

ACCOUNTING CONCEPTS AND DECISION MAKING IN FINANCIAL INSTITUTIONS:

A CASE STUDY OF RUKIGA SACCO

BY

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DECLARATION

I declare that this research report is my original work and to the best of my knowledge it has never been submitted to any other higher institution of learning for the same award.

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APPROVAL

I certify that this research has been compiled under my guidance and supervision and is now ready for Submission.

Signature 

Date 29/07/2025

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(UNIVERSITY SUPERVISOR)

DEDICATION

This research is dedicated to my beloved parents Mr. Tumuranye Gad and Mrs Ahimbisibwe Agnes, whose unwavering support, encouragement, and sacrifices have been the foundation of my academic journey.

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First, I give thanks to the almighty for leading me to this level in specifically the completion of this research report.

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I would like to express my report to my course mates and friends for academic advice, companionship and debate during learning. God bless you and thank you.

Finally, my felt thanks go to my dear respondents of Rukiga SACCO, Kabale branch that provided maximum cooperation by responding favorably to the study tools during data collection. Without your support, this research would fail.

May the all-powerful God the owner and giver of everything reward you all in his faithful way.

LIST OF ACRONYMS

| | |
|---------------|---|
| AC | Accounting Concepts |
| BBA | Bachelor of Business Administration |
| BBUC | Bishop Barham University college |
| BOD | Board members |
| BoU | Bank of Uganda |
| IFRS | International Financial Reporting Standards |
| MAAIF | Ministry of agriculture animal industry and fisheries |
| MAI | Management Accounting Information |
| RSACCO | Rukiga SACCO |
| SACCO | Savings and credit cooperatives |
| SMEs | Small and medium enterprises |
| SUPCO | Supervisory committee members |
| UBOS | Uganda bureau of statistics |

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ABSTRACT

The study took into account decision making and accounting ideas in financial institutions case study of Rukiga SACCO. It was based on the following concrete Objectives; to examine the influence of reliability on financial institutions decision making at Rukiga SACCO, to research the influence of completeness on financial institutions decision making at Rukiga SACCO and to ascertain the relation between concepts of accounting and financial institutions decision making at Rukiga SACCO. It employed a mixed-methods study that synthesized both qualitative and quantitative approaches. This study used a case study research design. The study was conducted among the employees, SUPCO members and Board members of Rukiga SACCO. The researcher used 70 respondents from the total population of 85 Rukiga SACCO stakeholders. Among the sampled respondents, 52 were employees, 16 were SUPCO members and 17 were Board members. The study employed both non-probability and purposive sampling design with the quota sampling technique. Slovic sample size calculation method was used in order to obtain the required sample. The researcher made use of questionnaires and interviews as a tool or methodology through which information was gathered. Questionnaire information was coded, keyed into computer utilizing Microsoft Excel computer programme, then percentages and frequencies calculated. The findings indicated that true financial statements indicate the actual financial standing and creditworthiness of a borrower and this allows Rukiga SACCO to make realistic choices in lending, interest and repayment period this was 21% of the respondents. The findings also indicated that completeness in accounting for revenues and expenses allows Rukiga SACCO to accurately determine profitability and operational efficiency as indicated by 24%. Accounting principle dictates that revenues and expenses should be accounted for when

they are earned or incurred rather than when cash is expected to change hands as indicated by 19% quoted. The researcher recommends that Rukiga SACCO should conduct its accounting process from time to time in order to identify any flaws or loopholes that would lead to poor financial data.

CHAPTER ONE: INTRODUCTION

1.0. Introduction

This chapter includes study background, problem statement, study purpose, study objectives, significance of the study, scope of the study and the study conceptual framework.

1.1. Study Background

Historical Background

Accounting has a historical background which goes way back when it began as being just a practical exercise of stewardship (Boyns& Edwards, 2013). Double entry bookkeeping was invented in Italy in the 13th century but was disseminated throughout Europe after Franciscan Irion Bacioli published sun made arithmetical in 1404 a book that included some chapters on accountancy. Growth of tax big business in the 19th century and legislative measures to control them required the establishment of accounting for income, expenditure and asset was required (Edwards, 2022). Shareholders' information needs in the early 20th century gained greater significance particularly in the aftermath of the Wall Street crash of 1929. In Britain, it was set of published accounts made compulsory by companies" act of 1948, while in Nigeria the equivalent was 1968 companies" act and the subsequent adopted (Jones, 2015). All over the globe, accounting principles as an asset of procedures, individuals, techniques and machinery utilized on a constant basis to transform business transactions, Hermanson et al, (2017), data is hence even more useful when delivered through a proper reporting system that gives it good qualities such as correctness and reliability among others and this can be achieved by the use of a computerized accounting system.

Accounting is utilized by the owners of a business to record, report and analyze financial concepts of their company and in the process, companies will prepare numerous pieces of financial information from business transactions and consolidate such information into journals and general ledgers (Osmond, 2021). Accounting will be a process done on paper with papers and paper books for financial information in the traditional approach. Business technology has moved leaps and bounds forward in the field of financial management and bookkeeping software.

In Africa, day by day, people and businesses employ accountants to assist them in fulfilling the mathematical aspects of accounting and book balancing. Prior to the time when information technology was integrated into accounting, these accounting functions were done manually. But today in the majority of African nations, the majority of accountants and even non-accountants opt to use computer programs to do these tasks (Osmond, 2021).

Accounting concepts (AC) study in Uganda includes general business core with focus in management information systems and accounting in order to prepare students for accounting careers that are specialized, auditing, consulting, business analysis, and management (Joabs, 2019).

Besides the obvious importance of both AC and accounting to all business sizes and types, career outlooks in the 2018 Bureau of Labor Statistics indicated that an investigation of AC can be followed by a profession which should be stable and lucrative (BLS, 2018).

Accounting has become a career that is one of the pillars holding together all aspects of the Ugandan Economy like the individuals, organizations, co-operate bodies and the government. In our day-to-day life, we are faced and tested with matters of Accountability, transparency and otherwise which necessitates the requirement for proper and timely strategic decision-making as managers of ourselves, co-operate bodies and of businesses (Goff, 2020). Just like any other financial institution, Rukiga SACCO has faced loan default risks, regulatory problems, and lean financial resources. However, through the adoption of sound accounting principles and decision-making procedures like auditing, consulting, business analysis and management, SACCO has been able to maintain its operations and members' trust intact (Corner, 2016). Rukiga SACCO continues to play a significant role in financial empowerment of the local populace, business development, financial education, and improved livelihoods. This is through sound governance, members' engagement, and the application of basic accounting principles in making decisions. Theoretical background

This study confirmed Donaldson's (2018) contingency theory that organizational effectiveness results from organizational attributes and contingency factors relationship and that organizational performance rises as a consequence of the match between context and organizational structure.

In this context, greater congruence between structure and environment leads to improved organizational performance (Al-Omiri and Drury, 2017). According to contingency theory, it does not exist anywhere that there are some common relevant accounting concepts (AC) that can be applied everywhere due to the fact that effectiveness and usefulness of AC rely on some external forces such as environment and market and internal forces such as technology and strategy.

Here, there is a greater level of fit among the structure and context that leads to higher organizational performance (Al-Omiri and Drury, 2017).

There is some research that uses this strategy that has a look at the interaction among the contingency factors, the concepts of accounting, as well as performance. This kind of research shows that there is interaction among the influencing factors and the accounting information concepts. This, though, is on the basis that such factors are interdependent. Companies are compelled to position their resources in a manner that makes such interaction feasible (Bouliaine, 2017). The theory is to this work as SACCOS also have a line of communication that needs to be crossed in order to convey a particular idea. Conceptual background

Conceptually, Maynard (2017) elaborated that one of the elements of accounting is the process of systematic summarizing, classifying and recording of the transaction which affects a business entity and such transaction acts as the base of the company's finance which are termed as financial statement.

Birt et al., (2020) includes that accounting is a systematic process of quantitatively and financially recording an economic history and plans of an organization to reveal facts and analyze such facts analytically so that facts suitably for the advisory objectives of the management.

The accountant is responsible for supervising, controlling and coordinating the bookkeeping personnel. It is his job to prepare periodical account such as trading, profit and loss account and other financial statements in a manner so that it would be helpful to the management not only in assessing past performances but also in making future policy (Byrne & Pierce, 2018). Accounting is a system of theories and techniques through which money information are converted to information to report, plan, control and

make decisions, as according to Otley (2019). Thus, as per the researchers, accounting can simply be looked at as orderly recording of business transactions in a way showing the financial position of the firm at the end of the year.

This data encompasses elements such as revenue, expenses, assets, liabilities, and equity that affect the performance and position of the organization Collier, P. M. (2015). Accounting concepts enables planning and forecasting of the organization. Financial goal setting as well as budget formulation, for instance, are some of the very important activities that largely rely on. But accounting principles, despite their utility in decision making, may lead to poor decision making in certain circumstances. For instance, partial information, where the accounting is not thorough or lacks specific details, decision makers may not capture critical aspects in evaluating the options, leading to second-best decisions (Miller & Bahnsen, 2017).

Further, outdated accounting information may lack accuracy in the firm's current position, leading to decisions on old or incorrect information (Boyns, 2013). Decision-makers are required to critically analyze information, consult advisors where needed, utilize other sources of information other than accounting information and be attentive to financial and non-financial considerations in making decisions in an attempt to mitigate these risks. Beyond implementing strong internal controls and ethics, businesses need to ensure accuracy and truthfulness in accounting information (Taylor, 2020; Miller, 2021).

Contextual background

In the modern financial environment, the application of sound accounting principles is critical to the effective operation and sustainability of financial institutions. Accounting concepts such as accrual basis, consistency, going concern, prudence, and materiality are not merely theoretical; they serve as the foundation for accurate record-keeping,

financial reporting, and informed decision-making (Atrill & McLaney, 2019). These concepts ensure that the financial information presented is reliable, comparable, and relevant for various stakeholders, including management, regulators, and members of financial cooperatives such as SACCOs.

Savings and Credit Cooperative Organizations (SACCOs) play a pivotal role in promoting financial inclusion, especially in rural and underserved areas. In Uganda, SACCOs are crucial for mobilizing savings, offering affordable credit, and improving the socio-economic wellbeing of members (MAAIF, 2014). However, their success largely depends on the adoption and integration of proper accounting systems and decision-making frameworks. Ineffective accounting practices can lead to poor financial management, limited transparency, and loss of member trust (Kakuru, 2015). Rukiga SACCO, situated in the Kigezi sub-region of southwestern Uganda, exemplifies a typical rural-based financial institution striving to balance financial growth with member-focused service delivery. As it expands in membership and financial activities, the application of fundamental accounting concepts becomes increasingly important in guiding both operational and strategic decisions. Key decisions such as loan disbursement, investment allocation, and risk management must be based on accurate and timely financial data (Ocen, 2020).

Despite their growth, many SACCOs like Rukiga SACCO continue to face challenges in adopting robust accounting concepts due to limited technical capacity, lack of automation, and inadequate financial literacy among staff. This has affected the quality of financial information used for decision-making and exposed the institution to financial risks or regulatory non-compliance (BoU, 2021). Therefore, studying the

linkage between accounting concepts and decision-making within SACCOs is vital insights in improving performance, sustainability, and member confidence.

1.2. Statement of the Problem

Financial institutions including SACCOs operate in a dynamic and highly regulated environment where accurate financial reporting and strategic decision-making are critical (Kipkorir & Njeje, 2016). However, challenges arise due to the complexity and interpretation of accounting concepts. Misapplication or inconsistent adherence to principles such as accrual accounting, prudence, and materiality can lead to inaccurate financial statements, affecting decision-making processes (Kahoro, 2017).

A case in point is Rukiga SACCO where financial scandals related to financial reporting arose in the past two years of 2022-2023. According to the Rukiga SACCO annual report 2023 the SACCO faced a fall in the performance that eventually created a gap in the whole deployment systems. There was a fear that if accounting concepts such as systematic recording, classifying and summarizing of the transaction are not given a high priority, there was likelihood for the SACCO to make losses and poor decisions towards its implementation programs. It is against this background that researcher investigated how effectively accounting concepts were applied within financial institutions and their impact on decision-making processes considering a case study of Rukiga SACCO.

1.3. Purpose of the study

This study is focused on investigating how effectively accounting concepts are applied within financial institutions and their impact on decision-making processes.

1.3.1 Objectives of the study

- I. To examine the effect of reliability on financial institutions decision making at Rukiga SACCO.
- II. To investigate the effect of completeness on financial institutions decision making at Rukiga SACCO.
- III. To identify the relationship between accounting concepts and financial institutions decision making at Rukiga SACCO.

1.4 Research questions

- I. What is the effect of reliability on financial institutions decision making at Rukiga SACCO?
- II. What is the effect of completeness on financial institutions decision making at Rukiga SACCO?
- III. What is the relationship between accounting concepts and financial institutions decision making at Rukiga SACCO?

1.5. Significance of the study

Successful completion of this research is anticipated to be of great advantage in the following aspects; Results of this study are anticipated to be advantageous to financial institutions like Rukiga SACCO by bringing to light the role of correct and accurate financial information in ensuring transparency and accountability. This will also enhance customer base as customers will be assured of security for their deposits.

The study is likely to benefit the policy makers such as the government in regulating and making policies and rules to ensure uniformity of accounting practice in the financial institutions in Uganda.

Shareholders and members of financial institutions are likely to benefit from the results of this research through access to better decision making towards maximum utilization of resources and better returns.

Finally, the study is also likely to benefit the researcher in being awarded with a Bachelor of Business Administration of Uganda Christian University as a prerequisite by a university to award an individual a degree. The study is also likely to act as a reference to the potential researchers who intend to carry out a study on the same or related idea and thereby it is likely to act as a reference to the potential researchers.

1.6. Scope of the study

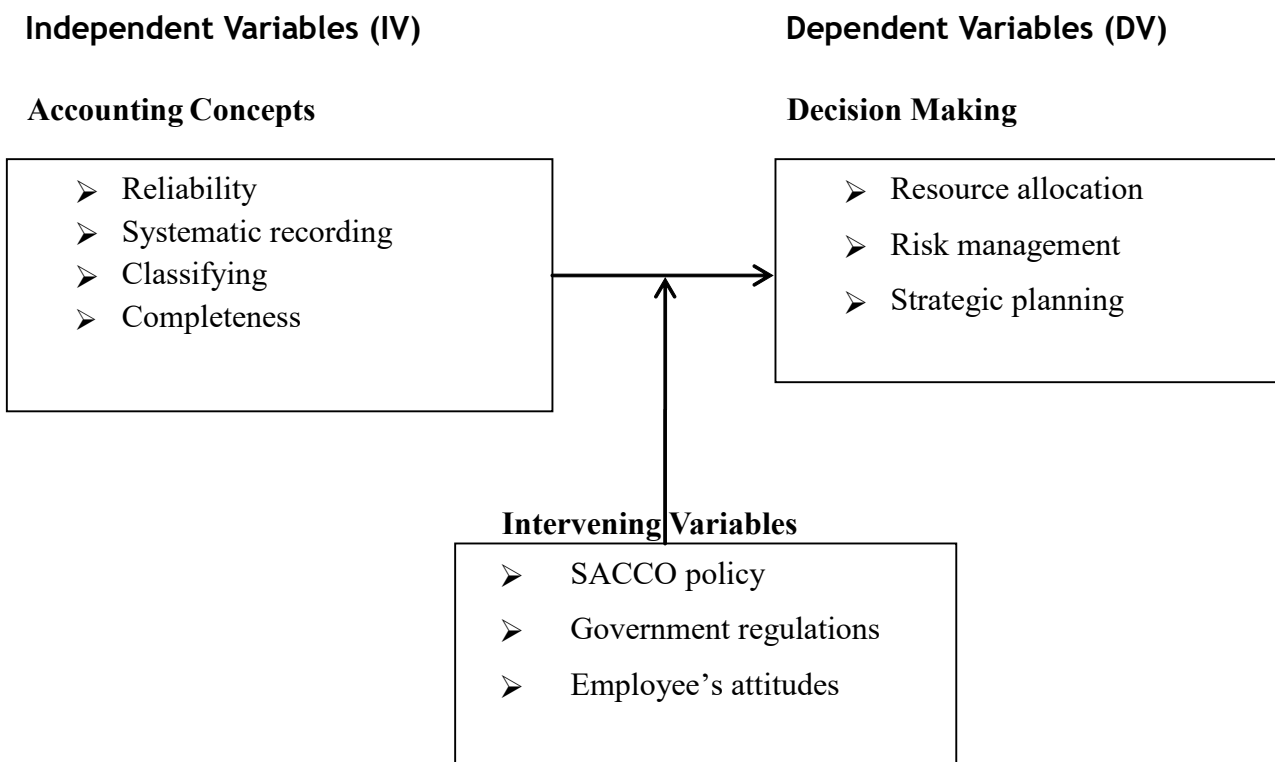
Scope of the study was categorized under geographical scope, time content scope as follows;

Content scope. The research was limited to covering how accounting concepts are relevant in financial institutions and how they influence decision-making. Specifically, the study examined the impact of reliability on decision making in financial institutions in Rukiga SACCO, examined the impact of completeness on decision making in financial institutions in Rukiga SACCO, and posited the relationship between accounting concepts and decision making in financial institutions in Rukiga SACCO. Rukiga SACCO has been selected based on its need for accounting concepts and financial performance. Geographical scope.

Geographically, the study was conducted from Rukiga SACCO within Kabale municipality. Rukiga SACCO is predominantly located in Rukiga District in south western Uganda with headquarters in Muhanga. It was established in 2004 and has expanded through nine branches to cover Rukiga, Kabale, Rubanda, and Rukungiri districts. The SACCO has over

24,000 members who are mainly farmers and small-scale entrepreneurs and has also expanded its services to the nearby districts in an effort to boost financial inclusion. Its coverage geographical area is the greater part of the Kigezi sub-region and is therefore a top rural financial institution in southwestern Uganda. Time frame. The study was limited to the four-year period (2019-2023) because this is the duration in which institutions such as Rukiga SACCO have been exposed to financial scandals that ought to be attributed to poor financial accounting because this results in poor decision-making especially in handling finances (Annual report, 2023)

1.7. Conceptual framework



Source: Adopted from Vokshi and Krasniqi (2017) modified by the researcher for this study.

Figure 1 demonstrates the influence of accounting concepts on financial institutions decision making. The independent variables included the effects of accounting concepts

that are completeness, systematic recording, classifying, completeness and reliability. The dependent variables consisted of resource allocation, strategic planning, and risk management within financial institutions. Intervening variables such as SACCO set policies, government control and employees attitudes towards accounting matters in this regard. The study employed both analytical and descriptive research methodologies, utilizing primary and secondary data collected from Rukiga SACCO for analysis and application.

1.8. Definition of key terms used

Accounting Concepts. Accounting concepts are fundamental principles and assumptions that are used in the preparation and presentation of financial statements. Accounting concepts make financial statements reliable, accurate, and consistent, allowing stakeholders to make effective decisions.

Decision-Making. Decision making is the selection of a course of action from among alternatives in an effort to achieve a goal or solve a problem. It involves analysis of information, weighing pros and cons, and selecting a best alternative. The act of selecting the best course of action from among a number of possibilities, based on analysis and evaluation of available information for the purpose of achieving organizational objectives.

Financial Institution. An institution that conducts financial activities, i.e., deposits, loans, investments, and foreign exchange of money. They consist of banks, credit unions, and SACCOs. **SACCO (Savings and Credit Cooperative Organization):** A member-owned institution providing savings and credit services to members and aimed at economic empowerment and financial inclusion.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter is a guide to provide logical and critical literature reviews in relation to the accounting concepts and decision making. The chapter is structured while keeping the study specific objectives like; effect of reliability on decision making of financial institutions, effect of completeness on decision making of financial institutions, and relationship between accounting concepts and decision making of financial institutions.

2.1. The role played by reliability in financial institutions decision making.

Houghton et al. (2018) describe that there was a need to maintain client's confidence and trust using reliable financial information. Reliable financial reports should accurately depict an institution's cash flows, performance, and financial condition so that stakeholders can make sound decisions. Financial institutions that have trustworthy financial accounts possess a value when accepted by clients as found by Hammad and Morton (2018). The majority of the clients to financial institutions that prove responsible for fiscal aspects and transparency are likely to be accepted. The financial solidity and running capability of a financial institution are therefore affected (Houghton et al., 2018; Hammad & Morton, 2018).

Financial decisions that are made by financial institutions involve the allocation of resources based on the organizational objectives. The accuracy of financial accounting is a critical component of this process. Properly informed decisions like budgeting, program execution, and resource allocation are made by financial institutions' management because of the availability of financial information (Garcia & Lima, 2018). Resource misallocation in the absence of reliable financial information could compromise

the objectives and aims of the organization. Financial information reliability and accuracy have an impact on bank risk management and strategic planning, according to a study by O'Dwyer and Unerman (2020).

Banks with credible financial accounts are more effective at risk management, long-term goals formulation, and managing financial problems. This enables the bank to accomplish its objectives and fulfill its mission easily. We need to take into account that the financial accounts' credibility and customers' trust are directly associated with each other. According to Connolly and Hyndman (2017), donors must ensure that their deposits and savings actually get used properly and for the expected purposes. This assurance is still provided by credible accounting statements, which substitute trust and allow the existence or expansion of savings. Besides, financial institutions through authentic financial records fare better when they submit competitive grant proposals, as evidenced by field study results. Financial institutions are likely to examine an institution's credibility and legitimacy by wisely taking into account its finance reports. As suggested by Cordery and Simpkins (2019), investments in Banks that provide reliability in finance reporting are viewed as less risky and can earn trust from customers.

2.2. Completeness and its effect on financial institutions decision making.

This involves detailed records of revenues, outlays, assets, and payments. Transparency and accountability are most essential to the operations of a bank since they depend on this kind of information in a bid to make decisions that suit their purposes and customers' expectations. Precise complete financial information has a major influence on financial institutions' financing decisions. Banks require precise financial information to allocate

resources and make budgets. Faulty financial information, which can contribute to suboptimal resource allocation, might negatively influence the effectiveness of financial institutions' operations. This is confirmed by research carried out by Agyemang, Awumbila, and O'Dwyer (2009), and demonstrates the significance of complete information for resource allocation. Complete financial information has great impact on the financing decisions of banking institutions.

Right and complete financial information is important for optimum utilization of resources and planning. Incomplete or inaccurate financial data can result in wastage of resources, which in turn may have impact on the efficiency of operations of financial institutions. Agyemang, Awumbila, and Dwyer (2009) research indicate the need for complete data for the distribution of resources. There are reports that robust accounting records are necessary for financial institutions to enable them to make appropriate and effective resource allocation, thus undermining the success of their projects. Further studies confirm such evidence. For financial institutions, Kaplan (2001) quotes the necessity of having complete financial information for the evaluation of performance as well as accountability. Kaplan's results identify it is difficult for financial institutions to prove their value to.

In addition, Hendricks (2008) outlines the danger of inadequate financial information in financial institutions and highlights how it affects financial mismanagement and stakeholders' loss of confidence. Impressive financial reporting structures are required to maintain accountability and transparency since the study indicates from Hendrickse. Financial information allows financial institutions to facilitate financial institutions' provision of comprehensive reports, which creates confidence and trustworthiness. Nevertheless, as per Connolly and Hyndman (2013), non-transparency can lead to a

bank's customer losing confidence. In addition, extensive financial information facilitates banks in carrying out risks better. With numerous financial problems, such as fraud, bad transactions, and bad administration, banks must achieve them. Extensive financial information makes early detection of possible risks and application of countermeasures possible. Financial institutions long-term survival, as emphasized by Cordery and Baskerville (2007), shatters on their role towards risk management.

Financial institutions can employ numerous greatest practices to ensure completeness. Use of standardized reporting frameworks such as the International Financial Reporting Standards (IFRS) can guarantee continuity and completeness of records. Sustainability Accounting Standards Board (2016) advises the use of this technique. Also, the quality and adequacy of the financial data can be improved through the implementation of supporting training and education of finance personnel. Certification schemes, workshops, and seminars can do much, as highlighted by Bradshaw, Heyday, and Armstrong (2007). Another efficient way is the utilization of technology. Both processes of reporting and data gathering processes can be improved through the utilization of more.

2.3. Accounting concepts and financial institutions' decision making.

A study was done by Hafij, Jamil and Syeda (2014) on the contribution of accounting concepts in making strategic financial decisions of Bangladesh's financial intuition. Five areas which necessitate strategic decision, human resource decision were selected to carry out the study. T-test, mean, standard deviation and percentage were used in order to establish efficiency of the accounting information in making the long term strategic decisions. The study established that there is great relationship that exists between

strategic decisions and accounting concepts in all the areas mentioned above that have tremendous dependence on the concepts in accounting. Lonu and Petec (2015) conducted research regarding the use of accounting concepts in decision making.

Four qualitative concepts characteristics have been identified by the researchers such as reliability, information compatibility, comprehensibility and relevance. Researchers also believed that accounting concepts will be crucial in keeping the economic decisions intact, with possibilities of a true reflection of economic phenomena and processes. Routine operation and decision making by the users does exist and they use financial statement information. This indicates that accounting concept has a beneficial impact on decision-making. Gwangwava, Faitira and Tendere (2016) have studied organization book keeping records; A sample of 135 firms were chosen in accordance with ZTA data base and findings indicated positive correlation between data base records and SMEs performance.

Inter-relationship between marketing and manufacturing related strategic decision making and accounting was validated through the aid of pearson"s correlation. Study results showed that accounting information is statistically significant highly positively related to both marketing related strategic decision making and manufacturing related strategic decision making of the firms in Sri Lanka"s manufacturing sector. Drury (2008) expresses that accounting is the language that is used to communicate economic information about the business operations one of the key issues that characterize both decision making and management accounting is the link between management accounting data (MAI) and strategic planning (Atrill and McLaney, 2009). Literature on the same is becoming more frequent with the unprecedented technological advancement making it viable to conceptualize and use MAI in a strategic environment (Bruening et

al., 2008). In an ever more uncertain and dynamically changing surroundings, organizations around the world require enhanced ability in account practice and quality activity.

Nnenna (2012) and Drury (2008) all support that the unstable business environment is forcing organizations to seek more up-to-date accounting information to use in strategic planning. MAI can be extremely useful for strategic planning. Utilization of management accounting as a strategic planning tool is required in advancing organizations since there are many threats and challenges that continue to confront a rapidly globalized world (Frezatti et al., 2009).

2.4 Theoretical Review

Falkenhausen & Fleischmann, (2019), have listed business strategy as one of the influential variables in contingency studies. Bellisario, (2021), has also shown within the organizational setting that the context variables such as strategy and organizational structure should be aligned with the performance measures.

As the dynamic niche of strategy entails that the managers constantly check how sets of environmental conditions by the managers and how they assess structures and technologies most likely to lead to improvement in performance.

Aside from some very old research studies such as Eisenberg, (2017), some researchers in the recent past such as Hoque, 2004; Gosselin, 2005; Van der Stede et al., (2006) have created a positive relationship between PMS and organization's strategy.

Beyond a shadow of doubt organizational structure is one of the most fundamental characteristics in an organization that leaves a gargantuan impact on its performance as

stated by Eisenberg, (2017). Efficiency, morale, and effectiveness are under performance that is most likely to be affected by organizational structure. Therefore researchers like Pasolo,, (2024), have made organizational structure among various key drivers affecting management accounting practices. Furthermore, a strong relationship between organizational structure and performance measurement has also been confirmed by various studies.

Eisenberg, (2017), said Contingency theory argues in a particular manner that the effectiveness of organisational design is dependent on organisation design being congruent with contingency theory variables from an environmental context. Falkenhausen & Fleischmann, (2019), proceeded to say that the extent to which PMS and organisation structure determine organisational performance is not well known. Scherer & Ross, (1990), said competition between organisations as one of the main determinants to use in measuring organisational performance. Whereas, Alinejad (2019), stipulated that performance as well as organizational design can be influenced by a powerful force of competition. In agreement to this, Eisenberg, (2017), also added that the appeal of non-financial performance measures even increases with more competition because both are core measures of performance. Oyewobi, (2016), stipulated competition as a determinant of the utilization of a number of performance measures a strongly influencing organizational performance.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlines the description of methodologies that were employed with a view to studying the influence of accounting concepts on financial institution decision-making. It comprises the research design, methodologies, study location, study population, sampling techniques, data collection procedure, quality control, data analysis and ethical issues.

3.1. Study design

According to Kigenyi, (2017), research design is the master plan on the basis of which research contributors are chosen and data are gathered from every one of them. Case study design was used in this research. According to Kothari (2014), case study is an intensive and thorough study of a social unit, an institution, a family, a cultural group or the entire community. He also argued that a case illustrates depth and not breadth of research. It is therefore better because it allowed strict analysis of the underlying themes under this research.

3.1.1 Research Approach

The research utilized a mixed-methods approach combining both quantitative and qualitative methods. This technique was applied because it facilitated a complete analysis of the topic under investigation. Quantitative methods are study designs used to carry out research with a view to quantifying and apply in an endeavor to describe the situations as they are or to study relationships like cause and effect of relationship (Amin, 2022). Quantitative information was gathered through a survey questionnaire and financial record analysis in an attempt to quantify variables. This type of

information was requested from SACCO personnel. Conversely, Kaddu (2014) posits that qualitative methods involve gathering and interpreting oral/non-numeric information from respondents. Therefore, qualitative data was collected through interviews and focus groups with members of RSACCO, Supervisory committee members (SUPCO) and Board of Directors to gain in-depth insights into how accounting concepts are applied within financial institutions and their impact on decision-making processes.

3.2. Study Area

The study was conducted in Rukiga Savings and Credit Co-operative Society Ltd (RSACCO). This SACCO was registered as a financial co-operative society under the 1991 Cooperatives Statute in 2004. It is a farmer-owned financial cooperative operating in the Kigezi sub-region in south western Uganda with over 407,111 households and a population of over 1,997,326 (UBOS, 2024). The SACCO's outreach by 31st December, 2023 stood at 24,316 members served in 7 branches by 52 full-time employees with the ambition of more expansion and growth.

3.3. Study target population

The study was conducted among Rukiga SACCO staff, SUPCO members and Board members. The researcher targeted 70 respondents from a total population of 85 stakeholders of RSACCO. Out of the targeted respondents, 52 were staff, 16 SUPCO members and 17 Board members.

3.4 Sampling techniques

The study employed both purposive and non-probability sampling design with quota sampling technique. The sampling techniques involved avid understanding of the nature of the population such as education level, gender, occupation, age, and marital status. This was after the targeted respondents were non-homogeneous and thus a cross section

of opinion was necessary for this study. Purposive sampling was used essentially to select the SACCO Board and SUPCO members, as these were expected to be having first-hand information about decision making processes in this institution, while random (non-probability) sampling was used to select SACCO staff in the various branches. As if that is not enough, the researcher also used records by Rukiga SACCO to get supplementary information regarding accounting concepts and decision making within financial institutions.

3.5 Determination of sample size

The study used Slovene's formula for determining sample size in order to obtain the right sample for this study which was calculated as $n = \frac{N}{1 + Ne^2}$, where (n) is the sample size, (N) the population size (N) and (e) a margin of error.

Therefore, out of the target population of 85 SACCO stakeholders (SUPCO, Board, and staff members) the sample size was computed as follows;

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{85}{1 + 85(0.5)^2}$$

$$n = \frac{85}{1 + 85(0.0025)}$$

$$n = \frac{85}{1.187}$$

$$n = 71.6$$

$$n = 71$$

$$n = 71$$

$$n = 71$$

$$n = 71$$

$$n = 71$$

1.2

n = 70 respondents

Table 1: Shows the target population and sample distribution of the study

| Category | Targeted Population | Sample size | Technique |
|---------------------|----------------------------|--------------------|--------------------|
| SUPCO members | 16 | 06 | Purposive sampling |
| Board members (BOD) | 17 | 12 | Purposive sampling |
| SACCO staff members | 52 | 52 | Census |
| Total | 85 | 70 | |

Primary Source: RSACCO Human Resource Department, (2024)

3.6 Data sources

The study relied on both primary and secondary data sources. Primary data was collected from the field using questionnaires and interview guide. Secondary data included a review of the available documents deemed to have relevant information, like journals, articles and other published materials with literature related to the subject under study. Some secondary data sources such as reports were sought from the RSACCO branches, magazines, online journals, newspapers, among others.

3.7 Data collection tools and methods

A series of methods or tools were employed through which data was gathered and for the case of this study, the following were included;

3.7.1 Questionnaires

Questionnaires were prepared to help in collecting necessary specific responses that are needed in this research. They were mostly in the form of office or home questionnaires. The researcher distributed these questionnaires to employees across all the Rukiga SACCO branches and collected them after they were filled. When distributing questionnaires, the researcher provided brief explanations to build rapport and a guide on question approach were provided. The questionnaires for guidance contained open-ended and close ended questions and were given out to obtain data from managers, accountants, credit officers who needed high confidentiality and those who were found busy at the SACCO in offices during the study. The questions in these questionnaires were formulated based on the objectives of the study. The researcher distributed the questionnaires to the respondents and collected them on the dates agreed upon when they were ready. The tools were suitable to administer to the staff, as they did not have time to sit for interviews.

3.7.2 Interviews

One-on-one interviews were conducted and this included one interviewer and one respondent.

With the utilization of the interview method, the researcher was in a position to obtain information directly through a one-to-one interaction. An interview guide was prepared in advance and in a language that is clear to respondents. This was adhered to while interacting and collecting data from respondents like those who work under strict schedules and thus had sufficient time for response to questions. These were targeting most of the SUPCO and RSACCO Board members' responses, since these were better placed to give more data on the topic.

3.8 Data collection procedures

Authority to collect data from the field was embodied in the introductory letter which was obtained by the researcher from the Head of department of Business studies at Bishop Barham University College in Kabale.

This acted as an implementation key to the research field activities.

By use of interviewing, the researcher motivated the respondents through easily establishing rapport or building good working relationship with them.

The researcher also dressed, appeared, looked and behaved decently so as to affect the respondent's willingness towards their participation in the research process. Interviews were conducted in order to obtain first-hand information specifically from qualified informants like RSACCO Board and SUPCO members. This was ideal in terms of recording non-verbal communication if face-to-face interviews were being conducted. There was also the utilization of interview guides which helped in controlling the questioning atmosphere, through governing the sequence or the direction of the questions.

3.9 Data Presentation, Discussion and analysis.

The data analysis began with the assembling of assembled data which had been recorded during the interaction with the respondents, and putting all the questionnaires in order. This is referred to as Data assembling' (Kothari, 2014).

This was carried out in order to check for completeness and consistency, errors and omissions in the questionnaires.

After that, questionnaires' data was coded, computer-entered via Microsoft Excel program, then frequencies and percentages were counted.

Afterwards, this data was tabulated, exported to Microsoft word and some narrations were inserted to display the data statistically for convenience in interpretation. (You have to discuss the findings and draw conclusions depending on your objectives

3.10 Ethical considerations.

Ethics are the standards of conduct which enable us to behave defensibly in the political circumstances in which we have to conduct educational research. Ethical issues in research involve codes of behavior which have an interest in protecting the researched from physical, mental and/or psychological harm (Chilisa, 2021).

The guidelines of ethics to protect the researched are the promise of anonymity of the researched and secrecy of the answers as suggested by Chillisa.

There are several research problems that are addressed by ethics, but there are four general principles which involve whether there is harm to participants; whether there is lack of informed consent; whether there is invasion of privacy and whether there is deception (Diener and Crandall, 2018).

In this research, the interviews were carried out in peaceful settings which was selected by the participants. The researcher proceeded to the volunteers who were ready to take part and engage in the study. By doing this, the aim of the study was revealed for the respondents in the study area to know what they were taking part in. SACCO staff (employees), SUPCO and Board members were approached individually and asked to respond if they were ready to be interviewed regarding the topic of study. With regard to consent, it was verbally given at the beginning of the meeting and respondents were free to withdraw from the study at their own wish in case they did not feel comfortable with it. All the participants were free to talk, and they had not been compelled in any way to answer what they do not feel comfortable with. As indicated, the participants

chose the location where interviews were to take place and this was part of their privacy being maintained and respected. In addition to that, their identities in the study were hidden; in place of their names, codes were utilized.

3.11 Research limitations and delimitations

The most significant problem was resistance from the respondents. Preliminary results showed that the closedness of Kabale and Rukiga districts especially in the areas where most of the SACCO branches are located was a great hindrance. This is guided by the fact that most of the staff working in this SACCO and even stakeholders are residents of this area and most of them are so secretive. Because of this, they were at one time not willing to disclose much concerning the SACCO to any unknown individual(s) whom they were not familiar with. However, to reduce this problem, the researcher first established a rapport to gain the attention of his respondents.

Furthermore, an introductory letter also supplemented on this, leading to the success of the study.

Lastly but not least, there was less time and resources for this research, an explanation as to why the expected sample size was quite smaller than what is potentially capable of giving a better insight on the topic. For example, two other or all SACCOs in the research area and elsewhere could be targeted rather than concentrating on Rukiga SACCO alone but it was not possible. On the resource front, the researcher was confronted with a problem of limited finances for transport to commute to and from the study zone, photocopying, printing, binding, and other research expenses. However, the cost of transport is bound to be minimized by requesting financial assistance from friends and family members. More importantly, this helped with the cost of printing, photocopying, binding and other costs, a combination of which enabled the study to be

carried out. In terms of time, the researcher found herself bogged down with other personal activities like household chores and attending some lectures at the University, and therefore did not have enough time for research data collection. To overcome this, the researcher created a daily work timetable on which she set specific time for research work. This enabled the study to succeed.

CHAPTER FOUR: ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter gives a concise presentation, discussion of findings in accordance with the study goals namely.

4.1 Demographics of the Respondents

Seventy (70) participants were selected from the respondents to participate in the research. The respondents' age, gender, and level of education were considered by the researcher. This biographic data was of primary concern to the researcher and study so that the best respondents selected for the study could be defined as follows.

4.1.1 Sex of the Respondents

The researcher also considered the gender of the respondents and the results in table 4.1.2 below were obtained.

Table 4.1.2: Showing the Sex of the Respondents

| Sex | Frequency | Percentage |
|--------------|-----------|------------|
| Male | 28 | 40 |
| Female | 42 | 60 |
| Total | 70 | 100 |

Source: Primary Data (2024)

The study results presented in table above indicated that 40% of the highest numbers of respondents were females whereas 60% of the least number of respondents were males. The researcher considered the sex of respondents with the aim of ensuring gender

balance in the study. However, the results indicated that the number of females was bigger than that of males because, females dominated in the study than males.

4.1.2 Age of the Respondents

In a bid to record the bio data of respondents, the researcher considered the age of respondents and the results in Table 4.1.1 below were recorded:

Table 4.1.1: Showing the age of the Respondents

| Age | Frequency | Percentage (%) |
|--------------|-----------|----------------|
| 20-30 | 13 | 19 |
| 31-40 | 20 | 29 |
| 41-50 | 23 | 33 |
| 51-60 | 17 | 24 |
| Total | 70 | 100 |

Source: Primary Data (2024)

According to the table, the respondents who participated in the study were in the ages 20-30 and they accounted for 19%. Others who were in the ages of 31-40 accounted for 29%. The respondents who were in the ages of 41-50 were 33% while those in ages between 51-60 were 24% bringing the total to 70 and 100%.

4.1.3 Educational level attained by the Respondent

The researcher further considered the highest levels of education attained by respondents and the results presented below in Table 4.1.3 were recorded.

Table 4.1.3: Showing the highest level of Education by the respondents

| Educational Level | Frequency | Percentage |
|--------------------------|------------------|-------------------|
| Certificate | 11 | 16 |
| Diploma | 25 | 36 |
| Degree | 20 | 29 |
| Postgraduate | 14 | 20 |
| Total | 70 | 100 |

Source: Primary Data (2024)

According to the results presented in table 3 above, 16% of the respondents had obtained certificates. Other respondents who accounted for 36% had obtained diplomas from different higher institutions of learning. The other respondents had obtained degrees and they accounted for 29%. The other respondents who accounted for 20% had obtained postgraduate diplomas and hence this brought the total to 70 and 100%. The researcher considered the respondents' highest level of education in order to ascertain the relevant data collection tools to be selected basing on their literacy levels.

4.1.4 Years spent working with Rukiga SACCO

The researcher further considered the Years spent working with Rukiga SACCO respondents and the results presented below in Table 4.1.4 were recorded.

Table 4.1.4: Showing the Years spent working with Rukiga SACCO by the respondents

| Response | Frequency | Percentage |
|--------------------|------------------|-------------------|
| Less than 1 year | 15 | 21 |
| 1-5 years | 21 | 30 |
| 5-10 years | 22 | 31 |
| More than 10 years | 12 | 17 |
| Total | 70 | 100 |

Source: Primary Data (2025)

According to the table 4 above, the respondents who accounted for 21% had worked for 21%, others who accounted for 30% had worked for 1-5 years where as 31% had worked

for 5-10 years. The other respondents had worked for more than 10 years and they accounted for 17%.

4.2 The effect of reliability on financial institutions decision making at Rukiga SACCO.

The researcher further considered the effect of reliability on financial institutions decision making at Rukiga SACCO and the results presented below in Table 4.1.5 were recorded.

Table 4.1.5: Showing the effect of reliability on financial institutions decision making at Rukiga SACCO.

| Response | Frequency | Percentage |
|---|-----------|------------|
| Reliable financial statements provide an accurate assessment of a borrower's financial position and | 15 | 21 |
| Reliable financial data is crucial for making sound investment decisions | 11 | 16 |
| Reliable financial reporting builds trust and confidence among Rukiga SACCO members | 17 | 24 |
| Financial institutions like Rukiga SACCO are subject to various regulatory requirements. | 12 | 17 |
| Reliable financial data allows Rukiga SACCO to accurately assess its financial performance. | 8 | 11 |
| Reliability in accounting information is paramount for sound decision-making within financial institutions like Rukiga SACCO. | 7 | 10 |
| Total | 70 | 100 |

Source: Primary Data (2025)

According to the above table, the respondents who participated in the study indicated that reliable financial statements provide an accurate assessment of a borrower's financial position and creditworthiness and this enables Rukiga SACCO to make informed decisions about loan approvals, interest rates and repayment terms. They argued that without reliable information, the SACCO faces increased risks of loan defaults and financial losses hence this accounted for 21% of the respondents.

The respondents also revealed that reliable financial data is crucial for making sound investment decisions. They revealed that Rukiga SACCO uses this information to evaluate the performance of its investments, assess the risks involved and make informed choices about where to allocate its funds and this includes decisions about investing in government securities, other financial institutions or other ventures as indicated by 16% of the respondents who participated.

The other respondents who accounted for 24% revealed that reliable financial reporting builds trust and confidence among Rukiga SACCO members they revealed that when members believe that the financial information is accurate and unbiased, they are more likely to invest in the SACCO, take out loans and participate in its activities. This trust is essential for the long-term sustainability of the SACCO.

The other respondents who accounted for 17% revealed that financial institutions like Rukiga SACCO are subject to various regulatory requirements. They argued that reliable accounting information is essential for complying with these regulations, such as those

related to capital adequacy, liquidity and reporting. They noted that failure to comply with regulations can result in penalties and damage the SACCO's reputation.

The respondents who accounted for 11% revealed that reliable financial data allows Rukiga SACCO to accurately assess its financial performance. They indicated that this includes evaluating profitability, efficiency and solvency. This information is used to identify areas for improvement, make strategic decisions and monitor progress towards its goals.

Finally, the respondents who accounted for 10% revealed that reliability in accounting information is paramount for sound decision-making within financial institutions like Rukiga SACCO. They revealed that it ensures that the information used for making financial decisions is trustworthy and dependable. This directly impacts the quality of decisions made by management, members and other stakeholders.

4.4 The effect of completeness on financial institutions decision making at Rukiga SACCO.

The researcher further considered the effect of completeness on financial institutions decision making at Rukiga SACCO and the results presented below in Table 4.1.5 were recorded.

Table 4.1.5: Showing the effect of completeness on financial institutions decision making at Rukiga SACCO.

| Response | Frequency | Percentage |
|--|------------------|-------------------|
| Completeness ensures that all loan applications, Disbursements W and repayments are accurately recorded | 13 | 19 |
| Completeness is vital for making sound investment decisions | 9 | 13 |
| Completeness in recording all income and expenses allows Rukiga SACCO to accurately assess its profitability and | 17 | 24 |
| The completeness of financial reporting builds trust and confidence among Rukiga SACCO's members | 10 | 14 |
| Financial institutions like Rukiga SACCO are subject to regulatory oversight. Completeness is essential for | 10 | 14 |
| The completeness of financial reporting builds trust and confidence among Rukiga SACCO's members | 5 | 7 |
| Financial institutions like Rukiga SACCO are subject to regulatory oversight | 6 | 9 |
| Total | 70 | 100 |

Source: Primary Data (2025)

According to the table 4.5, the respondents who accounted for participated in the study revealed that Completeness ensures that all loan applications, disbursements and repayments are accurately recorded. The respondents indicated that if some loan transactions are omitted, the SACCO's financial position regarding its loan portfolio will

be misrepresented. They revealed that this can lead to poor decisions, such as approving loans to individuals or groups that are already over-indebted or failing to identify and address potential loan defaults promptly. Accurate and complete loan data is crucial for assessing credit risk, determining appropriate interest rates and managing the overall loan portfolio effectively.

Others who accounted for 13% indicated that completeness is vital for making sound investment decisions. If all investment income, expenses and changes in the value of investments are not fully recorded, the SACCO's management make uninformed decisions about where to allocate funds. One of the respondents cited an example of that if investment income is understated the SACCO might underestimate its available funds for reinvestment or distribution to members.

The respondents who accounted for 24% indicated that completeness in recording all income and expenses allows Rukiga SACCO to accurately assess its profitability and operational efficiency. This information is essential for making informed decisions about resource allocation, such as staffing levels, branch locations and the introduction of new products or services. Incomplete financial data can lead to misallocation of resources, resulting in inefficiencies and reduced profitability.

The respondents who accounted for 14% indicated that the completeness of financial reporting builds trust and confidence among Rukiga SACCO's members. They revealed that when members believe that all financial transactions are accurately and fully

recorded, they are more likely to trust the SACCO's management and participate actively in its activities. They argued that this trust is essential for the long-term sustainability and success of the SACCO.

The respondents who accounted for 9% indicated that financial institutions like Rukiga SACCO are subject to regulatory oversight. They argued that Completeness is essential for complying with regulatory requirements. They noted incomplete financial records lead to penalties, fines and even the revocation of the SACCO's license and accurate and complete financial reporting is therefore crucial for maintaining the SACCO's legal and operational standing.

4.5 The relationship between accounting concepts and financial institutions decision making at Rukiga SACCO.

The researcher further considered the relationship between accounting concepts and financial institutions decision making at Rukiga SACCO and the results presented below in Table 4.1.6 below

Table 4.1.6: Showing the relationship between accounting concepts and financial institutions decision making at Rukiga SACCO.

| Response | Frequency | Percentage |
|--|------------------|-------------------|
| Accounting concept dictates that revenues and expense are recognized when they are earned or incurred, regardless of when cash changes hands | 10 | 14 |
| Accounting concepts makes Rukiga SACCO will continue to operate in the foreseeable future. | 11 | 16 |
| Accounting concepts requires that expenses be matched with the revenues they help generate in the | 17 | 24 |
| Accounting concepts profitability, liquidity and solvency ratios, which helps the SACCO evaluate | 10 | 14 |
| Accounting data, such as the borrower's financial statements and credit history, is used to assess | 13 | 19 |
| Accounting concepts emphasizes caution when making accounting judgments. | 9 | 13 |
| Total | 70 | 100 |

Source: Primary Data (2025)

According to the table, the respondents who accounted for 19% outlined that accounting principle demands revenues and expenses to be realized when they are earned or incurred, regardless of the time when cash is received. They elucidated that this provides a truer reflection of the financial performance of the SACCO over a specific period. The respondents stated that Rukiga SACCO, which means recognizing interest income when earned, not just when received and recognizing expenses like salaries and rent when incurred, not just when paid.

The respondents who accounted for 16% also stated that with accounting concepts Rukiga SACCO will still be in existence in the foreseeable future. One of the interviewees was quoted to have noted; "Accounting principles influences the valuation of assets (such as at historic cost) and the classification of liabilities (such as current or non-current) and if there were significant doubts about the ability of the SACCO to continue as a going concern, it would require different accounting treatments and disclosures."

The respondents who accounted for 24% stated that the accounting concepts requires expenses to be matched with the revenues they help to generate in the same accounting period. This is for the purpose of determining the profitability of the SACCO correctly. For example, interest expense on loans that should be matched with interest income from the loans.

It was also proposed that accounting concept emphasizes caution when making accounting decisions. They revealed that accounting concepts recognize likely losses as soon as they are anticipated but recognize gains only when they are certain. It is for the purpose of avoiding overstatement of SACCO's performance and financial position as revealed by 14% of the respondents.

The remaining respondents who accounted for 19% indicated that accounting data such as the borrower's financial statements and credit record are used to establish creditworthiness. They revealed that the SACCO uses the data to set the amount, interest rate and loan repayment tenure. One respondent delineated that the prudence concept is being implemented by setting aside provisions for potential loan losses.

The other respondents who accounted for 13% said that investment decision in Rukiga SACCO must decide how to invest its surplus funds due to accounting principles.

Additionally, the respondents said accounting information, including profitability ratios, liquidity and solvency ratios, help the SACCO to evaluate different investment options, including government bonds, fixed deposits, or any other financial instruments.

4.6. Discussion of results

4.6.1 The effect of reliability on financial institutions' decision making at Rukiga SACCO.

The findings indicated that reliable financial statements provide a true image of the financial position and creditworthiness of a borrower and this assists Rukiga SACCO in making efficient decisions in terms of approving loans, setting interest rates, and repayment periods. The findings also indicated that in the lack of reliable information, the SACCO is subjected to greater risks of loan default and financial losses thus this accounted for 21% of the respondents. This concurs with Houghton et al. (2018) who demonstrates that maintaining clients trust and confidence require accurate financial information. Financial institutions with reliable financial records play an importance in acquiring clients according to a study by Hammad and Morton (2018). Most customers to banks that exhibit financial discipline and transparency are more likely to be accepted.

The findings further indicated that reliable financial reporting creates trust and confidence among the members of Rukiga SACCO they indicated that if members are confident that the financial reports are reliable and unbiased, they will be more inclined to invest in the SACCO take loans and participate in its activities as indicated by 24% of the respondents. This trust is required for the long-term survival of the SACCO. The findings are in line with Connolly and Hyndman (2017) that showed contributors must ensure that their savings and deposits are actually being used prudently and for the purpose intended. Such an assurance is still provided by good financial reports, which

substitute confidence and allow one to continue or increase savings. Overall, the findings from the field are partly related to the empirical literature addressed by other researchers and in line with the study objective about the completeness and institutions decision making, hence a good relation has been established.

4.6.2 The impact of completeness on financial institutions decision making at Rukiga SACCO.

The findings indicated that accounting for all income and expenditure fully allows Rukiga SACCO to calculate accurately its profitability and operational efficiency as noted by 21% of the respondents.

The finding is consistent with the work of Agyemang, Awumbila, and Dwyer (2009) that stresses the need for complete data for resource allocation. It is claimed that maintaining good accounting records is required for financial institutions in order to make rational and efficient distribution of resources, which also interferes with the success of their projects. The findings also depicted that completeness in recording all the incomes and expenses allows Rukiga SACCO to ascertain its profitability and efficiency of operations as revealed by 24%.

This information is required for effective decision-making in resource allocation, such as staffing, branch location, and the introduction of new products or services. Incomplete financial information can lead to misallocation of resources, creating inefficiency and reducing profitability. The findings align with Hartnell (2018) who reveals that, real-time financial analysis is achievable through cloud-based applications and integrated software. With these best practices, financial institutions can improve their decision-making processes and the reliability of their financial information. In light of the purpose of the effect of completeness on financial institutions' decision making at Rukiga SACCO,

findings from the field are related to the empirical literature, an indicator that with these best practices, financial institutions can improve their decision-making processes and the reliability of their financial information.

4.6.3 Accounting concepts vs financial institutions decision making in Rukiga SACCO.

The findings indicated that accounting concept which calls for revenues and expenses to be recognized when they are earned or incurred regardless of when cash changes hands as accounted for 19%. They indicated that this provides a true reflection of the financial performance of the SACCO during a specified period.

This includes recognizing interest income when earned, not simply when collected, and expenses like rent and salaries when incurred, not always when paid. The result of 19% contrasts with Drury (2008) who explains that accounting is the language through which economic information about the business activities a primary problem in both decision making and management accounting relates to the relationship of management accounting information with strategic planning. With regard to the objective about the relationship between accounting concepts and financial institutions decision making in Rukiga district, the empirical findings on the ground indicated a strong relationship between the variables though the empirical literature argues noting that the language expresses economic information about the business activities a fundamental problem in both management accounting and decision making.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENATIONS

5.0 Introduction

The chapter contains conclusions and recommendations based on analysis of the findings and on the order of the study objectives.

5.1 Conclusions

According to the objectives of the research, the conclusions answered the findings for each objective directly.

5.1.1 The effect of reliability on Rukiga SACCO's financial institutions decision making.

The study concludes that the accuracy of accounting information plays an important role in decision-making within Rukiga SACCO. Specifically, the more precise the financial data (e.g., free from bias, representative of actual transactions), the better and more informed decisions by the institution's management and other stakeholders. This can be seen in regards to, for example, granting loans, investment strategies and risk management. The study likely found a positive correlation between decision quality and the availability of reliable financial information.

The study concludes that the completeness of accounting information is crucial for effective decision-making at Rukiga SACCO. Incomplete financial data, meaning that some transactions or events are not recorded, can lead to inaccurate assessments of the institution's financial position and performance. This can result in poor decisions, such as underestimating risks, overstating profits and making inappropriate investment choices. The study likely found that a higher degree of completeness in the financial records led to better decision-making outcomes.

5.2 Recommendations

Based on the conclusions, the researcher provides recommendations to Rukiga SACCO.

The researcher recommends that Rukiga SACCO should invest in systems and processes that enhance the reliability of its financial information. This could include implementing robust internal controls, regularly auditing financial records, and providing training to staff on accounting principles and best practices.

The researcher recommends that Rukiga SACCO should adopt or enhance data validation procedures to ensure the accuracy of data entered into the accounting system. This could involve automated checks, reconciliations, and regular reviews of financial data.

The researcher recommends that Rukiga SACCO should implement procedures to ensure that all financial transactions and events are recorded in a timely and accurate manner. This could involve using a comprehensive chart of accounts, establishing clear guidelines for transaction recording, and regularly reconciling all accounts.

The researcher recommends that Rukiga SACCO should regularly review its accounting processes to identify any gaps or weaknesses that could lead to incomplete financial information. This could involve conducting internal audits, seeking external reviews, and soliciting feedback from staff.

The researcher recommends Rukiga SACCO should ensure that its staff has a thorough understanding of accounting concepts and principles. This could involve providing training, workshops, and ongoing professional development opportunities.

The researcher recommends Rukiga SACCO should consistently apply accounting concepts in the preparation of its financial statements. This could involve developing a written accounting policy manual, establishing clear guidelines for the application of accounting principles, and regularly reviewing financial statements to ensure compliance.

The researcher recommends Rukiga SACCO should consider adopting or enhancing the use of technology to improve the efficiency and accuracy of its accounting processes. This could involve implementing accounting software, automating data entry, and using data analytics to identify trends and insights.

5.3 Areas for further Research

Future researchers and academicians are encouraged to make the following their subjects.

- 1). Analyze the impact of specific technology or accounting software on the completeness and validity of financial information in Rukiga SACCO.
- 2). Conduct a comparison of the accounting methods and decision-making at Rukiga SACCO with other similar SACCOs within the country or region.
- 3). Examine the role played by outside auditors in ensuring the completeness and accuracy of financial information at Rukiga SACCO.
- 4). Examine the impact of regulatory changes on accounting practices and decision-making at Rukiga SACCO.

5). Investigate the impact of specific accounting concepts (e.g., fair value accounting) on decision-making in the context of Rukiga SACCO.

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APPENDICES

Appendix 1: PARTICIPANTS' LETTER OF CONSENT

BISHOP BARHAM UNIVERSITY KABALE

Date _____

Dear respondent,

Seeking your consent to participate in the Study

Greetings! My name is "Kyomugisha Witness"

I am writing to seek your consent to be included in this study. I am a student working towards a Degree in Business Administration at the said University. In meeting this requirement for this award, I am carrying out a study on the topic, "Accounting concepts and decision making in financial institutions: A case study of Rukiga SACCO". As a member of staff of RSACCO/SUPCO/Board, you have been selected to take part in this study by sharing your opinions through filling in the questions in the questionnaire provided or through interviews. Feel free to share your genuine opinion since this is an academic research and your responses will be used for academic purposes. Your participation in this research is entirely voluntary and you may withdraw at any time. All your views will be kept on strict confidentiality, unanimous and in case you have any questions concerning this research or need further information, please contact me at Telephone 0781298140. There are no expected benefits and predictable risks of being involved in this research. The procedure is that when you agree to collaborate, you will be asked to respond to a few questions regarding RSACCO activities, and if you want to be included in this study, please sign the „tear off portion“ below, and return to the

researcher/ or the bearer. Kindly thank you in advance for your collaboration on this matter.

.....Tear off portion.....

I have read and understood the information provided above. I voluntarily agree to participate in the study on " *Accounting concepts and decision making in financial institutions: A case study of Rukiga SACCO.*" I understand that I can withdraw my participation at any time without consequences.

Name: _____ Signature: _____ Date: _____

Appendix 2: QUESTIONNAIRE FOR RUKIGA SACCO STAFF

Topic: *Accounting concepts and decision making in financial institutions: a case study of*

Rukiga SACCO.

Dear respondent,

I am **Kyomugisha Witness**, a student from Bishop Barham University College Kabale conducting research on the topic mentioned above. The information obtained from this study will be used academic purposes only and your positive cooperation is highly appreciated. The obtained information will be kept with utmost confidentiality and you are free to withdraw your participation at any time. Your participation plays an important part in the success of this study, please answer honestly.

Questionnaire number

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

Position of the respondent.....

SECTION A: BIODATA OF THE RESPONDENTS

1. Gender of respondent

- a) Male
- b) Female

2. Age of respondent

- a) 20-30years
- b) 31-40years
- c) 41-50years
- d) 51-60years

3. Education level

- a) Diploma
- b) Degree
- c) Postgraduate
- d) Certificate
- e) Others (specify).....

4. Years spent in the SACCO

- a) Less than 1year
- b) 1-5years
- c) 5-10years
- d) More than10 years

SECTION B1: The effect of reliability on financial institutions decision making at Rukiga SACCO.

5. Do you consider the accounting information used at Rukiga SACCO to be reliable?

a) Yes

b) No

6. How does the reliability of accounting information influence your daily decision-making at Rukiga SACCO?

7. What challenges do you face in ensuring the reliability of accounting information?

.....

8. Is there any system in place to verify the reliability of accounting data?

a) Yes

b) No

B2: To investigate the effect of completeness on financial institutions decision making at Rukiga SACCO.

9. Do you think incomplete financial data can hinder decision-making processes?

a) Yes

b) No

10. How does the completeness of accounting information affect your decision-making at Rukiga SACCO?

.....

11. What measures are in place to ensure that all financial data is complete?

.....

B3: The relationship between accounting concepts and financial institutions decision making at Rukiga SACCO.

12. Are accounting concepts critical to decision-making at Rukiga SACCO?

a) Yes

b) No

13. How do you think accounting concepts influence decision-making at Rukiga SACCO?

.....

14. Which accounting concepts are most relevant to the decision-making process in your experience?

.....

15. Are decisions at Rukiga SACCO often aligned with standard accounting principles?

a) Yes

b) No

Appendix 3: Interview guide for RSACCO board and SUPCO members

1. Do you think the accounting information used at Rukiga SACCO to be reliable?
2. How does the reliability of accounting information influence your daily decision-making at Rukiga SACCO?
3. What challenges do you face in ensuring the reliability of accounting information?
4. Is there any system in place to verify the reliability of accounting data?
5. Do you think incomplete financial data can hinder decision-making processes?
6. How does the completeness of accounting information affect your decision-making at Rukiga SACCO?
7. What measures are in place to ensure that all financial data is complete?
8. How do you think accounting concepts influence decision-making at Rukiga SACCO?
9. Are decisions at Rukiga SACCO often aligned with standard accounting principles?

Appendix 4: WORKPLAN

| TIME | August | Sept. | Oct | Nov | Dec | Jan | Feb/march | April |
|----------------------|--------|-------|-----|-----|-----|------|-----------|-------|
| | 2024 | | | | | 2025 | | |
| Activity | | | | | | | | |
| Topic submission | | | | | | | | |
| Topic approval | | | | | | | | |
| Proposal development | | | | | | | | |
| Proposal approval | | | | | | | | |
| Data collection | | | | | | | | |
| Data analysis | | | | | | | | |
| Report development | | | | | | | | |
| Report submission | | | | | | | | |

Appendix 5: BUDGET

| Items | Rate | Unit cost | Total cost |
|--------------------|----------|------------------|------------------|
| Reams | 2 | 20,000 | 40,000 |
| Laptop | 1 | 1,000,000 | 1,000,000 |
| Printer | 1 | 500,000 | 500,000 |
| Extension cable | 1 | 30000 | 30,000 |
| File | 1 | 1500 | 1,500 |
| Wi-Fi modem | 1 | 70000 | 70,000 |
| Internet | 1000 GBS | 100,000 | 100,000 |
| Transport costs | | 50,000 | 50,000 |
| Spiral binding | 3 books | 3,000 | 9,000 |
| Pens | 4 | 1,000 | 4,000 |
| Note books | 2 | 5,000 | 10,000 |
| Grand total | | 1,780,500 | 1,814,500 |

Appendix 6: Introductory letter for data collection



**UGANDA CHRISTIAN
UNIVERSITY**

A Centre of Excellence in the Heart of Africa
BISHOP BARHAM UNIVERSITY COLLEGE

THE DEPARTMENT OF BUSINESS

10/02/2025

Dear Sir/Madam,

RE: INTRODUCTORY LETTER FOR DATA COLLECTION

This is to introduce to you Mr/Ms. **Kyomugisha Witness** Reg. No. **M23/BBUC/BBA/011** who is a student at Uganda Christian University, Bishop Barham University College. He/She is a finalist pursuing a Bachelors degree in Business Administration. It is a requirement of the University for students on this program to write a dissertation in partial fulfilment of the award of the degree. For this purpose, he/she is conducting research on the topic:

Accounting Concepts and Decision Making in Financial Institutions. A Case Study of Rukiga SACCO.

The findings and analysis of this research will be treated confidentially and will not be used for any other purpose other than the partial fulfilment of the award of the above qualification.

Please accord him/her every possible assistance.

Thank you.

Yours faithfully,



MS. PATIENCE NAJUNA
COORDINATOR
BUSINESS
0774166711/0752166711



A Complete Education for A Complete Person

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Founded by the Province of the Church of Uganda. Chartered by the Government of Uganda