# THE EFFECT OF COMPUTERISED ACCOUNTING SYSTEMS ON THE QUALITY OF FINANCIAL REPORTING IN CORPORATE UTILITIES : A CASE OF UMEME UGANDA ELECTRICITY DISTRIBUTION COMPANY LIMITED UEDCL

**ABIA KASAIJA**

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UGANDA CHRISTIAN UNIVERSITY

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## DECLARATION

I, **Kasaija Abia**, attest that this Research Report is original. It has never been presented anywhere in an institution of higher education by any individual for any purpose whatsoever.

Signature: 

KASAIJA ABIA

Date: 06/09/24

## APPROVAL

I hereby certify that this academic research was conducted under my supervision as the academic supervisor, and has been reviewed and approved.

**NAME**: Ms. Akinyi Lorraine

**SIGNATURE:** 

**DATE:** 09/09/2024

## DEDICATION

I dedicate this report to my beloved Father and Mother that have consistently had faith in me from day one and to my young brother who sees more in me than I ever see. Thank you for loving me.

**ACKNOWLEDGMENT**

I thank Almighty God that He has carried me through this entire research time.

This is a good opportunity to say many thanks to my immediate supervisor, Madam Lorraine Akinyi, for her tireless guidance and pushing on with me during the study period.

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I therefore thank the whole administration of Uganda Christian University, the lecturers, the staff, and all students for always making the unbearable possible.

Lastly, my recognition goes to all those persons who were helpful during the time I carried out this research.

MAY THE GOOD LORD BLESS YOU.

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**LIST OF ABBREVIATIONS:**

ANOVA- Analysis of Variance

CAS- Computerised Accounting Systems

IT- Information Technology

UTAUT – Unified Theory of Acceptance and Use of Technology

IASB - International Accounting Standards Board

IFRS – International Financial Reporting Standards

**ABSTRACT**

This is a theoretical research paper that explored the effect of computerized accounting systems on quality financial reports made at the Umeme Kampala branch. The specific objectives of this study were; to examine the effect of transaction processing systems on the quality of financial reporting in Umeme, to examine the effect of computerized reporting systems on the quality of financial reporting in Umeme and to examine the effect of systems security on financial reporting in Umeme.

The researcher implemented the correlational design with a combined-method approach, whereby quantitative data were combined with qualitative data. The entire population was 56, out of which a sample size of 49 was obtained by using simple random sampling.

Consequently, computerized accounting systems relate moderately positively with qualities of financial reports, meaning results regarding financial report qualities are all accounted by transaction processing systems. The results showed a moderate positive relationship between the systems security and the quality of the financial reports. This was a total outcome on the quality of the financial reports explained by the systems security.

The findings of this study have established that there is significant positive relation between computerized accounting systems and the quality of financial reports. The timeliness, comparability, understandability and also reliability have been reviewed in past literature in this study. The realization of integrating the e-billing system with SAP S/4 HANA and PRINCE2 systems was that an upgrade should be done to reduce errors generated by manually transferring data from one system to another.

The accounting system has improvements and versions that are regularly updated to suit the relevance of the system in a contemporary environment. This is achieved by continued training of the staff by the authorized dealers of the packages, hence remaining well equipped with the knowledge and experience of the system. Best practice will require that system audit logs be periodically reviewed for potential security incidents and security breaches. Therefore, internal audit reviews should give more emphasis to appraisal and checking of the strength of instituted controls within computerized accounting systems especially the audit logs at Umeme, and the removal of obsolete systems.

# CHAPTER ONE

## 1.0 Introduction

According to Omonuk, 2009, Accounting is the process of identification, measuring and communication of economic information to permit informed and rational decision. According to Alan & Frankwood, 2005 Computerized Accounting is a total suit of components that together comprises all inputs, storage, transactions, processing, collecting and reporting of financial transaction data.

A computerized accounting system utilizes computers to efficiently process high-quality accounting data into financial reports, aiding decision-makers in making quicker decisions. This system focuses on recording, processing, and transmitting financial data to its final consumers.

This study focused on computerised accounting systems (CAS) to demonstrate how these instruments directly impact the quality of financial reporting, highlighting the importance of accurate, timely, and analytical financial reporting in supporting business decision-making, as information systems encompass various activities and domains.

## 1.1 Background of Study

A computerized accounting information system is an accounting information system that processes financial transactions and events according to generally accepted principles of accounting for reports tailored toward user needs. The accounting system developed by Italian friar Fra Luca Pacioli serves as the foundation for modern accounting practices. This is a system he created more than 500 years ago. Modern accounting principles are derived from this amazing and scientific system due to its exceptional design deSantis (2010). Finally, the developments in information technology give rise to the use of computerized accounting systems in displacement of a manual accounting system in corporate reporting to produce relevant and faithful representative financial reports for both management and external users for decision making (Greuning, 2006).

These abundant advantages derived from the use of these systems have led many to conclude that basically, Computerized Accounting Systems in corporate reporting is the engine of growth in business organizations. Many advantages of computerized

accounting over the manual accounting system include the following: under a manual accounting system, all the journal entries, invoices, and other financial documentation must be created by hand, whereas in computerized accounting, it is done by users inputting information into accounting software programs. Computerized accounting prepares information much faster compared to manual accounting. Databases, input data can easily be entered in accounting software packages such as QuickBooks and Sage 50 Accounting. In a manual accounting system, there are many chances to do mathematical mistakes and misplace numbers. The company's data is automatically calculated through a number of input data. Under manual accounting system, the company's financial statements including income statement, balance sheet, and statement of owner's equity are prepared manually. Your journal entries help to formulate the financial statements of your company. In computerized accounting systems, the financial statements can be created out of information stored in the database.

Specialized software programs are revolutionizing Ugandan accountants and auditors' work by simplifying financial analysis and data administration. The uniform style of these programs reduces manual labor and improves financial reporting efficiency. Over the years, Uganda's banking sector has seen significant transformations associated with advancements in computerization. To appropriately place themselves within the parameters of the dynamism of computerization, Stanbic Bank-Uganda has had to re-evaluate their service and delivery systems (Woherem, 2000).

The Kampala Branch of the Umeme implemented the Computerised Accounting System (SAP S/4HANA and PRINCE2) to ensure efficient, accurate, and updated accounting, inventory and statutory records while integrating and streamlining business processes cost-effectively. The system covers the General Ledger, Purchases and Supplies, cash book, cheque printing, and direct bank payments for staff. Future plans include extending the system to suppliers, implementing an E-electricity payment system for faster transactions and bill reconciliation, and introducing an E-procurement solution to manage supplies.

Presentation of complete set of financial statements, comprising the following, that is to say: A statement of financial position at the period-end; A Statement of comprehensive income for the period; A Statement of changes in equity for the period;

a statement of cash flows for the period (Elliot and Elliot, 2006); And Notes and explanatory notes with respect to the accounting policies used (Greuning, 2006).

In theory, one would anticipate that a computerised accounting system would provide high-calibre financial reports. Research from scholarly investigations indicates that when donating decisions are made, donors take accounting information into consideration (Parsons, 2007; Buchheit and Parsons, 2006). McBride (2000) stated that managers cannot easily satisfy statutory and donor reporting requirements such as profit and loss account, balance sheet and customized reporting without using computerized accounting systems.

### 1.2 Problem Statement

Computerized accounting systems aim to enhance report quality, offering time savings, automation of routine tasks and real-time reporting to businesses. According to research conducted by Carol (2002), accounting tasks can be completed quickly and easily with computerised accounting systems.

However, some inherent problems still exist in this system at input, process, storage, and output stages. Inspite of most high profile companies having 100% computerized accounting systems, there are still difficulties in tracking down errors and the process is time consuming, Adetayo et al (1999). The UMEME independent audit 2015 noted that in the case of collusion being carried out and hence a token detected, the existing customer tokens supply power to the customer instead of automatic disconnection of both tokens.

Therefore, the purpose of this study was to investigate the following research question: Does the quality of financial reports change while using a computerised accounting system? And if so, to what extent?

### 1.3 Major Objective

The main objective of the study was to study the effect of computerized accounting systems on quality financial reporting in Umeme.

### Specific Objectives

1. To examine the effect of transaction processing systems on the quality of financial reporting in Umeme.

2. To examine the effect of computerized reporting systems on the quality of financial reporting in Umeme.
3. To examine the effect of systems security on financial reporting in Umeme.

## 1.4 Research Questions

1. What is the effect of transaction processing systems on quality of financial reporting in Umeme?
2. What is the effect of computerized reporting systems on financial reporting in Umeme?
3. What is the effect of systems security on financial reporting in Umeme?

## 1.5 Scope of the Study

### 1.5.1 Content Scope

The study focused on The Effect of Computerised Accounting Systems on the Quality of Financial Reporting in Corporate Utilities and was limited to the objectives of transaction processing systems, reporting systems and system security.

### 1.5.2 Geographical scope

The research was carried out at Umeme offices in Kampala, Rwenzori House, Plot 1 Lumumba Avenue, at P.O. Box 23841. This resulted from the ease and accessibility of finding information regarding the study's subject.

### 1.5.3 Time Scope

The financial reports produced between 2018 and 2022 are included in the analysis. This time frame is noteworthy because it encompasses a sufficient five years, during which Umeme modernised and reconfigured its systems to meet contemporary expectations, and is deemed to have sufficient data for this investigation.

## 1.6 Significance of the study

This study aims to help Umeme's management and employees understand the advantages, hazards and issues of computerised accounting and financial reporting, benefiting all branches. It will also be valuable for other businesses and organizations, both those that have implemented and have not, as it helps identify pressure points and effectively manage them to successfully implement the computerised accounting system.

This study will be beneficial to students, aiding their research and understanding of computerised accounting systems and their importance in financial reporting.

### 1.7 Justification of the study

According to Osmond (2017), globally, computerised accounting systems have completely changed the way business is conducted. Public statements from the government, business community and media largely acknowledge the claim that computers enhance the quality of financial reporting. A major factor in the United States' increasing wealth, low inflation and successful stock market performance has been attributed to computerization.

The lack of concrete evidence supports the claims that computerized systems can yield significant financial returns. Some academic studies have attempted to prove this, but these are flawed due to the use of obscure econometric methods and skewed government figures. This research aimed to enhance our understanding of computerized accounting systems' role in producing high-quality financial reports.

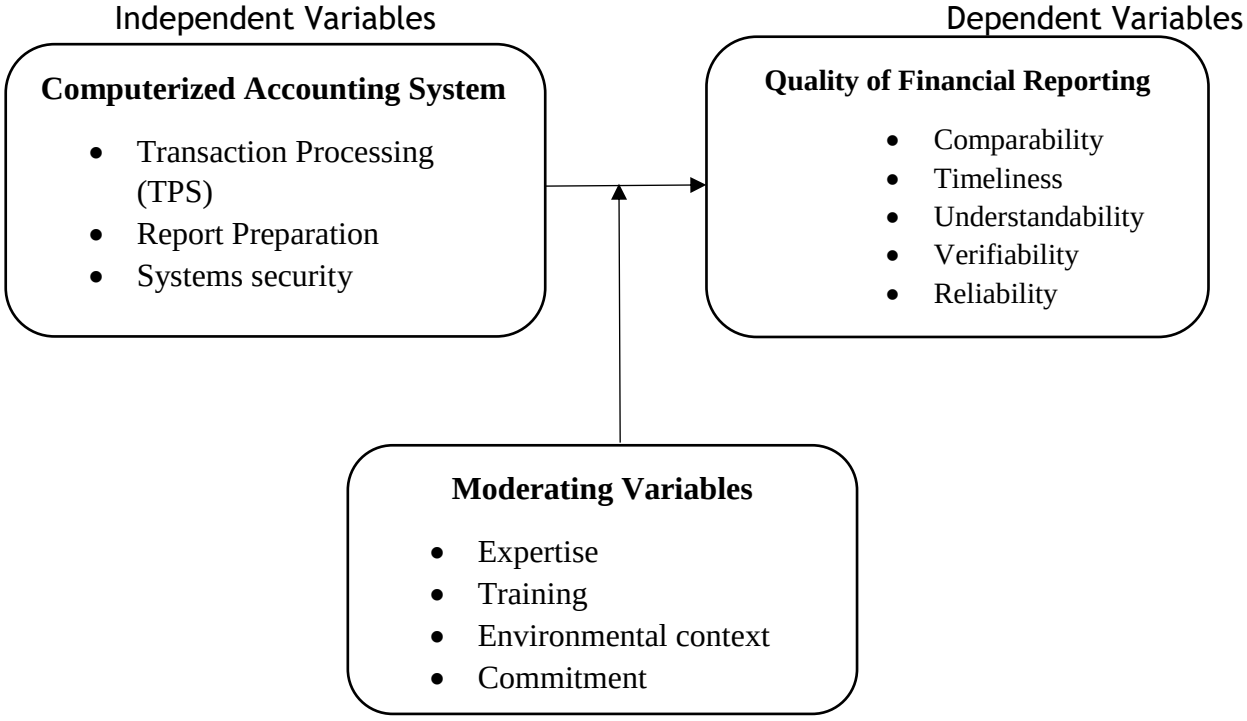
### 1.8 Conceptual Framework

Jabareen (2008) explained that, "a conceptual framework is a network or a plan of interlinked concepts that together provides a comprehensive understanding of a phenomenon or phenomena" p. 440.

Meigs et al., 1999, specified the basic functions of accounting systems in developing information about the financial position of a business and the results of its operations. They found that every accounting system performs the following basic functions : Interpret and record the effects of business transactions, Classify the effects of similar transactions in a manner that permits determination of the various totals and subtotals useful to management and used in accounting reports and Summarize and communicate the information contained in the system to decision makers.

Financial reports should be relevant and faithful to their intended economic phenomena, aiming for completeness, neutrality, and freedom from error to ensure their usefulness and relevance in the financial landscape. Information must be both relevant and faithfully represented if it is to be useful. (IFRS Framework, 2015)

**Figure 1.1: Conceptual Framework**




**Source: Meigs, Williams et al (1999), IASB, IFRS (2015)**

The researchers used an input, process, and output model, utilizing computerized accounting systems for data collection and transaction processing. They used a reporting system to compile and process reports, aiming for comparable, comprehensible, and verifiable outputs. System security ensured data integrity, checks and balances, and protection from external and internal threats, making financial reports trustworthy for decision-making.

To maintain system harmony, it's essential to provide routine knowledge and continuous training to minimize input errors. A team-friendly environment and computer placement on the upper side of the building are crucial for longevity. Vendor support in troubleshooting system issues and ensuring system efficiency is crucial for report generation delays.

The study utilized a many-to-one variable approach, focusing on computerised reporting system (CRS), transactional processing system (TPS), and systems security (SS) as control features for financial report quality.

## 1.9 Conclusion

The researcher examined an overview of the issue; computerized accounting systems on high-quality financial reporting in this chapter through the following sections: study background, problem statement, purpose and objectives, scope, justification and significance and conceptual framework for study guidance.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.0 Introduction

This chapter's main objectives are to first demonstrate the importance of the topic as a whole and then point out a potential area for fresh research. The majority of the chapter focuses on critically assessing the various approaches employed in this subject to determine which is best for addressing the research topic.

Winter 2000, states that, a computerized system on its own will not balance books in real time, enhance your organization's financial structure, ramp up your cost-efficiency, or enhance delivery in management reports. It will not solve such problems as unskilled or unmotivated staff, poor managerial skills, inappropriate operating policies, or unfavorable external conditions. Computerizing a problematic accounting system will not improve the same but can improve one which is already working well.

## 2.1 Theoretical Review

The theories that were significant to the topic of this study were covered in this part. Among the theories were the Unified Technology Acceptance User Theory and the Technology Acceptance Model (TAM).

### 2.1.1 The Technology Acceptance Model (TAM).

The technology acceptance model (TAM) is an information system theory that models how users come to accept and use a technology. It posits that when a consumer is presented with a new technology, there are two salient features which will have an effect on the decision process of whether or not this individual will adopt and use the technology: perceived usefulness and perceived ease-of-use (Davis, 1989).

The theoretical model of TAM is helpful in giving meaningful and descriptive ability to user behavior in the implementation of information systems. This model has been scrutinized with so many empirical investigations, and its accompanying instruments are of high quality and statistically sound. However, TAM's parsimony has shown to be both a strength and a big drawback, as it is not very useful in describing user behaviour. Due of the inadequacies, numerous authors have added new constructions to the TAM. With regard, Mbogo, 2010 incorporated TAM and even went to add other factors such as perceived ease of accessibility, perceived low cost, perceived security, perceived convenience, perceived satisfaction and perceived support to explore whether the use

of CAS can be attributed to other factors of success. Tobbin, 2011modeled adaptation of CAS extending TAM in order to explore the consumer behavior towards adoption of CAS in Ghana. Also, Odia (2012) applied TAM with new factors such as perceived trust, perceived security, and perceived convenience.

Saleh 2011 postulated that the individual attitude in using CAS will motivate the actual use of it. This is in a function of an individual belief upon using the technology and the value he or she will be looking for. The CAS has been useful to accountants: not just for in-person discussion but also helping them reach a decision based on interest, as they are looking for opportunities to keep business group reservation on the internet. Furthermore, a high level of integration will result in a more precise and efficient procedure than previous systems. The basis of TAM was needed in order to analyse the effects of perceived usefulness (PU) and ease of use (PEOU) on the intention to use CAS as a dependent variable while investigating the actual usage of CAS.

### 2.1.2 Unified Technology Acceptance user theory.

In contrast, UTAUT by Venkatesh et al. 2003 was developed by reviewing and consolidating eight IT adaptation theories. Namely, these theories are TAM, the motivational model, theory of reasoned action, and theory of planned behavior/technology acceptance model model of PC utilization, innovation diffusion theory and the social cognitive theory Venkatesh et al, 2003. UTAUT explains user intention to use an information system and the eventual usage behavior. The theory says that four critical constructs are performance expectancy, which is a degree in which an individual believes that, through the use of the system, he or she will be able to accomplish a better job and achieve better results on the task; secondly, effort expectancy which is a degree to which the technology usage would be free of effort; thirdly, social influence, when any person's emotions, opinions, or behaviours are influenced by others, and lastly, facilitating conditions at workplaces (Vankatesh et al., 2003). Lee (2006) pointed out that the important relationship of perceived ease of use and attitudes is proven when a system is believed to enhance one's job performance, instructors will also have a positive attitude in using that system. For which it may reduce the perceived amount of mental efforts when learning and using a new technology.

**2.2 The Effect of transaction processing system on quality of financial reports**

Sasan (2006). While other systems in the same time were exclusively used in mainframe computers only, typical examples of such systems could be airline reservation systems, banking systems or almost any large company's accounting system. These Transaction Processing Systems have remained the least known to the world of personal computers.

But the Internet is responsible for the significant changes that have occurred in all of this. These days, a growing number of small businesses, non-profits, and even private citizens are finding uses for transaction processing systems. The primary issues that Transaction Processing Systems attempt to solve are: managing hundreds or even thousands of concurrent users; enabling many users to work simultaneously on the same set of data with real-time updates; and managing failures in a reliable and secure manner. Due to the large number of users, typical time-sharing systems are typically unable to handle these issues. The Operating System would simply be burdened with too much overhead if every User had their own copy of all the data and a separate process was created for them.

But sometimes, achieving one goal means sacrificing another. For instance, making sure the material is more comprehensive could make it less current. In a similar vein, greater verifiability and reliability could make something less timely. It is up to the decision maker to choose which trade-offs make sense in a particular circumstance.

Mark 2018 ironical that probably the most significant advantage of a transaction processing system can be its biggest disadvantage too—the processing of several thousand transactions at one go. The transaction processing system would have to coordinate thousands, even millions, of purchases; debit consumers' bank accounts; hold each person's private banking and address information; and ship out or process the order. This system is beneficial to any business because it streamlines the very process of selling the goods and services to consumers. Although, such a system is a tricky thing to manage, provided that the company is not large enough to employ a transaction processing system. Security breaches are commonplace and a fully functional system serving millions of customers could be damaged due to any malfunction in a piece of hardware like an electrical outage. The well-endowed company can invest in some of the best computer securities there are—those which would even make sure that the customers are safe, stock equipment for data backup, and electrical generators.

According to Kaufman (2011), information has to be available at the right time; whether it is about the availability of a product, its price, the customer's credit, or payment process. These usual sales cycle needs cannot be housed by a system designed for the same - with adequate compute power, memory, or bandwidth to scale up demand in case of a special promotion or the introduction of a high-demand product. This explains why the system would not have been able to scale up as more IT resources were required to meet that demand.

**2.3 The Effect of reporting system on quality of financial reports.**

Belfo, 2010 Real time reporting in accounting or simply real time accounting provides a range of benefits when being compared to conventional periodic reporting. Traditionally companies need financial or non-financial reporting based on quarterly and annual periods. However fast pace of the change that happens on markets and in society causes this periodic reporting to be getting fast and outdated. Higher competitiveness among organizations requires more timely information for the management to respond promptly to opportunities and to solve problems. Real-time accounting responses to these, but it does need novel technological responses.

Computer software is used to record daily commercial transactions. When grouping accounts in the initial stage, each account and transaction is given a unique code. The procedure of registering the transaction is made easier by this method. Marivic 2009 argued that the computerized packages will minimize human errors in recording transactions as there is a reference of every transaction in the system. Satisfaction of the end user determines the influence of the computerized accounting systems.

Satisfaction of the end users, as Mihir 2002 establishes, creates a positive attitude toward using the satisfaction and thus boosts the voluntary usage of the system. Management's major concern, in this field, is the quality of the accounting information and performance of the accounting systems according to Nash, 2003. The computerized accounting system is an economic delivery system of accounting information that comes in hand in the provision of reliable accounting information to the users, protecting the organization from possible risks arising as a result of abuse of accounting data and system, among others.

The positive effect of using the computerized accounting system on financial reporting has been associated with the advantages of using the computer system when producing

financial reports. Production of scheduled reports can be initiated and automated as well as prepared at routine periodicity without much struggle (McRae, 1998).

The use of computers made it simple to create financial reports because data could be quickly and readily generated and updated. Real-time accounting data maintenance has become crucial due to the significant rise in transaction volume and the growing need for real-time information. Computerised systems can help achieve this, improving the calibre of financial reporting.

**2.4 The Effect of system security on quality of financial reports**

For instance, Knapp 2006, argues that most organizations today fully depend on information technology for their survival. The fact implies that information security will be one of the critical issues that modern organizations are going to face for at least the foreseeable future. Information protection has become complicated because the type and attack ferocity is on the rise.

Hall, 1989, commented that it was an ethical duty of the manager of any organisation to try to balance the level of risk against the benefits to these constituents arising from their decisions. The internal control structure of the organization should be appropriate and that is a matter of concern for managers and accountants in discouraging fraud and preventing errors. They also have to be aware of new implications brought about by information technologies with respect to historical issues like working conditions, right to privacy, and potential for fraud.

**2.5 Other factors**

The primary objective of financial reporting is to provide high-quality financial reporting information concerning economic entities, primarily financial in nature, useful for economic decision making (FASB, 1999; IASB, 2008)

**2.6 Accuracy of reports**

The second fundamental qualitative characteristic has been elaborated as faithfulness of representation within ED. Represent economic phenomena which information purports to represent faithfully: annual reports must be complete, neutral and free from material error - IASB 2008:36. Economic phenomena represented in the annual report are "economic resources and obligations and the transactions and other events and circumstances that change them" - IASB 2006: 48. The items representing faithful

representation are five and account for neutrality, completeness, freedom from material error, and verifiability following previous literature among others by Dechow et al., 1996; McMullen, 1996; Beasley, 1996; Cohen et al., 2004.

In this regard, Jonas and Blanchet 2000: 362 aver that: "neutrality is about objectivity and balance". Neutrality refers to the intent of the preparer; the preparer should aim at an objective presentation of events rather than being oriented only to the positive events taking place without mentioning the bad ones.

**2.7 Conclusion**

In a computer-based accounting system, many of the major internal control concerns associated with manual accounting systems are reduced to insignificance. Page and 1-iooper (1992) argue that a computer is more accurate than any person performing the same calculations. Unlike the human clerk, the computer will not issue invoices incorrectly or accept a journal entry that does not balance or post an entry to the wrong account. It treated the transaction fairly within the computer. Page and Hooper, 1992).

For instance, the computer will always and consistently verify the customer's credit limit if the programme orders it to do so prior to the sale. Since the computer cannot profit from any misrepresentation, it will not be motivated by any dishonest or disloyal intentions. Because of this, it is crucial that we recognise how much computer-based systems—despite certain innate issues—have enhanced the working environment and raised the calibre of financial reporting.

# CHAPTER THREE

# METHODOLOGY

## 3.0 Introduction

A dependable solution to a human problem can be found through the organised, methodical process of data collection, presentation, analysis, and interpretation that is known as research. The methodology provides readers with information on the different approaches and techniques used by the research to gather and analyse data in order to find solutions to the challenges.

The goal of this chapter was to go over the population and sample size, sampling strategies, data gathering tools, data measurement and analysis processes, and various data collection instruments. As a result, the goal of this chapter was to outline the methodology used for the entire study.

## 3.1 Research Design

A case study research design was employed for this study because this particular method is was used to whittle down a very broad field of research into easily researchable topics. Then the advantage of this approach lies in the fact that it is quantitative in nature, thus the researcher had the advantage of examining and watching the behaviours as they occured in their current form.

The approach of the study was to be descriptive since it described facts regarding the nature and status of a situation, as it existed at the time of study (Creswell, 1994). In other words, it also dealt with relationships and practices that existed, beliefs and processes that are ongoing, effects that are being felt, or trends that are developing. It also tried to explain existing conditions, events, or mechanism in questions based on the views or reactions from the research respondents. In this study, data was derived from the respondents using a survey. Qualitative research was used in this study to allow for an explanation of results that cannot be measured and quantitative research to make the results illustrative. It also boasted the advantage of following the original set of study objectives which results in more objective conclusions, predefined the problems of causality and reduced or eliminated subjectivity in judgment.

### 3.2 Area of Study

This study was conducted in Kampala District at Umeme, Kampala branch, one of Umeme's branches in Uganda found at Rwenzori House, 1 Lugogo Avenue.

### 3.3 Population of the Study

Pout and Hungler, 1999 defined the population as the aggregate or totality of all objects, subjects, or members that conform to a set of specifications. The survey sought the perceptions from the full-time and contract employees working at the Kampala Umeme branch. View of the full-time Staff and those contracted at the Umeme Kampala branch was considered. The organization employee list consisted of a Branch Manager, 8 Supervisors, and 48 Departmental Staff; the total employees amount to 56 from which the study was to sample.

### 3.4 Sample Procedure

#### 3.4.1 Sample Size

A population group is the subject on which measurements are obtained; it is the entity of study (Cooper & Schindler, 2010). The relevant respondents to represent the study population were identified using the Yamane (1967) algorithm.

Where,

N = the Total Population

e = the margin of error (5% has been used to obtain the best sample given the population size)

n = the sample size

This was accomplished by pre-testing 15% of the instruments, and if questionnaires were discovered to provide results after the exercise, they would be pre-drafted.

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

$$= \frac{56}{1+56(0.05)^2}$$

=49 respondents

Consequently, with a population size of 56 respondents, the sample size was 49 respondents in order to obtain a 5% error.

### 3.4.2 Sampling Technique

It drew from both probability and non-probability. The study used non-probability through a censor sampling technique in selecting all the top management and middle management staff of Umeme Kampala Branch and then used probability simple random sampling to select other respondents at random from among the field staff.

In order to address certain study questions posed, purposeful sampling was employed to concentrate on specific and relevant features of a population, such as managers and supervisors. This approach was suitable since it satisfied the study's aims and was less restrictive (Amin, 2005).

Using basic random sample techniques, the study's general staff participants was chosen. The departmental employees who were primarily engaged in the field were given equal opportunity under this strategy. The process involved entering the staff identification numbers, which were then randomly selected and placed in the box until the necessary total of 49 responders was attained. This made it easier for the researcher to choose all of the necessary respondents impartially.

## 3.5 Data collection methods and Instruments

### 3.5.1 Data Collection Methods

**Questionnaire Survey**

The total of 56 staff of Umeme had to administer questionnaires for the collection of information that was adequate upon appointment.

A questionnaire is hand delivered to the persons concerned with a request to answer the questions and return the questionnaire. In this method, a questionnaire consists of a number of questions printed in a definite order on a set of forms. This method is preferred due to its ease of use, low cost and can collect a lot of information in a short time from very many respondents (Olle & Katarina, 2005)

**Document Reviews**

To extract information that would be utilised to supplement the study, secondary data was acquired from secondary sources, including journals, annual reports, books, websites, and documents from the Umeme.

**Observation**

The researcher used all of his senses to watch and investigate events in their natural environments or situations, which allowed him to gather sensitive data.

### 3.5.2 Data Collection Instruments.

Instrumentation for target sample population included the use of Likert scale questionnaires that were administered on 10 staff at Umeme. Data collection was done through closed-ended questionnaires. The tool had two parts: Section A-the dependent variable and Section B-for the independent variable, which is the Quality of Financial Reports. Each question was customized to be relevant to the information needed for analyzing and solving the study problem. It also showed some quantitative information which may have been useful to the researcher in the case study.

## 3.6 Quality control methods

### 3.6.1 Reliability

The instrument of research was pre-tested using the test-retest method to assure data collection instrument reliability. Instruments were administered by the staff of Umeme Kampala branches that were not among the units sampled for the study. Questionnaires were pre-tested by the researcher on 5 selected respondents from a pilot study.

### 3.6.2 Validity

The focus of the study was on content and facial validity. In order to guarantee face validity, the instruments were provided to peer researchers and research supervisors for additional review and analysis aimed at identifying areas of weakness based on their judgement. The instruments were modified to improve their face validity.

Content validity was examined subsequent to face validity. To guarantee that every item addressed the entire spectrum of concerns being measured, the researcher

created data collection instruments with an appropriate number of items and made sure that the questions were connected to the study's aims.

### 3.7 Data Management and Processing

Utilising a range of descriptive and inferential statistics was another goal of the study. In order to apply correlation and linear regression models, the ratings and Likert scales used to measure the independent variables were converted to median values and subsequently to percentages.

Crosstab tables with percentages shown and frequencies are the forms that descriptive statistics are created in. In order to decide which of two mutually exclusive propositions about a population is better supported by the sample data, hypothesis testing was utilised to reach a judgement in the face of uncertainty. Our statistical analysis indicates that the alternative hypothesis is accepted and the null hypothesis is rejected if the significance level is less than the cut-off value of 0.05.

*Table 1: Ranges of Likert scale*

| Scale | Response rating | Mean Range | Interpretation |
|---|---|---|---|
| 5 | Strongly agree | 4.20 – 5.00 | Very high |
| 4 | Agree | 3.40 – 4.20 | High |
| 3 | Not sure | 2.60 – 3.40 | Moderate |
| 2 | Disagree | 1.80 – 2.60 | Low |
| 1 | Strongly Disagree | 1.00 – 1.80 | Very Low |

**Source; Likert, Rensis (1932)**

### 3.8 Data Analysis

#### 3.8.1 Quantitative data analysis

The data collected was quantitative in nature. The collected data had to be cleaned, coded and scanned to the computer program so that computation of the above analyses between variables could be done by SPSS. Responses to questions on financial reporting and computerized accounting systems were to be summarized in frequencies and percentages. Testing for relationship between independent and dependent variables was achieved using Pearson's product moment correlation coefficient abbreviated as r. The coefficient of determination by the regression analysis, as well as the percent

variance of independent variable with dependent variable, will be indicated in the form of adjusted $R^2$.

### 3.8.2 Qualitative data analysis

The qualitative data was evaluated using Creswell's (2005) suggested stages. Utilising computer software named Atlas.ti, the research data was divided into themes.

Data that didn't directly or indirectly relate to the theme was eliminated. Themes were grouped into major categories, which were then further divided into smaller groups according to their specific meanings and converted into scientific terminology. These groups then formed an opinion regarding how computerised accounting improved the quality of financial reporting for Umeme and this opinion was used to support the study's arguments and conclusions.

## CHAPTER FOUR

## PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

### 4.1 Introduction

This chapter provided the presentation, analysis and interpretations of findings as presented mainly in tabular form.

### 4.2 Response rate

56 questionnaires were issued out to collect data for the Study. However, only 49 questionnaires were ticked and returned causing a response rate of 87.5%.

*Table 2: Response rate*

| Response | Frequency | Percentage |
|---|---|---|
| Response | 49 | 87.5 |
| Non-response | 7 | 12.5 |
| **Total** | **56** | **100** |

### 4.3 Social demographic characteristics of respondents

The research centered on examining the socio-demographic characteristics of the respondents. The data collected was populated in the size, composition and analytical tables from which conclusions were drawn. Respondents' profiles aimed at gauging the participants' sentiments towards the study of interest. This profile is shown in Tables below:

*Table 3: Gender of respondents*

| Personal Characteristics | Response | Frequency | Percentage (%) |
|---|---|---|---|
| **Gender** | Male | 28 | 57.1 |
| | Female | 21 | 42.9 |
| | **Total** | **49** | **100** |

**Source: Primary Data**

The findings revealed that 57.1% of respondents are male, while 42.9% are female. This indicates a slight male predominance among the respondents. The nearly balanced gender distribution suggests that insights into the effects of computerized

systems on financial reporting at UMEME are fairly representative of both male and female perspectives.

*Table 4: Age of respondents*

| Personal Characteristics | Response | Frequency | Percentage (%) |
|---|---|---|---|
| **Age** | 20-29 | 14 | 28.6 |
| | 30-39 | 15 | 30.6 |
| | 40-49 | 17 | 34.7 |
| | 50-59 | 1 | 2.0 |
| | Above 59 | 2 | 4.1 |
| | **Total** | **49** | **100** |

**Source: Primary Data**

The majority of respondents (34.7%) fall within the 40-49 age group, followed by 30.6% in the 30-39 age group. This suggests that the respondents are predominantly mid-career professionals, likely with significant experience in financial management and reporting. The presence of respondents from diverse age groups ensures a comprehensive understanding of how computerized systems impact financial reporting across different career stages.

*Table 5: Education level of respondents*

| Personal Characteristics | Response | Frequency | Percentage (%) |
|---|---|---|---|
| **Education level** | Primary | 0 | 0 |
| | O level | 4 | 8.2 |
| | A level | 8 | 16.3 |
| | Diploma | 12 | 24.5 |
| | Bachelor's degree | 18 | 36.7 |
| | Post Graduate | 7 | 14.3 |
| | **Total** | **49** | **100** |

**Source: Primary Data**

The data shows that 36.7% of respondents hold a Bachelor's degree, followed by 24.5% with a Diploma and 18.4% with an A level Certificate. This indicates that a majority of respondents possess higher education qualifications, which likely contributes to their informed perspectives on the use of computerized systems in financial reporting. The diversity in education levels ensures a well-rounded understanding of the impact of these systems, reflecting views from both highly educated professionals and those with practical experience.

### 4.4 Study findings

The data from these below tables are also presented in a 5 Likert scale and in this regard; the 1 is strongly disagree (SD), 2 is disagree (D), 3 is not sure (NS), 4 is agree (A) and 5 is strongly agree (SA).

#### 4.4.1 The effect of effect of transaction processing systems on the quality of financial reporting in Umeme.

*Table 6: Responses on the effect of effect of transaction processing systems on the quality of financial reporting in Umeme.*

| Statements | SA | A | NS | DA | SD | Mean | Std Dev |
|---|---|---|---|---|---|---|---|
| Transaction processing systems improve the accuracy of financial data by reducing manual errors during large-scale transaction handling. | 37% | 37% | 6% | 14% | 6% | 4.03 | 0.38 |
| Real-time updates provided by TPS enhance the timeliness of financial reports, ensuring information is up to-date. | 29% | 45% | 8% | 8% | 10% | 3.93 | 0.37 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| TPS improves the reliability of financial information in your organization | 23% | 45% | 14% | 8% | 10% | 3.55 | 0.36 |
| The organization ensures the security and integrity of data processed through TPS effectively | 33% | 27% | 16% | 18% | 6% | 3.07 | 0.36 |
| TPS contribute to the consistency of financial reports by safeguarding sensitive financial information in the organization. | 27% | 33% | 14% | 20% | 6% | 2.82 | 0.35 |
| Scalability challenges in TPS may lead to incomplete financial reporting during periods of integration and high transaction volume. | 16% | 37% | 16% | 12% | 19% | 2.58 | 0.32 |
| Effective use of TPS has significantly reduced the incidence of errors in the quality of financial reporting. | 31% | 35% | 16% | 14% | 4% | 3.29 | 0.37 |

**Source primary data**

The findings show that 37% of respondents strongly agree and 37% agree that transaction processing systems (TPS) greatly improve financial data accuracy by reducing manual errors in large-scale transactions. This implies that using TPS in UMEME is crucial for making financial records more precise and reliable. With the help of transaction processing systems, the number of manual errors decreases in handling big transactions, making financial data more accurate. In this, SD is 0.38 and mean is 4.03, it seems that, on average, respondents agree with this statement.

This mean value indicates a tendency of the majority to agree or strongly agree with the statement that these systems enhance the accuracy of data by reducing human errors. The mean is comparatively high at 4.03, indicating a large variation in how people perceive the efficiency of transaction processing systems. Whereas the mean indicates a trend where most would agree to the effectiveness of the transaction processing system, the high mean indicates that the confidence in those systems is not shared by all with equal surety.

The closeness of the mean to the positive side of the scale may suggest that, in the usual Likert context, there is some recognition by the respondents that TPS, through real-time updates, helps to ensure that financial reports are current and timely. This may further imply that the respondents have seen some speed and relevance of financial data improve, data that is critical to decision-making processes. This large standard deviation suggests that such differences may reflect real variation in the effectiveness with which TPS currently provide real-time updates across different contexts, departments, or user groups. Some respondents may thus experience consistent and timely updates, enhancing the relevance of financial reporting, while others may experience problems that limit how well such systems can keep information current.

While an SD value of 0.36 is somewhat low, it does suggest that the general tendency of the respondents is to agree that TPS enhances the reliability of financial information in their organization. The mean is somewhat on the low side, but at the same time, it suggests some recognition by the responding members of the positive impact TPS can have on financial information reliability. The large standard deviation implies that responses about TPS experiences are all over the place. This would not be surprising, as the quality of implementation of the system, the skills and competencies of users, or the nature of the financial transactions processed might be some reasons for this variation. While some may experience that TPS indeed greatly enhances reliability, others may face problems which threaten to turn what could be an advantage into a disadvantage.

An SD of 0.36 adds to the fact that the respondents generally agree to the fact that the organization ensures data security and integrity while being processed through TPS. The mean is low, indicating that generally, the respondents acknowledge the

organization in maintaining data security and integrity through TPS. The mean is 3.07, which indicates a large dispersion in the response. This discrepancy indicates that some of the participants are of the opinion that the organization guarantees data security and integrity through TPS, while others may have different experiences or opinions.

A SD of about 0.35 suggests that, though there is a certain degree of consensus on the part of the respondents concerning the TPS helping to protect sensitive data, thus aiding in the consistency of financial reports, the said consensus is not strong. This might indicate an awareness of how protection of data may be relevant to maintaining consistency in reports but not necessarily very strongly held beliefs in the degree to which TPS are effective in this regard. The high dispersion in the data means that respondents experience TPS in different ways. Some consider such systems to strongly contribute to consistency in the reports and security of the data, whereas for other people, their efficiency may be not so certain or have some kind of problems connected with the system which influenced their attitude.

The SD of 0.32 makes one believe that on the average, all the respondents have slightly agreed upon the fact that the scalability challenges in TPS result in incomplete financial reporting, especially in times when the volume of transactions is quite high or there is system integration. This therefore means the effectiveness of TPS in delivering complete and accurate financial reports is somewhat recognized. The mean of 2.58 below indicates that there is significant dispersion of opinion with respect to the effect of scalability challenges in relation to financial reporting. This dispersion suggests that some may have faced incomplete reporting due to scalability problems, while others may not have faced any issues or may not consider this to be an issue.

However, the SD of 0.37 indicates that on the average the respondents tend to agree that a 'good' use of TPS contributed to a significant reduction in errors in financial reporting. On the positive side, the lower mean suggests a moderate perception. This would therefore imply reasonable levels of agreement. The mean of 3.29 portrays a considerable dispersion in the responses. This would also suggest that while some respondents might have witnessed a hugely reduced rate of reporting

errors through effective TPS use, others might have different experiences or less confidence that the system is making any impact on error reduction.

### 4.4.2 The effect of computerized reporting systems on the quality of financial reporting in Umeme.

*Table 7: Responses on the effect of computerized reporting systems on the quality of financial reporting in Umeme.*

| Statements | SA | A | NS | D | SD | Std Dev | Mean |
|---|---|---|---|---|---|---|---|
| Computerized reporting systems enhance the timeliness of financial reporting by providing real-time data updates. | 41% | 22% | 22% | 8% | 6% | 3.88 | 0.38 |
| The accuracy of financial reports improves with computerized reporting systems by minimizing human errors in transaction recording. | 33% | 41% | 4% | 10% | 12% | 3.98 | 0.37 |
| Computerized reporting systems have significantly reduced the incidence of errors in financial reports | 31% | 33% | 12% | 14% | 10% | 3.19 | 0.36 |
| Real-time accounting through computerized systems ensures that financial reports are consistent and up-to-date. | 25% | 31% | 14% | 22% | 8% | 2.53 | 0.34 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Integration challenges are encountered when integrating computerized reporting systems with financial reporting processes | 20% | 33% | 10% | 20% | 17% | 2.43 | 0.32 |
| Use of computerised reporting systems have improved the reliability of financial information in our organization | 27% | 46% | 8% | 13% | 6% | 3.8 | 0.38 |

**Source primary data**

76% of respondents believe user satisfaction with computer systems improves the quality of financial reporting. This shows that user-friendly and efficient systems are crucial for high-quality financial reports since happy users use the systems better. The SD of 0.38 suggests that the respondents, on average, tend to agree with the view that the computerized reporting system enables updates of financial reports in real time. This tends to suggest the general belief that such systems are found helpful in maintaining up-to-date financial reports. The large mean does suggest that there is considerable variation in the levels of experiences in terms of real-time data updates. While for some respondents the improvement of the timeliness of their financial reports might seem radical, others might find less striking benefits or difficulties in realizing such advantages.

An SD of 0.37 would imply that on average, the respondents agree to the fact that the computerized reporting system enhances the accuracy in the provision of the financial reports because of reduced human errors in recording the transactions. In as much as this may imply that there is a general agreement on the advantages of the computerized system, the relatively low SD suggests that the agreement is only fair. The large mean would suggest that for some respondents, big improvements in accuracy, such as a reduction of human errors, might have been realized, while others may have had different experiences or simply do not feel the advantages of these systems in improving accuracy.

With an SD of 0.36, it would appear that the respondents agree to a considerable extent that computerized reporting systems have significantly reduced the cases of errors in the financial reports. While the SD is positive and thus indicative of a favorable perception, the value is pretty low, indicating that while there is general agreement, it is not very strong. The high mean points to diverse experiences among respondents. While some may have seen a significant reduction in errors, others might have benefited less or have other views on how the system reduces those errors.

A SD of 0.34 suggests that respondents somewhat agree to the fact that accountants do real-time accounting through computerized systems, and these contribute to the consistency and timeliness of financial reports, hence indicating general adaption to real-time updates in maintaining updated and consistent financial information. This means the dispersion or variability of the distribution is at a moderate level. This would therefore imply that there is a variation in the perception of the respondents to real-time accounting with regard to uniformity and timely preparation of financial reports.

The SD value of 0.32 shows that the respondents, on average, agree to the statement that integration challenges are a concern while integrating the computerized reporting systems with financial reporting processes. This would indicate partial recognition of the difficulties associated with the integration of these systems. The mean of 2.43 shows a moderate level of variability in the responses. The dispersion indicates that while some respondents might have had serious problems integrating, others might face few or have other views about how these problems would affect them.

The SD of 0.38 indicates that on one's organization, computerized reporting systems have increased the reliability of financial information to a moderate extent. This therefore, indicates a positive perception towards the impact of the system on financial information reliability. The mean of 3.8 shows that a fair variation is going on. This would suggest that though for some respondents, reliability may have dramatically increased, for others it may not be such a huge gain, or maybe they simply have different views on the implication of these systems.

### 4.4.3 The effect of systems security on financial reporting in Umeme.

*Table 8: Responses on the effect of systems security on financial reporting in Umeme.*

| Statements | SA | A | NS | DA | SD | Mean | Std Dev |
|---|---|---|---|---|---|---|---|
| The organization has robust systems security measures in place for financial reporting | 31% | 29% | 12% | 14% | 14% | 2.98 | 0.35 |
| Strong system security measures enhance the confidentiality and reliability of financial reporting by preventing unauthorized access to financial data. | 27% | 41% | 12% | 16% | 4% | 3.41 | 0.37 |
| The organization effectively controls user access to financial reporting systems to maintain data security and accuracy | 27% | 40% | 6% | 10% | 17% | 3.39 | 0.35 |
| Secure systems reduce the risk of errors in financial reporting by ensuring data integrity. | 33% | 45% | 6% | 8% | 8% | 4.23 | 0.39 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Employees are adequately trained and aware of security protocols related to financial reporting systems | 40% | 31% | 10% | 10% | 8% | 3.94 | 0.38 |
| Systems security measures contribute to the accuracy of financial reporting in the organization | 14% | 43% | 12% | 20% | 10% | 3.08 | 0.33 |
| Effective incident response procedures are in place to address security breaches related to financial reporting systems | 23% | 47% | 8% | 18% | 4% | 3.73 | 0.37 |

**Source primary data**

The findings show that 33% of respondents strongly agree and 45% of respondents agree hence believe secure systems reduce errors in financial reporting by keeping data accurate. This demonstrates the importance of secure systems in minimizing errors, thus enhancing the reliability of UMEME's financial data.

It therefore means that, with an SD of 0.35, the respondents perceive the organization as having robust systems security measures that provide security for financial reporting. This question also supports that there is generally an acknowledgment of strength in the security measures in place. A mean of 2.98 represents that, while the measure may be viewed as robust by some, others may have different opinions and experiences, thus a wide range of perceptions on how well these measures have been implemented.

The 0.37 SD value infers that strong system security measures do help in maintaining confidentiality and reliability of financial reporting by denying access unauthorized. This reflects a general acknowledgment of the role that security measures can play in protecting financial data. A mean of 3.41 suggests that while some respondents

might believe confidentiality and reliability improve strongly, other participants have different views or experiences, which in turn provide a very wide range of perceptions about the effectiveness of security measures.

An SD of 0.35 shows that the responses on average indicate that the organization has adequate control over access to the financial reporting systems by respective users to maintain data security and accuracy. This will reflect a general acknowledgment of effectiveness in access controls. A mean of 3.39 indicates that responses may be variable to a high extent. This proves that there are significant differences in how respondents perceive the effectiveness of user access controls in maintaining data security and accuracy.

The SD value of 0.39 suggests that respondents on average agree with the fact that secure systems help minimize the risk of errors in financial reporting because it ensures data integrity. This brings to light a general understanding of the role that secure systems play in ensuring the accuracy and reliability of financial data. The mean is 4.23, an indication of a high level of dispersion in responses. This will mean that there is a big difference in the way the respondents perceive the effectiveness of secure systems in minimizing errors and maintaining data integrity.

The SD of 0.38 suggests that, on average, the respondents agree that employees are adequately trained and aware of security protocols relating to financial reporting systems. This reflects that generally, there is an understanding in place that these programs exist for training and awareness. The mean is 3.94, which would then indicate that while some of the respondents might feel confident in the training and awareness they have, others could actually hold other views or experiences, and a wide range of perceptions pertains to the effectiveness of such programs.

This SD of 0.33 is relatively low and indicates a moderate level of agreement. The respondents acknowledge some contributions the security measures make to the accuracy of financial reporting but are not emphatic, hence giving a moderate perception of their effect. This mean of 3.08 shows that responses are highly variable. In this respect, there are significant differences in perceptions of the impact of systems security measures on the accuracy of financial reporting.

The SD of 0.37 indicated how the respondents agree that effective incident response procedures are in place to handle any security breach pertaining to financial reporting systems. This means that there is general acknowledgment that procedures have been put in place to handle security incidents. A mean of 3.73 suggests that while some respondents may believe that effective incident response procedures are in place, others have different opinions or experiences, thus a wide range of perceptions about the adequacy and effectiveness of these procedures.

# CHAPTER FIVE

## SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Introduction

This chapter contains a summary of results achieved, account of the events and any arising suggestions for further actions. The outline is in accordance with the chapters undertaken in the analysis and the conclusions are provided toward the end.

### 5.2 Summary Findings

The overall objective of the study was to study the effect of computerised accounting systems on the quality of financial reports at Umeme. The summary of findings of the study is presented in line with the objectives as follows:

The study's main goal was to study the effect of computerised accounting systems on the quality of financial reports at Umeme. In accordance with the goals, the study's summary of findings is given as follows:

#### 5.2.1 The effect of transaction processing systems on the quality of financial reporting in Umeme.

The findings show that using Transaction Processing Systems (TPS) at UMEME greatly improves the accuracy and reliability of financial reports.) Farah, N., Farrukh, I., & Faizan, N. (2016) discusses how TPS improves the accuracy, timeliness, and reliability of financial data while also highlighting challenges like system security and scalability during high transaction volumes. About 74% of respondents agreed that TPS cuts down on manual errors and boosts data precision. A mean of 0.38 and a standard deviation of 4.03, indicates a tendency of the majority to agree with the statement that these systems enhance the accuracy of data by reducing human errors. The same segment of respondents said real time updates from TPS ensure timely financial reports needed for decision-making. While 60% agreed that TPS security features keep data safe; 53% worried about potential risks during high transaction volumes due to scalability issues.

#### 5.2.2 The effect of computerized reporting systems on the quality of financial reporting in Umeme.

The data reveals that computerized reporting systems play a pivotal role in enhancing the quality of financial reporting at UMEME. A mean of 0.36 and standard deviation of

3.19 signifies an agreement that the accuracy of reports is enhanced by minimizing human errors, highlighting the crucial role of automation in financial processes. The positive impact of user satisfaction on reporting quality was also noted, with 76% of respondents affirming that satisfied users are more likely to effectively utilize these systems. Furthermore, 56% of respondents recognized that real-time accounting ensures financial reports remain relevant and up-to-date, supporting timely and informed decision-making (Belfo, 2010; Nash, 2003).

### 5.2.3 The effect of systems security on financial reporting in Umeme.

System security is vital for accurate and reliable financial reporting at UMEME. Data shows 78% believe secure systems cut errors and stop unauthorized changes to financial data. A mean of 0.39 and a standard deviation of 4.23, indicates that respondents on average agree with the fact that secure systems help minimize the risk of errors in financial reporting because it ensures data integrity. 68% of respondents agreed that strong security measures prevent unauthorized access and enhance data integrity. 67% also stressed the importance of security in stopping fraud to maintain credible reports. Finally, 57% of respondents recognized the importance of protecting financial information from external threats to maintain accurate reporting (Hall, 1989; Knapp, 2006).

## 5.3 Conclusion

The findings reveal that UMEME's implementation of Transaction Processing Systems (TPS), computerized reporting systems, and robust system security significantly enhances the quality of financial reporting. The following conclusions were made as per the specific objectives;

### 5.3.1 The effect of transaction processing systems on the quality of financial reporting in Umeme

TPS improves data accuracy, timeliness, and reliability, though concerns about scalability during high transaction volumes exist (Knapp, 2006). In Umeme, the transaction processing system has been applauded in helping the user speed up data entry due to the user-friendly interface that solves complex problems. The automation of functions with pull-down menus greatly reduces errors of data entry thus increasing the accuracy and timely reporting of financial reports. However, over-reliance on the

system has brought its upside effect of data overload; this renders it slow from time to time.

### 5.3.2 The effect of computerized reporting systems on the quality of financial reporting in Umeme

Computerized reporting systems minimize human errors and ensure real-time updates, thereby enhancing the accuracy and relevance of financial reports (Belfo, 2010). Additionally, user satisfaction with these systems positively influences reporting quality (Nash, 2003). The reporting systems play a vital role in how the computerized system displays the reports to the end users for decision-making. Due to its multi-user settings, data checks and balances are improved; friendly report interfaces increase the desire of the staff and non-staff members, therefore gaining experience. However, this exposes the system to security risks, and too much information overloads, ending up being a disadvantage in the long-run.

### 5.3.3 The effect of systems security on financial reporting in Umeme.

Strong system security measures are crucial for safeguarding data integrity, preventing fraud, and protecting against external threats, ensuring that financial reports remain accurate and reliable (Hall, 1989). Data protection from external and internal dangers is ensured by system security through a delicate balancing act. It guarantees data integrity and boosts end users' trust in equal measure. However, there is a significant chance that computerised accounting systems may become outdated because the computer industry is always innovating and the world is changing. Umeme is faced with an even bigger difficulty in the form of ongoing power outages because the system is entirely dependent on electricity to operate. The technology had to be integrated into new organisational areas, which required ongoing adjustments that are never easy to understand.

Overall, these technologies are vital for maintaining high standards in financial reporting at UMEME.

## 5.4 Recommendations

UMEME management should prioritize continuous investment in the technological infrastructure supporting Transaction Processing Systems (TPS) and computerized

reporting systems. By tackling scalability problems and securing the system well enough to mitigate risks management can boost the accuracy and speed of financial reports. This smart strategy will improve decision-making and keep stakeholder trust intact.

The IT department should improve system security to protect financial data from threats. Regular updates and security checks can prevent fraud and unauthorized access. Training staff on TPS and reporting systems will enhance user satisfaction and make the system more effective. This will also improve financial reporting quality.

Regulatory authorities should establish clear guidelines and standards for the adoption and use of computerized systems in financial reporting. These guidelines should stress the need for strong security measures and scalable infrastructure. By setting industry standards regulators can ensure companies like UMEME follow best practices. This will improve the quality and reliability of financial reports in the sector.

### 5.5 Areas of further research

Research should explore the scalability challenges of Transaction Processing Systems (TPS) in large organizations like UMEME. It's crucial to understand how TPS can handle high transaction volumes without losing accuracy or completeness of financial reports. This study could lead to new technologies or methods that improve system performance during busy times and ensure reliable financial reporting at different operational scales.

Investigating the impact of user training on the effectiveness of computerized reporting systems is a vital area for further research. This study looks at how various training programs affect user satisfaction and data accuracy. The results can guide best practices in training strategies. This helps organizations like UMEME improve their computerized systems through well trained users.

Research on artificial intelligence (AI) in financial reporting could offer insights into future advancements. AI can automate processes better and detect anomalies. It enhances the accuracy and speed of financial reports. Looking at how AI fits with current systems at UMEME might boost financial management and decision-making.

Further research is needed to assess the long-term effects of system security on the quality of financial reporting. This study can examine how current security measures affect data integrity and fraud prevention while fostering trust in financial reports over

time. Learning these effects helps organizations like UMEME apply long-lasting security practices to keep their financial data reliable and accurate.

A study comparing manual and computerized reporting systems in similar organizations could reveal the strengths and weaknesses of each method. Research might evaluate accuracy and timing as well as user satisfaction and cost. The results would help organizations thinking about switching to computerized systems understand the benefits and challenges of such a transition.

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## APPENDICES

## RESEARCH QUESTIONNAIRE

Dear Respondent,

My name is Kasaija Abia, a student of Uganda Christian University, pursuing a Bachelor of Science in Accounting and Finance. You have been chosen as the respondent and this questionnaire has been designed only for academic purposes pertaining research on the topic, "The Effect of Computerized Accounting systems on the quality of financial reporting in corporate utilities; A case of Umeme Kampala Branch." Your opinions are very important to this study and the information given will be treated with maximum confidentiality and used only for academic purposes.

Your cooperation is highly appreciated.

Thank you.

**INSTRUCTIONS: Please tick or fill your opinions in the blank spaces provided.**

**Section A: Biographic Information**

1. **Gender of Respondents**

   Male ☐ Female ☐

2. **Age of respondents**

   Below 20 ☐ 20 - 29 ☐

   30 – 39 ☐ 40 – 49 ☐

   50 - 59 ☐ Above 59 ☐

3. **Level of Education**

   Primary level ☐ O level ☐

   A level ☐ Diploma level ☐

   Bachelor's Degree level ☐ Post Graduate level ☐

4. **Period worked with Umeme**

   0 – 3 ☐ 4 – 7 ☐

8 – 11 ☐ 12 and above years ☐

**SECTION B: THE EFFECT OF TRANSACTION PROCESSING SYSTEMS ON THE QUALITY OF FINANCIAL REPORTING.**

**Strongly Agree- SA** **Disagree- D** **Neutral- N**

**Agree- A** **Strongly Disagree- SD**

**Tick your level of agreement with the statements below;**

| **Statement** | **SA** | **A** | **N** | **D** | **SD** |
|---|---|---|---|---|---|
| The Transaction Processing System has improved the accuracy of your financial reports | | | | | |
| The implementation of Transaction Processing Systems has improved the timeliness of your financial reporting | | | | | |
| Transaction Processing System has enhanced the consistency of financial data in your organization | | | | | |
| You have encountered significant challenges when integrating Transaction Processing Systems with your financial reporting processes. | | | | | |
| Transaction Processing System has significantly reduced the incidence of errors in your financial reports | | | | | |
| The use of Transaction Processing System has improved the reliability of financial information in your organization | | | | | |
| Your organization ensures the security and integrity of data processed through TPS effectively | | | | | |

**SECTION C: THE EFFECT OF COMPUTERIZED REPORTING SYSTEMS ON THE QUALITY OF FINANCIAL REPORTING**

**Tick your level of agreement with the statements below;**

| Statement | SA | A | N | D | SD |
|---|---|---|---|---|---|
| Computerized Reporting Systems have improved the accuracy of your financial reports | | | | | |
| The implementation of Computerized Reporting Systems has improved the timeliness of your financial reporting | | | | | |
| Computerized Reporting Systems have enhanced the consistency of financial data in your organization | | | | | |
| You have encountered significant challenges when integrating Computerized Reporting Systems with your financial reporting processes | | | | | |
| Computerized Reporting Systems have significantly reduced the incidence of errors in your financial reports | | | | | |
| The use of Computerized Reporting Systems have improved the reliability of financial information in our organization | | | | | |
| Your organization ensures the security and integrity of data processed through Computerized Reporting Systems effectively | | | | | |

**SECTION D: THE EFFECT OF SYSTEMS SECURITY ON THE QUALITY OF FINANCIAL REPORTING**

**Tick your level of agreement with the statements below;**

| Statement | SA | A | N | D | SD |
|---|---|---|---|---|---|
| Your organization has robust systems security measures in place for financial reporting | | | | | |
| Effective systems security measures have improved the integrity of financial data in your organization | | | | | |
| Your systems security measures effectively ensure the confidentiality of financial information | | | | | |
| Systems security measures have contributed to the accuracy of financial reporting in your organization | | | | | |
| Your organization effectively controls user access to financial reporting systems to maintain data security and accuracy | | | | | |
| Employees are adequately trained and aware of security protocols related to financial reporting systems | | | | | |
| Your organization has effective incident response procedures in place to address security breaches related to financial reporting systems | | | | | |
| You regularly review and improve your systems security measures to enhance the quality of financial reporting | | | | | |

**UGANDA CHRISTIAN UNIVERSITY**
A Centre of Excellence in the Heart of Africa

**SCHOOL OF BUSINESS**

19th Aug, 2024

**TO WHOM IT MAY CONCERN**

Name: **KASAIJA ABIA** Reg No; **S21B33/043**

A bachelor's student who is seeking permission from your office to collect data for his dissertation titled;

**"THE EFFECT OF COMPUTERISED ACCOUNTING SYSTEMS ON THE QUALITY OF FINANCIAL REOPRTING IN CORPORATE UTILITIES; A CASE OF UMEME"**

We shall be grateful if you could render assistance to him in collecting the necessary data for his dissertation.

The Uganda Christian University School of Business thanks you in advance.

.....

Mukisa Simon Peter
Research coordinator