on Assets and Return on Equity are measured, these ratios are financial performance measuring ratios

Return on equity is very important because it provides useful information about the performance of debt in the capital structure that the general manager must try to influence in order to improve financial performance according to Alan Miller, Michael Boehlje and Craig Dobbins (2001).

If Accounting Information System design is linked to financial performance and financial performance is linked to organizational performance, then the researchers argue that Accounting Information System design is expected to have positive effects on organizational performance through Return on Assets and Return on Equity. However, other researchers such as Ismael Younis Abu-Jarad, Davoud Nikbin and Nor AiniYusof (2010) supported the use of Return on Assets (ROA), Return on Equity (ROE) as the most common measures of organizational performance. Therefore, there is a positive relationship between Accounting Information System and decision making.

2.3. The relationship between accounting information system and management decision making

Armstrong, and Baron, (2010) states that existing literature offers scant evidence of the relationship between Accounting Information System and Management decision making. Accounting information systems are considered as important organizational mechanisms that are critical for effectiveness of decision management and control in organizations

Shields, (2011) states that an Accounting Information System (AIS) as the most critical systems in the organization has changed its way of capturing, processing, storing and distributing information. Nowadays, more digital and on-line information is utilized in the accounting information systems.

Boockhodt, (2009) observed that in its phase, accounting information is useful to management whether it is the officers, sub-officers of the educational institutions, lecturers , potential workers, creditors , potential creditors one or more government tertiary institutions, Each of these users of accounting data manages its relationship with the enterprises at least on the basis of accounting reports.

Chenall, and Morris, (2016), said that an economic activity can be conducted correctly if the decision, the implementation and the control of the execution are based on operations, accurate and complete information. In this context, an organization needs an accounting management in order to provide the necessary information, though an accounting information system serves the needs of the managers.

Eugenia¹, and Tiberiu, (2013) pointed that performance management also affects the accounting information system in that it ensures that organizational goals are consistently met in an effective and efficient manner. Performance management focuses on the performance of accounting systems

which affects behavior and performance management, departments, organizations, and even countries.

Boulianne, (2013) stated that the quality of the information presented by an accounting information system is a competitive advantage for an organization because management is engaged with different activities which require good, quality and reliable information for effective decision making which later on will enable the organization to achieve its goals.

Flamholtz et.al (2014), also said that “Quality information generated from Accounting Information System is very important for management decision making. “Business organizations also use accounting information systems to provide support for management decisions. Support usually includes financial analysis from company accountants. Analysis is taken using the company’s accounting information.

Mugenda and Mugenda, (2009), states that Organizations using technology or accounting information systems in preparing financial statements process copious amounts of documents electronically for owners and managers for decision making. Management compares information about current performance to budgets, forecasts, prior periods, or other benchmarks to measure the extent to which goals and objectives are being achieved and to identify unexpected results or unusual conditions that require follow-up. In the same way that managers are primarily responsible for identifying the financial and compliance risks for their operations, they are also responsible for designing, implementing and monitoring their internal control system.

Pekin Ogan, (2008) stated that internal controls are typically centered on the company’s accounting information system, which is the primary function for moving financial information through a company. Therefore, internal controls help managers to monitor and measure the effectiveness of their accounting operations on performance due to effective decision making.

Wilkinson, (2010) performance management has a key role to play in improving the overall value of an organization. Accounting systems are the most important formal sources of information in industrial organizations. Anthony G. (2006), further explains that Accounting information systems are designed to provide all levels of management with timely and accurate information to effect management on decision making which is in agreement with their Organization's goals.

Ronney Marshall et.al (2010), pointed out that organizational performance is one of the most important constructs in management. Organizational Performance relates to Accounting Information System, management decision making when moderated by performance management. According to the previous argument the researchers used accounting data, decision making and internal control process to analyze the contingency fit between Accounting Information System, performance management and organizational performance to come up with the relationship of accounting information system, decision making and performance management.

CHAPTER THREE

METHODOLOGY

3.0. Introduction

This chapter presents research design, methodology and procedures used in the study. The chapter further focused on Study Population, Sample Size, Sampling Techniques, Data collection techniques, Reliability and validity and Data analysis, ethical considerations and limitations of the study.

3.1. Research Design

This study adopted a descriptive research design; the researcher adopted both quantitative and qualitative design. The quantitative methods were preferred because they provide the significance of the research question. The qualitative method was used to compromise the quantitative collected data. The qualitative research design was used for descriptive data like quotations, citation and observed data which would be difficult to quantified on the other hand the quantitative design was used where data needed analyzed by using percentages rating to reach the conclusion.

3.2. Area of study

The area under study was Busia district local government.

3.3. Study Population

The study involved a population of 76 respondents who comprised of employees at different levels. This was because of their knowledge and experience about the topic under study.

3.4 Sampling procedures. The researcher used Slovene formula to determine the sample size as analyzed below;

$n = N / (1 + Ne^2)$ Where n is the sample size, N is the population size, and e^2 is error in sampling

$n = 75 / (1 + 75 * 0.05^2)$ $n = 75 / 1.1875$ $n = 63$ respondents

3.4.1. Sample size

The study involved a sample of 63 respondents who comprised of employees at different levels. This was because of their knowledge and experience about the topic under study.

Table 3.1: Showing the sample size

Respondents	Target population	Sample size	Sampling Methods
Principal human resource officer	01	01	Purposive sampling
Chief finance officer	01	01	Purposive sampling
Councilors	30	25	Simple Random sampling
Data analysts	05	04	Simple random sampling
Health Assistants	04	03	Simple random sampling
Drivers	03	03	Simple random sampling
Town agents	10	08	Simple random sampling
Economists	05	04	Simple random sampling
Cashiers	04	03	Simple random sampling
Accounts department employees	12	10	Simple random sampling
Human Resource Officer	1	01	Purposive sampling
TOTAL	75	63	

Source: Human resource archive, 2024

3.3.2. Sampling Techniques

3.3.2.1. Purposive sampling

Jackson, (2012) noted that the study used purposive sampling technique targeting the various key informants with experience about the topic under study of the Town Clerk, Mayor, assistant education officer, clerk to council. This because it offered the respondents time to respond to the questions at their own time and approaching their offices at convenient times only.

3.3.2.2. Simple random sampling

The technique ensured that all respondents had equal chances of being selected and it minimized on biasness in sample selection. It was used in selecting a sample of Auditors, councilors, accountants, assistant health officer among others.

3.4. Data collection method

3.4.1 Questionnaires

Jackson, (2012), stated that a questionnaire; is a reformulated written set of questions to which respondents record their answers native. The questionnaire was used on the basis that the variables under study could be observed for instance the views, the opinions perception and feelings of the respondents. The method was used while selecting respondents, this was because it covered wide information within the shortest time and on large population without necessarily requiring the presence of the researcher, besides the respondents could read and write. However, it was only applied to respondents who could read and write leaving out those who cannot read and write yet they had resourceful information in research under the topic of study.

3.4.2 Interviews

This is a method where a research interviews respondent to obtain information on the accounting information system on management decision making in this case. The interviews during this research were used while selecting assistant environmental officer, town agents, cashier, clerk to councilor, and PWDs. This because the tool provided first hand and vital information which other tools couldn't provide like clarity, feelings and expression, it provided immediate answers to the question, and correction of errors or mistakes was possible. On the other hand the tool was costly, time consuming, some behaviors or characteristics of the respondent went un-noticed, and some vital information was not given for security reasons, (Andrew, 2015).

3.5. Research instruments

This was used to obtain information about the topic under study which was accounting information system and management decision making in Busia district local government.

3.5.1. Interview guide

This method was used to obtain information from the respondents like feeling, opinions, response, historical data and related information about the topic under study and the research objectives.

3.5.2. Questionnaire

The questions were closed ended to allow respondents in put their own opinion without any influence from the researcher which led to fruitful report writing. The respondents responded to questions inform of strongly agree, agree, undecided, disagree, and strongly disagree at their own will without due influence

3.6. Data Analysis

After data collection, the researcher proceeded by coding, editing, checking and analyzing. The data was edited to check on the accuracy, reliability, consistency and completeness. The researcher ensured the validity and reliability of the mentioned research instruments through interaction with research supervisor. The researcher used both qualitative and quantitative data analysis techniques.

3.7. Reliability and validity

3.7.1 Reliability

Reliability is an instrument which was used to describe the overall consistency of a measure. A measure is said to have a high reliability if it produced similar results under consistent conditions, (Neil, 2009). The issue of reliability was ensured through the appropriate random sampling and a purposive sampling technique as another indication of reliability in this study. Also the study included supervisor's comments and advice on the topic under study. Consequently, all the statements under each variable shall be subjected to this test, if proven to be above 0.9, and then declared reliable.

3.7.2 Validity

Validity refers to the degree to which study accurately reflect or assesses the specific concepts the researcher is attempting to measure (Fidel, 2013). The types of validity include internal validity which clearly indicates the principles of cause and effects in research, External validity which clearly focus on the effects of research that can be generalized. In this study internal validity was applied to test the impact of motivation on employee turn-over. In confirming the validity of the instrument, face and content validities was ensured.

Content validity will be measured using index = $\frac{R}{\text{Total No. Questions}}$

This would be valid enough to ensure the validity of the research instrument

3.8. Ethical Consideration

The researcher respected the dignity of the respondents and treated the information given by them with uttermost confidentiality and for the research purpose only. The researcher was keen not to ask provocative questions to the respondents especially questions concerning private life and even those which degrade some body's dignity.

Permission was sought from the respondents before approaching their home and working premises and at their convenient times only. False and misleading information was critically subjected to validity test to check on the error rate in the research.

Confidentiality, the researcher kept the information obtained or given by the respondents from the field as confidential and for academic purpose only unless asked otherwise by the law or government.

3.9. Limitations and delimitations to the study

Like any other research study, a number of problems were encountered during the process of conducting the study.

Busy schedules. Some workers at the district may limit the researcher from obtaining all the relevant information needed for the study.

Lack of co-operation from the respondents as some of them had an I don't care attitude. Here the research was forced to give more clarification and more explanation as to why the research was being carried out. This gave them more confidence and they were able to respond positively.

Communication was a problem as some of the respondents were not able to read and speak English and in which the questionnaires had to be translated.

The research required a lot of funds which were not available. This would not only impact on the sample size but also on the amount of information to be received. I had to borrow from my friends to enable completion of my research and sometimes had to walk on foot when taking questionnaires as a way to minimize costs.

Research requires a lot of time amidst busy schedules of the researcher especially that I was doing research alongside other course units. In fact I had to obtain meaningful and sufficient information especially from the officials.

More so, few people were willing to disclose information about their status and position as regards taxes. Some had to be convinced to fill questionnaires.

The researcher got a problem in finding the officials concerned with giving necessary information. It was hard retting these respondents since the study was conducted during working hours. These made it difficult for the respondents to leave their work for the sake of answering questions. However, I was able to leave questionnaires with them for some time which enabled them to be filled at their convenience like over the weekend and would pick them later.

There was also a problem of inability to obtain some information from Busia district local government. Some of the information was regarded as confidential and could not be given out.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0. Introduction

The chapter highlighted the back ground information of the respondents of Busia district local government. Discussion and analysis of the different responses to some key questions was also done in this chapter following the research objectives as seen below;

4.1. Back ground information of respondents

This section shows the gender of the respondents, marital status, age bracket, level of education attained, the duration spent in service in Busia district local government.

4.1.1. Gender of the respondents

This section covered the category of male and female

Table 4.1 Showing Gender of Respondents

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Male	44	72.1	72.1	72.1
Female	19	27.9	27.9	100
TOTAL	63	100	100.0	

Source: Primary data 2024

From the study in table 4.1 above, 72.1% of the respondents were males as the majority and 27.9% of the respondents were females. This distribution as indicated in cumulative percent (72.1%) means that Busia district local government employees both males and females workers. Therefore,

Busia district local government should exercise equality during the time of recruitment to bring harmony at work place.

4.1.2. Age of the Respondents

This section covered the years of the respondents they have and response obtained is seen below

Table 4.2: Showing Age of Respondents

Response	Frequency	Percent	Valid Percent	Cumulative Percent
18-24 years	11	18.0	18.0	18.0
25-34 years	42	65.6	65.6	83.6
35-44 year	6	9.8	9.8	93.4
45-54 years	4	6.6	6.6	100
Above 58 years	0	0	0	0
TOTAL	63	100	100.0	

Source: Primary data 2024

From the field research in table 4.2 above, 65.6% of the respondents were between 25-34 years, 18.0% of the respondents were between 18-24 years, 9.8% of the respondents being between 35-44 years, 45-54 years had 6.6% response and above 40 years had no response. The studies showed that majority of the respondents were between 25-34 years. Therefore, Busia district local government should continue to employee youth since they are energetic and always willing to work and this helps them to achieve the organization set goals as well as willing to achieve their own missions.

4.1.3 Marital Status of Respondents

The section covered the marital status of the respondents as explained below

Table 4.3: Showing Marital Status of Respondents

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Single	21	34.4	34.4	34.4
Married	28	42.6	42.6	77.0
Divorced	10	16.4	16.4	93.4
Separated	4	6.6	6.6	100
TOTAL	63	100	100.0	

Source: Primary data 2024

The study in table 4.3 above, 42.6% of the respondents was married as majority, 34.4% of the respondents were singles came second, 16.4% of the respondents had divorced and 6.6% of the respondents had separated. This showed that most of the respondents had married. The Busia district local government should continue to employ married employees since they are committed to work to meet the family needs and move the organization forward.

4.1.4. Academic qualification of Respondents

Table 4.4: Showing Academic Qualifications of Respondents

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Certificate	11	18.0	18.0	18.0
Diploma	22	36.1	36.1	26.2
Degree	25	37.7	37.7	63.9
Masters	5	8.2	8.2	100
TOTAL	61	100	100.0	

Source: Primary data 2024

In the table 4.4 above, 37.7% of the respondents were degree holders, 36.1% of the respondents were diploma holders, 18.0% of the respondents were certificate holders and 8.2% of the respondent had masters. It was an indication that most of the employees were educated although the majorities were degree holders. Therefore, Busia district local government should continue to value education at the time of recruitment since such manpower is helpful in accomplishing tasks and attainment of target objectives in time.

4.1.5 Work experience of Respondents

This section covered the experience of the respondents

Table 4.5: Showing Work Experience of Respondents

Response	Frequency	Percent	Valid Percent	Cumulative Percent
1-3 years	14	23.0	23.0	23.0
3-5years	23	34.4	34.4	57.4
5-7years	14	23.0	23.0	80.3
7 years and above	12	19.7	19.7	100
TOTAL	63	100	100.0	

Source: Primary data 2024

From the field in table 4.5 above, 34.4% of the respondents had worked for a period of 1-2 years, 23.0% of the respondent had worked for less than one year, 23.0% of the respondents had worked for a period between 5-10 years and 19.7% of the respondents had worked for a period of 10 years and above. This was an indication that most of the employees had worked for a period not more than two years. Thus Busia district local government should motivate employees through promotion, giving fringe benefits, bonuses, to employees in order to enable them to work for a longer period of time.

4.2. Different ways in which accounting information system aids management decision making

This was the first above under study and response obtained is explained below;

Table 4.6: Showing different ways in which accounting information system aids management decision making

Response	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Standard deviation
Accounting information system improves efficiency in terms of out-put	48.5	40.9	7.6	3.0	0	2.350	1.448
Quality and timely service delivery is realized	30.3	50.0	10.6	0	9.1	2.383	.993
Accounting information system helps in the management and control of organization's economic financial area	12.1	22.7	34.8	13.6	16.7	2.267	1.260
Accounting information system is an interrelated group of mechanism that collects, receives, processes, saves, and allocates information to support decision making and controlling an organization	21.2	7.6	10.6	39.4	21.2	2.6667	1.12997
Accounting information system reduces the general costs of operations" in organizations	13.6	27.3	28.8	6.1	24.2	2.367	.823
Accounting information system helps to track transactions, provide internal reporting data, external reporting data, financial Statements, and trend analysis capabilities	21.2	34.8	22.7	12.1	9.1	1.683	.892

Source: Primary data 2024

The findings in table 4.6 above revealed that 48.5% of the respondents agreed, 40.9% agreed, 7.6% were undecided, 3.0% disagreed and strongly disagreed had no response. This implied that accounting information system improves efficiency in terms of out-put.

In addition, about quality and timely service delivery, 30.3% of the respondents strongly agreed, 50.0% of the respondents agreed, 10.6% of the respondents were undecided, disagreed had no response and 9.1% of the respondents strongly disagreed. This indicated that quality and timely service delivery was realized.

Furthermore, 12.1% of the respondents strongly agreed, 22.7% of the respondents agreed, 34.8% of the respondents were undecided, 13.6% of the respondents disagreed, and 16.7% of the respondents strongly disagreed. This implied that accounting information system helps in the management and control of organization's economic financial area.

21.2% of the respondents strongly agreed, 7.6% of the respondents agreed, 10.6% of the respondents were undecided, 39.4% of the respondents disagreed and 21.2% of the respondents strongly disagreed. This indicated that accounting information system is an interrelated group of mechanism that collects, receives, processes, saves, and allocates information to support decision making and controlling an organization.

Accounting information system reduces the general costs of operations" in organizations, 13.6% of the respondents strongly agreed, 27.3% of the respondents agreed, 28.8% of the respondents were undecided, 6.1% of the respondents disagreed, and 24.2% of the respondents strongly disagreed. This shows that accounting information system reduces the general costs of operations" in organizations.

In addition, 21.2% of the respondents strongly agreed, 34.8% of the respondents agreed, 22.7% of the respondents were undecided, 12.1% of the respondents disagreed, and 9.1% of the respondents strongly disagreed. This shows that accounting information system reduces the general costs of operations' in organizations.

4.3. Different ways in which decisions are made in Busia district local government

This was the second objective under study and the responses obtained are explained below;

Table 4.7: showing different ways in which decisions are made in Busia district local government

statement	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Standard deviation
Employees participate in decision making	55	34	9	0	2	1.683	0.892
Top management make decision and staff implements	27	50	14	9	0	2.117	1.136
Before decision are made consultations are carried out in the organization	14	25	32	11	18	2.967	1.262
Employee's views are put into consideration and acted upon by management	21	9	15	39	18	3.317	1.420
Employees feel a sense of belonging in the organization because of participation in decision making process	16	27	27	7	23	2.967	1.377

Source: Primary Data 2024

The findings in table 4.7 above, 55% of the respondents strongly agreed, 34% of the respondent agreed, 9% of the respondents were undecided, disagreed had no response, and 2% of the respondents strongly disagreed. This was an indication that employees participate in decision make.

In addition, 27% of the respondents strongly agreed, 50% of the respondent's agreed, 14% of the respondents were undecided, 9% of the respondents disagreed, and strongly disagreed had no response. This implied that top management makes decision and staff implements which leads to better organizational performance.

14% of the respondents strongly agreed, 25% of the respondents agreed, 32% of the respondents were undecided, 11% of the respondents disagreed and 18% of the respondents strongly disagreed. This implied that majority of the respondents were undecided as to whether before decision are made consultations are carried out in the organization or not as one way of managerial decision making.

Besides, 21% of the respondents strongly agreed, 9% of the respondents agreed, 15% of the respondents were undecided, 39% of the respondents disagreed and 18% of the respondents strongly disagreed. This implied that majority of the respondents disagreed that employee's views were not put into consideration and acted upon by management.

Lastly, about employees feel a sense of belonging in the organization because of participation in decision making process 16% of the respondents strongly agreed, 27% of the respondents were undecided, 7% of the respondents disagreed, and 23% of the respondents strongly disagreed. This implied that employees didn't feel a sense of belonging in the organization because they did not participation in decision making process.

4.3. The relationship between accounting information system and management decision making

The respondents were asked several questions as explained below;

Table 4.8: Showing the relationship between accounting information system and management decision making

Response	SA	A	U	D	SD	Mean	Standard deviation
Service delivery is done accurately	30.0	43.3	5.0	15.0	6.7	2.25	1.23
Employees efficiency is increased	30.0	53.3	6.7	6.7	3.3	2.00	.97
Accounting information system leads to increased organizational performance	46.7	41.7	5.0	3.3	3.3	1.75	.95
Accounting information system minimizes on fraud and embezzlement of funds in organization	53.3	0	0	30.0	16.7	1.87	.68
Resource allocation is attained or realized through Accounting information system	35.0	15.0	11.7	31.7	3.3	3.13	3.61
Accounting information system helps to track transactions, provide internal reporting data, external	26.6	53.2	9.2	0	11.0	2.12	1.14

reporting data, financial Statements, and trend analysis capabilities							
Accounting information system reduces the general costs of operations” in organizations	12.8	22.9	33.0	13.8	17.4	2.97	1.26
Accounting information system helps in the management and control of organization’s economic financial area	20.2	8.3	10.1	41.3	20.2	3.32	1.42

Source: Primary Data 2024

From the field study in table 4.8 above indicate that 30.0% of the respondents strongly agreed, 43.3% of the respondents agreed, 5% of the respondents were undecided, 15.0% of the respondents disagreed, and 6.7% of the respondents strongly disagreed. This implied that service delivery was done accurately since majority of the respondents agreed with 43.3% response.

In addition, 30.0% of the respondents strongly agreed, 53.3% of the respondents agreed, 6.7% of the respondents were undecided, 6.7% of the respondents disagreed, and 3.3% of the respondents strongly disagreed. This implied that employee’s efficiency had increased because of accounting information system.

Furthermore, 46.7% of the respondents strongly agreed, 41.7% of the respondents agreed, 5.0% of the respondents were undecided, 3.3% of the respondents disagreed. This indicated that accounting information system led to increased organizational performance.

Besides, 53.3% of the respondents strongly agreed, agreed and undecided had no response, 30.0% of the respondents disagreed, and 16.7% of the respondents strongly disagreed. This was an indication that accounting information system minimizes on fraud and embezzlement of funds in organization.

Furthermore, 35.0% of the respondents strongly agreed, 15.0% of the respondents agreed, 11.7% of the respondents were undecided, 31.7% of the respondents disagreed, and 3.3% of the respondents strongly disagreed. This implied that resource allocation was attained or realized through accounting information system.

26.6% of the respondents strongly agreed, 53.2% of the respondents agreed, 9.3% of the respondents were undecided, 11.7% of the respondents disagreed, and 31.7% of the respondents strongly disagreed. This shows that accounting information system helps to track transactions, provide internal reporting data, external reporting data, financial Statements, and trend analysis capabilities.

Last but not least, about accounting information system reduces the general costs of operations” in organizations, 12.8% of the respondents strongly agreed, 22.9% of the respondents agreed, 33.0% of the respondents were undecided, 13.8% of the respondents disagreed, and 17.4% of the respondents strongly disagreed. This implied that majority of the respondents were undecided with the statement as to whether accounting information system reduces the general costs of operations’ in organizations or not.

Lastly, 20.2% of the respondents strongly agreed, 8.3% of the respondents agreed, 10.1% of the respondents were undecided, 41.3% of the respondents disagreed and 20.2% of the respondents strongly disagreed. This implied that accounting information system helps in the management and control of organization’s economic financial area.

Table 4.9. Correlation showing the relationship between accounting information system and management decision making

Correlations

		Accounting information system	Management decision making
Accounting information system	Pearson Correlation	1	.678**
	Sig. (2-tailed)		.510
	N	63	63
Management decision making	Pearson Correlation	.678**	1
	Sig. (2-tailed)	.510	
	N	63	63

** . Correlation is significant at the 0.01 level (2-tailed).

This shows that there is positive significant relationship between accounting information system and management decision making as represented by sig .510 = 51%, which is less than 0.05. While other factors account for 49% or 0.490 in agreement with Bolon, (2016) conducted an archival research and concluded that the use of accounting information in decision making has transformed traditional accounting techniques and accounting system costs. Johnson states the awareness of the importance and promotion of Accounting Information System as an aid in decision making which has enabled managers to manipulate accounting information to support their decisions on prices, cost allocation and assessment, profit evaluation, business management decisions, and inventory control.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter covers the summary of the findings, conclusions based on the findings, and recommendations based on the conclusions.

5.1 Summary of the findings

5.1.1. Different ways in which accounting information system aids management decision making

The findings revealed that accounting information system improves efficiency in terms of out-put, quality and timely service delivery was realized, helps in the management and control of organization's economic financial area, helps to track transactions, provide internal reporting data, external reporting data, financial statements, and trend analysis capabilities, reduces the general costs of operations" in organizations and accounting information system is an interrelated group of mechanism that collects, receives, processes, saves, and allocates information to support decision making and controlling an organization.

5.1.2. Different ways in which decisions are made in Busia district local government. The study indicate that employees participate in decision making, top management makes decision and staff implements, before decision are made consultations are carried out in the organization, employee's views are put into consideration and acted upon by management and employees feel a sense of belonging in the organization because of participation in decision making process

5.1.3. The relationship between accounting information system and management decision making

This shows that there is positive significant relationship between. This indicates that there was significant relation between accounting information system and management decision making which is sig .510 = 51%, which is less than 0.05. While other factors account for 49%

5.2. Conclusion

5.2.1. Different ways in which accounting information system aids management decision making

In conclusion, the findings revealed that accounting information system improves efficiency in terms of out-put, quality and timely service delivery was realized, helps in the management and control of organization's economic financial area, helps to track transactions, provide internal reporting data, external reporting data, financial statements, and trend analysis capabilities, reduces the general costs of operations" in organizations and accounting information system is an interrelated group of mechanism that collects, receives, processes, saves, and allocates information to support decision making and controlling an organization.

5.2.2. Different ways in which decisions are made in Busia district local government

It can be concluded that employees participate in decision making, top management makes decision and staff implements, before decision are made consultations are carried out in the organization, employee's views are put into consideration and acted upon by management and employees feel a sense of belonging in the organization because of participation in decision making process

5.2.3. The relationship between accounting information system and management decision making

In conclusion therefore, this shows that there is positive significant relationship between. This indicates that there was significant relation between accounting information system and management decision making which is sig .510 = 51%, which is less than 0.05. While other factors account for 49%.

5.3 Recommendations

5.3.1. Different ways in which accounting information system aids management decision making

The researcher recommends that quality and timely of service delivery should be improved as this major core of accounting information system.

The researcher recommends that management should implement the system since it improves efficiency in terms of out-put and monitoring process.

The researcher recommends that the system helps in employee performance this done through performance appraisal and commitment among staff.

5.3.2. Different ways in which decisions are made in Busia district local government

The researcher recommends that the system should be implemented because it minimizes on fraud and embezzlement of funds hence creating good working conditions.

The researcher recommends that the system leads to high collection of revenue since all receipts are done electronically with minimal cost of collection,

The researcher recommends that system aids in effective allocation of resources which reduces on resource wastage therefore it should be implemented in place.

5.2.3. The relationship between accounting information system and management decision making

The researcher recommends that qualified and competent manpower should be employed as may lead to better operation and implementation of the system.

The researcher recommends that capital should be allocated towards the purchasing of the rightful and quality items to use in installation of the equipment.

The researcher recommends that control room should be constructed as this may lead to easy access of the point and monitoring as well.

5.4. Areas of further research

- i. The effect of integrated financial management system on financial performance of Local government.
- ii. The effect of internal control system on organizational performance of Local government.
- iii. The effect of internal audit on employee performance of Local government.

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APPENDIX I

QUESTIONNAIRE

Dear Respondent,

My name is Byahaya George, I am a student of Uganda Christian University pursuing a Bachelor's Degree in Business Administration and I would like to collect data on the topic, "**accounting information system and management decision making in Busia district local government.**"

You are kindly requested to take part in this study and all responses to the questions will be kept confidential and your participation will be highly appreciated.

SECTION A: BIO DATA OF RESPONDENT

1. Gender: a) Female b) Male

2. Age brackets:

a) 18 – 25 b) 26 – 35

c) 36 – 45 d) 46 -55

e) 56 – and above

3. Marital status

a) Single b) Married

c) Divorced e) separated

4. Educational level

a) University b) Tertiary

c) Secondary d) Primary

5. Experience

A) 1-3 years B) 3-5years C) 5-7years D) 7-9 years E) 10 above

SECTION B:

For each of the following statements, please indicate (by ticking) the extent to which you agree them, using the following scale: (Strongly Agree (5) Agree,(4) Undecided (3), Disagree(2) and Strongly disagree(1).

Different ways in which accounting information system aids management decision making

	statement	1	2	3	4	5
1	Accounting information system improves efficiency in terms of output					
2	Quality and timely service delivery is realized					
3	Accounting information system helps in the management and control of organization's economic financial area					
4	Accounting information system helps to track transactions, provide internal reporting data, external reporting data, financial Statements, and trend analysis capabilities					
5	Accounting information system reduces the general costs of operations" in organizations					
6	Accounting information system is an interrelated group of mechanism that collects, receives, processes, saves, and allocates information to support decision making and controlling an organization					

SECTION C:

For each of the following statements, please indicate (by ticking) the extent to which you agree them, using the following scale: (Strongly Agree (5) Agree, (4) Undecided, (3) Disagree (2) and strongly disagree (1).

Different ways in which decisions are made in Busia district local government

	Statement	1	2	3	4	5
1	Employees participate in decision make					
2	Top management make decision and staff implements					
3	Before decision are made consultations are carried out in the organization					
4	Employee's views are put into consideration and acted upon by management					
5	Employees feel a sense of belonging in the organization because of participation in decision making process					

SECTION D:

For each of the following statements, please indicate (by ticking) the extent to which you agree them, using the following scale: (Strongly Agree (**SA**) Agree, (**A**) Undecided, (**U**) Disagree (**D**) and Strongly disagree (**SD**).

The relationship between accounting information system and management decision making

	statement	1	2	3	4	5
1	Service delivery is done accurately					
2	Employees efficiency is increased					
3	Accounting information system leads to increased organizational performance					
4	Accounting information system minimizes on fraud and embezzlement of funds in organization					
5	Resource allocation is attained or realized through Accounting information system					
6	Accounting information system helps to track transactions, provide internal reporting data, external reporting data, financial Statements, and trend analysis capabilities					
7	Accounting information system reduces the general costs of operations” in organizations					
8	Accounting information system helps in the management and control of organization’s economic financial area					

APPENDIX II: INTERVIEW GUIDE

1. Does accounting information system improve efficiency in terms of out-put?
2. Is quality and timely service delivery is realized through accounting information system?
3. Does accounting information system help in the management and control of organization's economic financial area?
4. Do employees participate in decision make process?
5. Does top management make decision and staff implements?
6. Does accounting information system lead to increased organizational performance?
7. Do you think accounting information system minimizes on fraud and embezzlement of funds in organization?

Tel: District Chairperson 0776123231
Chief Administrative Officer 0772 852274
Resident District Commissioner 0773556184



BUSIA DISTRICT LOCAL GOVERNMENT
P.O. Box 124

BUSIA-UGANDA

General line

THE REPUBLIC OF UGANDA

In any correspondence on
This subject please quote No. CR/164/2

Date: 29th August, 2024

Ag. Chief Finance Officer
BUSIA.

ADMISSION FOR INTERNSHIP OF MR. BYAHAYA GEORGE

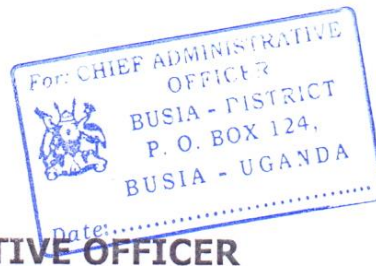
The above named person has been offered an opportunity to undertake Internship training in **Finance Department** for a period of four (4) weeks with effect from **1st September to 30th September, 2024.**

During the period of internship, he will be attached to **Finance Office** under your supervision.

Your attention is drawn to Section J-f of the Uganda Public Service Standing Orders and Circular Standing Instruction No. 3 of 2011, relating to Internship Placements.

Egesa Anthony

For: CHIEF ADMINISTRATIVE OFFICER



Copy to:

Head of Department,
UGANDA CHRISTIAN UNIVERSITY, MBALE