EFFECT OF ACCOUNTING INFORMATION SYSTEM ON PUBLIC CORPORATION PERFORMANCE IN NIGERIA

(A CASE STUDY OF NIGERIAN NATIONAL PETROLEUM COMPANY LIMITED)

BY

ADEBAYO ABOSEDE CHRISTIANAH

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BEING A RESEARCH PROJECT SUBMITTED TO DEPARTMENT OF ACCOUNTANCY, INSTITUTE OF FINANCE AND MANAGEMENT STUDIES, KWARA STATE POLYTECHNIC, ILORIN.

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CERTIFICATION

This is to certify that this research work conducted by ADEBAYO ABOSEDE CHRISTIANA with matric number HND/23/ACC/FT/141 has been read and approved as meeting the requirements of the Department of Accountancy, Institute of Finance and management Studies, Kwara State Polytechnic, Ilorin for the award of Higher National Diploma (HND).

_____   _____
  MR. AZEEZ, Y.O.   **DATE**
(**_PROJECT SUPERVISOR_**)

_____   _____
  MRS. ADEGBOYE B.B   **DATE**
(**_PROJECT COORDINATOR_**)

_____   _____
  MR. ELELU M.O   **DATE**
(**_HEAD OF DEPARTMENT_**)

_____   _____
  MR. IKHU MOMREGBE SUNDAY (FCA)   **DATE**
(**_EXTERNAL SUPERVISOR_**)

DEDICATION

This research work is dedicated to Almighty God, for making it possible for me from the inception to the completion of this program, the Author and Finisher, the Alpha and Omega, the most merciful.

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CHAPTER ONE

1.0   INTRODUCTION

1.1   BACKGROUND TO THE STUDY

Accounting information system (AIS) is responsible for recording, analyzing, monitoring and evaluating the financial condition of organizations, processing of documents necessary for tax purposes and providing information support to many other organizational functions (Amidu, 2010). In the context of public sector, accounting information is important because it helps the organization's manager make decisions in critical areas such as costing. expenditure and cash flows by proving information to support monitor and controlling (Mitchell, 2016).

Public organizations have transformed from using manual processes to account financial transactions and have welcomed the use of information technology (Maria, 2010). I n the recent past computerized accounting has more advantages compared to the manual process. However, the two methods ensure that the fundamental principles of accounting and all concepts are adhered to. Bolon 1998) elaborated that technical aspect of utilization of initially developed software .ad codes makes automation of sonic of the processes a reality.

Watts, (2009) elaborated that accounting is a process of recording, categorizing and summarizing business transactions in a manner which is significant in monetary terms. Information technology (IT) on the other hand involves the utilization and pplication of computers, telecommunication resources in the storage, transition, :etrieval and manipulation of data. The areas in which AIS can be used include -stock accounting, sales ledger, purchase ledger, payroll, cost accounting and financial modeling.

According to Nzomo (2013), definition of Accounting Information System a device integrated in field of information technology (IT) responsible in the generation of reliable and more accurate financial reporting used by business leaders to make decisions. From this definition, accounting information system AIS) is considered a tool that assists management perform its roles of planning, controlling and directing through provision or reliable data. The great development t has unlocked the chance of producing data and utilizing financial accounting information from a strategic vie (Elena, 2011).

Accounting information can be used to translate these different dimensions u a common financial dimension. Accounting information uses

formalized categories for collecting and reporting information that creates a common language h which members of the organization can communicate. Formalization permits the transmission of information with fewer symbols and this facilitates the coordination between different functions that need to provide input to the decision- making process. However, accounting information is also an imperfect representation of the underlying decision problem, since not all aspects involved can be quantified perfectly in financial numbers (Gaibraith, 1973).

Accounting information may help managers to understand their tasks more clearly and reduce uncertainty before making their decisions (Chong, 1996). We talk about uncertainty as a lack of information compared to what a decision-maker needs to make a decision (Galbraith, 1973), and the less managers are able to predict the outcomes from their actions, the more uncertainty there is. The decision to centralize or outsource part or all of the accounting functions involves strategic decisions as well as practical considerations. The reasons for companies considering this are partly to do with cost and reporting processes (Chin et al., 1995), but also relate to improving the strategic accounting function, an issue currently of growing importance to organization groups (Collier and Gregory, 1995). This raises

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issues for on-site financial management concerning the extent of, and responsibility for, the control they undertake. If accounting processes are taken out of the unit, then there may no longer be a need for an on-site financial controller, and hence operational managers may have to take more responsibility for control issues. This raises issues about the perceived skills of managers, and the extent to which the controller is viewed as an advisor to the business, as well as a processor of accounting data. It is against the aforementioned backdrop the researcher plans to investigate the effect of accounting information system as a measure for performance evaluation in public sector with reference to NNPC, Ilorin, Kwara State.

1.2 STATEMENT OF PROBLEM

Capital expenditure on Information System has been on the rise recently in 1anv organizations locally and globally. Operations within different departments a firm have seen a change from being manual and shifted to being automated with the utilization of computer software. Competition and external conditions have increased the importance of real time information gathering, processing, utilization and storage. Cost reduction can only be a reality when proper analysis is carried out or decision making. Accounting information system is core to the achievement

of firm's goals; this means that an organization is as good as its enterprise resource 1anning (ERP).

Accounting information is a tool for effective administration; bad AIS will jeopardize the effectiveness of administration (Onaolapo, 2011). The world has moved from an information age towards a knowledge based one. Knowledge is being acknowledged as a very important asset ia many organizations. Business leaders therefore need to but acquisition of strategic knowledge at their stage of prosperity. Choe (2016) alluded that knowledge in itself is not impersonal compared to money. Knowledge is embodied on people; this can only be a reality a firm invests on information search and proper analysis. Institutions must therefore know how to manage intellectual assets which is concerned with development and exploitation on intellectual assts (Huber, 2009). Nzomo (2014) stated that information technology and transparency in the financial sector is a key driving force in organizations strategy and performance.

Management of public organizations depends on information generated from Accounting Information System used by the firm. Public organizations are complex in nature with departments. Integration with other stakeholders is avoidable hence the processes have to be real time and

accurate in nature. The importance of AIS is major reason why the government, business owners and researchers need to invest more on researching this area. Onaolapo and Odetayo 20l2) carried a study on how account information system affects organizational effectiveness for various organizations.

Locally, limited research has been carried out on the effect of accounting information system as a measure for performance evaluation in public corporations. Some of the research already conducted include, Odero (2012) study with the objective of establishing the consequences of accounting information systems quality systems quality on financial performance of Public institutions.

1.3   RESEARCH QUESTIONS

The following questions are raised for the purpose of this study:

1. What is the effect of accounting information system on the development of Public corporations?

2. How can accounting information system affect the performance of public sector establishments in Nigeria'?

1.4   OBJECTIVES OF THE STUDY

The broad objective of this study is to investigate the effect of accounting information system on public corporation performance. The specific objectives of the study are:

1. To investigate the implication of accounting information system on the development of public corporations

2. To examine how accounting information system has affected the performance of public corporations in Nigeria

3. To study the prospects of accounting information system on performance appraisal of public corporations

4. To evaluate the challenges encountered in accounting information system practice

1.5   RESEARCH HYPOTHESES

The following hypothesis is formulated for the purpose of the study:

HYPPOTHEIS ONE

Ho: Accounting information does not have significant effect on performance of public corporations

Hi: Accounting information has significant effect on performance of public corporations

Ho: Accounting information does not effect on performance of public sector in Nigeria.

Hi: Accounting information has effect on performance of public sector in Nigeria.

1.6   SIGNIFICANCE OF THE STUDY

This research work will be beneficial to the following categories of people: management of the organization (NNPC), policy makers, General public and future researchers. It is expected that at the end of this research work, the researcher will have succeeded in throwing enough light towards the effect of accounting information system as a measure for performance evaluation in a public sector establishment. It is also expected that the management of the organization that the researcher cited in the project work as the case study will also key into the research work and possibly make adjustments in the areas of their organization's Accounting Information System practice that is lagging behind due to poor handling of situation by the concerned management.

More so, the research work will be beneficial to Office Assistants, Cashiers among others in appraising the significant role played by Accounting Information System in an organization that would promote

effective dispensation of work among Employees in an organization.

Information contained in this study could be beneficial to the entire public on having broad awareness on relevance of Accounting Information system on performance of public corporations in Nigeria

Also, the Research work would be beneficial to future researchers planning to conduct research on similar research work.

Lastly, this research work would add to the existing body of knowledge in the field of accounting.

1.7   SCOPE OF THE STUDY

Conceptually, this research work is basically concerned with the examination of independent variable affecting the use of accounting information system in an organizational setting as it concerns performance evaluation in public corporations. It covers the aspect of responsibility to carryout activities, planning and ways through which workers can improve on their job performance, efficiency and productivity that could gain more power and improve their position relative to information management within the organizational settings. The industrial scope of the study is limited to NNPC, the geographical scope of this study is restricted to Ilorin and the Statistical Scope of the Study involves the use of frequency tables

expressed in counts and percentages through the application of excel spreadsheet.

1.8   LIMITATION OF THE STUDY

This study is however, subjected to some limitations which could make it not to be exhaustive. Such limitation includes the researcher's inability to interview some principal staff of the organization whose contributions could have been of great help. It is also limited to time and material resources. Also, the non behavioral variable such as change in technology, political and climatic conditions are not considered in the study.

Lastly, the researcher was financially incapacitated and this has been an impediment to the fast completion of the research work.

1.9   OPERATIONAL DEFINITION OF TERMS

Accounting information system:

Performance: this refers to the measure and appraisal of work done.

Performance Evaluation: This also refers to performance review. It is the method by which the job performance of an employee is documented and evaluated by employer

Public Corporation: This is a term used to denote organization public own and financed by the government. The primary responsibilities of running and financing such organization solemnly lie in the hand of the government

Employee: This refers to an individual employed within the an organizational context with specified assignment. The employee work under instructions of an employer

Automation: This refers to technology by which a process or procedure is performed with minimal human assistance. It is the process of executing office assignment using computer based practice

Management: this refers to the administration of an organization, whether it is a business, a not-for-profit organization, or government body. The management in most case supervises the affairs of organization in term of its production process.

Loss: this refers to the process of losing expected sum of money in term of profits in a business transaction.

Profit: In an accounting term, this refers to an income distributed to the owner in a profitable market production process. Profit is a measure of profitability which is the owner's major interest in the income-formation process of market production.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 CONCEPTUAL FRAMEWORK

Accounting information system according to Manchilot (2019) may be a computer-based electronic system used for collecting, storing, processing and communicating financial and accounting data through financial statement with the aim of supporting and guiding organizational decision making process. Computers are the hub of accounting information as they provide a platform for the workability of all information system for an accounting information system to be operational its appropriate software application must be on the computer system intending to be used.

Borhan and Bader (2018) defined accounting information system is a system which contains a group of harmonized business, components and resources which process, manage, and control the data for producing and carrying the relevant information for decision makers in the organization. Accounting information requires series of processes to carry out its function just like any other system. It is a connected and homogenous set of the resources and different components (human, equipment, finance etc) that

interact simultaneously inside a specific framework to work towards the achievement of organizational goals.

According to Borhan and Nafees (2018) accounting information system is the process of collecting, analyzing and converting data into action. This definition justifies accounting information system as a computer based system that collects data, process and analyzes data and produces results or output.

Kashif (2018) state that accounting information system is a combination of people, equipment policies, and procedures that work together to collect data and transform it into useful information. AIS is a system that provides people with either data or information relating to an organization operation to support the activities of employees, owners, customers, and other stakeholders in the organization's environment by effectively supply information to authorized in a timely manner.

2.1.1 Financial Accounting Leadership

Leadership style has effect on accounting information system success significantly. Accounting information system plays a critical role in the success of the business organization, as they provide information that supports the efforts of the organization in achieving the expected goals

(Amidu et.al. 2019). Accounting information system produces useful information, in which they serve as a basis for the management for strategic decision making (Naranjo-Gill, 2019) and exercises control of organizational activities in order to achieve organization objectives (Grande et. al. 2018).

According to Loudon and Loudon (2016) organization that implement information system can improve their business strategies in operational excellence new products, services, business models, customer and supplier intimacy, improved decision making, competitive advantage and survival. The successful application of the accounting information system to encourage improvements in the daily business operations and can improve the quality of decision-making companies which are both a major component in the creation of the company's financial performance (Galinas and Dual, 2017).

Accounting information system is developed with the aim to reduce operating costs and help create a better quality in managerial decision making to generate information that can be used throughout the company (Carton, 2020); Wongsim and Gao (2019) explain that organization relies heavily on the use of accounting information system in the accounting

process to produce accounting information. Ogah (2018) state that the accounting information generated from the accounting information system can help managers to understand their task more clearly and reduce uncertainty before making a decision.

2.1.2 Human Resources

Accounting is viewed as child of production. Production can be either the creation of tangible goods or the provision of services to satisfy human wants. The major factors of production are the land, labour capital and entrepreneur. The two factors, labour and entrepreneur are the human asset or resources organization have HRA considers human resources are equivalent to other assets in the organization. The require investment over time to make them productive. Such investment relates to the hiring, training and development costs, which are capitalized and emortized over an assumed probably productive life for the human resources, taking into account attrition and eventual deterioration. The concepts of HRA has been defined in so many ways but the basic feature of the system remains the same in every definition.

The American Accounting Association (1973) defined HRA as the process of identifying, measuring and communicating information about

human resources in order to facilitate effective management within an organization. This definition considers HRA as the process involving recognition and the quantification of human resources for the purpose of assisting the effective management of an organization. The definition is somehow crude as it is not specific as to what constitute the human resources expenditure and how it is to be recognized. A more specific definition of HRA is the one given by Flamhoitz (1974), which refers HRA as the process which involve measuring the cost incurred by business firms and other organizations to recruit, select, hire train and develop human asset. This gives a view as to what expenditure on the human resources should be recognized for valuation and reporting purpose. This definition, in other words, regard HRA as involving the measurement of economic value of people to organizations.

2.1.3 Accounting Information and Organization Performance

Accounting information system comprises of different forms of records and equipments like computers and communication tools, personnel, and closely coordinated reports created for data transformation into information required by financial management in fact, AIS is one of the key component of the current information system (IS) (Abdallah, 2013). The use

of AIS and its success have been extensively studied, with current studies focusing on the relationship between organizational performance with the AIS use (e.g. Ismail, 2009; Effah et. al. 2011; Harash, 2015). Other studies indicated a positive relationship between the two-where specifically, Zagar et. al. (2006) and Ismail (2009) revealed that AIS will be effectively used to enhance organizational performance if the systems implementation involves new information. This is supported by Estebanez et. al. (2011) who contended that AIS use has a positive effect on organizational performance. The review of the above literature leads to the proposal of the following hypothesis. Accounting information system positively influences organizational performance.

2.2 THEORETICAL FRAMEWORK

2.2.1 Contingency Theory

The contingency theory was first proposed by fielder in 1964 as managerial leadership theory. According to Fiedler (1964) the contingency theory suggest that there is no one best way of leading and that a leadership style that is effective in one situation may not be successful in others.

Gordon and Miller (1976) however laid out the basic framework for considering accounting information system from a contingency perspective

where the accounting information system also needs to be adoptive to the specific decisions being considered within a framework.

Contingency theory suggest that an accounting information system need to be adapting to desired specific decisions while considering the environment and organizational structure confronting an organization (Dandago and Rufai, 2014).

Applying this to the subject, contingency theory suggests that in order to improve performance, managers of firm must devote particular attention to their use of accounting information system, taking care to adopt the system best tailored to their special circumstance.

There are some criticisms of the Fielder's contingency theory. However, one of the biggest criticisms of the contingency theory that best relates to the study under review is lack of flexibility (Mitchell, Biglan, Oncken and Fielder, 2017). Fiedler (1964) believed that because natural leadership style is fixed, the most effective way to handle situation is to change the leaders. The theory does not allow for flexibility in leaders (Mind Tools, 2018). Relating this to the study indicate that manager will incur more cost to change accounting information system that does not tender to their required decision needs rather than carryout modification.

2.2.2 Agency Theory

The agency theory was championed by Jensen and Meckling in 1976. The agency theory describes the owners' (principles) delegated authority to manager (the agent) to run the firm on his or her behalf with the owners' welfare depending on the manager accordingly (Jensen and Meckling). The agency theory seeks to address the potential conflict of interest between owners and managers, because the interests managers may opportunistically utilize firms resources to satisfy their personal interests (Brammer and Millington, 2008). Basically, firms aim to maximize the wealth of shareholders, and it might be different with personal interest of managers. The agent (managers) might have more relevant information compared with shareholders, the information asymmetry occurs, and this world raise the possibilities that agent can behave in ways to pursue their own interest.

This review examines the effect of accounting information system on financial performance of firms. The primary purpose of a firm is to maximize the wealth of shareholders (principals). This solely rest on the shoulders of manager (agents). Therefore, the adoption of accounting information system by managers for enhance performance is fulfilling the agency obligation manager possess for their respective owners.

2.2.3 Behaviour Theory

Early behavior theory accounting research explored private relations between control system characteristics (for example; reliance on accounting performance measures or budget participation) and various criterion variables (e.g. performance or dysfunctional behavior). Behavioural theory accounting research evolved rather quickly, however, to come complex contingency models of the organization with a richer view of the organization and of individual behavior. The fundamental premise of contingency theory research has been that organizational structure and control system design is related to organizational context. Thus, the effects of control system characteristics are moderated by context that factors which impact the individual and the organization (Kren and Liao, 1988).

Specific characteristics of the control system must be matched to the contextual variables that define the organization's environment. The (often implicit) assumption is that a better match is positively related to organizational performance (Kren and Liao 1988; Merchant and Simons 1986, Otley, 1980) understanding control system design and effectiveness, in general, beings with analyses of the characteristics of specific

organizations and their environments and this forms the basis of the researcher.

2.3 EMPIRICAL REVIEW

Awosojo et. al. (2013) opined information and communication technology has improved professional service quality in accounting organization. The study observed technology acceptance model of behaviours, intent, attitude usage, perceived usefulness and ease of use enabled the attainment of accounting information system usage. The technology acceptance model factors depicted a significant effect on accounting information system from south-African content. The research recommended formal education and training of users on AIS for adequate improvement Olaoye, Olaofe Obasesin and Akanni (2019) examine the impact of information technology on corporate organization performance in Nigeria. The empirical research findings revealed information technology has a significant impact on corporate organizations performance in Nigeria with recommendation on prioritizing personnel training and massive investment in information technology for efficiency in operations, Ezenwoke et. al. (2019) was of the view accounting information system has the influential role of automating accounting information. The research

prioritized analyzing work volume on accounting information system and noted scare literature of accounting information system on the scopus publication domain.

The paper acknowledged the adoption of accounting information system in most developed economics and recommended high investment in information and communication technology and also on education in the developing economies. Hashim et. al. (2012) conducted a research on the impact of management information system on the overall performance and efficiency of the workforce of the Peshawar Accountant General office with emphasis on System Application Product (SAP). The research recommends training program on SAP, embargo on manual work, merit base employment, entry access of employee to data, provision of modern-day technological equipment and the need of Peshawar government to adequately remunerate employees.

Kearms (2014) affirmed accounting information system in an integral part of accounting information diagrams. Response from questionnaires on the importance of accounting information system in the accounting curricular supported the influence of accounting information system to practitioners. He observed lack of research in specific accounting

knowledge as acknowledged by the International Federation of Accountant (IFAC), American Accounting Association (AAA), Institute of Management Accountants, Institute of Internal Auditors (IIA) and the American Institute of Certified Public Accountants (AICPA). Educators suggested IT leverages personnel competencies, functional competencies and broad business perspective competencies. The researcher observed individual skill sets from Certified Public Accountants perspective in past research has been ignored and little attention was noted in accounting information system comparative skills with recommendations to future researchers to increase findings based on job function time in profession, size of firm, management status and time in industry. Ahmad (2013) paper on the impact of using accounting information system on the quality of financial statement to income tax department in Jordan revealed a positive and high presence with recommendations on training personnel and development of various information technology devices used in the department. Srinivas (2011) conceptualized transactional processing system, management information systems expert systems as the three types of information system, with decisions support system & executive information system & as management information system subset. The research noted the challenges of

management information system include dynamism, decisions decision dynamism, institutionalization, finance, science-oriented field as against art-oriented & lack of organizational structure but recommend monitoring, information gateway channel & well-defined structure for ideal decision making system.

The research executed by Olaoye, Akinleye, Obasesin (2019) on the significance of accounting system on performance of non-profit organization in Nigeria asserted a good report comprises relevance, verifiability timeliness, under stability and completeness. Their findings depict accounting system has a significant impact on the performance of non-profit organizations with recommendations on proper recruitment procedure, annual audit of financial statements and avenue for good accounting & internal control systems by the management.

CHAPTER THREE

3.0   RESEARCH METHODOLOGY

This chapter of the study focuses on the methodology adopted in the course of gathering information used for the research work as its paves way for the actualization of analyzing opinions of the respondents on each item of the research instrument. The chapter is discussed under the following subheadings; Research Design, Population of the Study, Sampling Technique and Sampling Size, Source of Data, Method of data analysis, Definition and Measurement of Variable and Model Specification.

3.1   DESIGN STUDY

The design for this research is basically descriptive a descriptive survey is intended to diacritic of phenomena in themselves. Also a sample survey is being used. This is because it will be very difficult if not impossible to include all the relevant variables i.e. everyone who might provide useful information needful for the final report. The design was as well chosen due to time and financial constraints.

3.2   SOURCE OF DATA

Basically, there are two main sources of data which are the primary and secondary sources of data. The primary source of data comprises

information that are obtained directly from the respondents through the use of researcher's designed questionnaire and personal interview. The secondary source of data comprises information gathered through the use of journal, publications made by previous researchers, magazines among others. The researcher therefore considers the use of both primary and secondary sources of data.

3.3   POPULATION OF THE STUDY

The population for the study covers all employees within NNPC, Oke-Oyi, Ilorin, Kwara State. In all, a total number of 1896 employees work in the organization. However, all these employees comprise the senior staff and junior staff working in various departments within the organizations. In all, the opinions of these respondents would be sampled.

3.4   SAMPLE SIZE AND TECHNIQUE

The sample size was drawn out of the sampling frame (population) which was fund by the researcher's enumeration to he 500

$$N_0 = \frac{Z^2XP(1-P)}{e^2} \quad / \frac{1+Z^2XP(1-P)}{e^2N}$$

n_0= sample size

p= standard deviation *(0.5)*

e = level of significance (alpha level 0.05)

N = population Size (500)

$$N_0 = \frac{Z^2 X P(1-P)}{e^2} \Big/ 1 + \frac{Z^2 X P(1-P)}{e^2 N}$$

$$n_0 = \frac{1.96^2 X 0.5(1.0.5)}{0.05^2} \Big/ + \frac{1.96^2 X 0.5(1-0.5)}{0.05^2 X 500}$$

$$n0 = \frac{3.8416 X O.25}{0.05} / 1 + 0.76832$$

n0 = 176.832/1.76832

n0 = 100

Sample size = 100

3.5   RESEARCH INSTRUMENT

The main instrument used in compilation of information for the purpose of this study. The instrument used is a researcher's designed questionnaire. The questionnaire comprises of series of questions related to the research questions formulated in chapter one of the study. The questionnaire is designed on a dichotomous state of Yes and No.

3.6   METHOD OF DATA ANALYSIS

The statistical method used for the analysis and presentation of the responses of the respondents involves the use of simple percentage using statistical machine of excel spread sheet presented using frequency table.

3.7   MODEL SPECIFICATION

This is the mathematical relationship that exists between the dependent and the independent variables and the model for the parameters of the function. The model specification used for this study is the use of Regression analysis towards measuring the effect of accounting information system on public corporation sector with reference to NNPC, Oke-oyi, Ilorin. However, the model specification is mathematically given thus;

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{(1)}$$

Where

Y = Organizational Effectiveness (OE). This is measured in term of increase in profits, revenue growth and increased market share.

a = constant

b = regression slope

X_1 = Accounting information system (AIS). This was measured in terms of ability to be used in recording financial data, speed, accuracy and quality.

$X_2=$ Human Resource (HR). this was measured in terms of qualification, reliability, honesty and motivation

$X_3=$ Financial Leadership (FL). This was measured in terms of standards, relevance, reliability and understandability

$X_4=$ Internal Control IC. This was measured in terms of availability of data security systems. audit schedules and reports meeting JFRS guidelines.

$x_2=$ ع

CHAPTER FOUR

4.0   ANALYSIS AND DISCUSSION

4.1   PREAMBLE

This chapter is set out to present and analyze the data collected through the use of questionnaire and also the information extracted from the annual report of Nigerian National Petroleum Corporation (NNPC). Data gathered on each item of the research instrument are presented using frequency tables expressed in counts and percentages.

4.2   DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

TABLE 1: THE DISTRIBUTION OF THE RESPONDENTS BASE ON THEIR GENDER

SEX	NUMBER OF RESPONDENTS	PERCENTAGE (%)
MALE	80	80
FEMALE	20	20
TOTAL	100	100

Source: Field Survey, 2022

The table above shows the percentage distribution of the respondents by their genders. Male respondents constitute80% while female respondents constitute 20%. This indicates that majority of the employees within the corporation were

TABLE 2: DISTRIBUTION OF RESPONDENTS BASE ON AGE

AGE (YEARS)	NUMBER OF RESPONDENTS	PERCENTAGE(%)
20-29	28	28
30-39	32	32
40-49	18	18
50-59	15	15
60 and above	7	7
Total	10	100

Source: Field Survey, 2022

Table 2 shows the age distribution of the respondents. 28% of them were within the age bracket of 0-9 years. 327 of them were within the age bracket of 30-39 years. 18% of them were within the age bracket of 40-49 years while 15% and 7% of the them were within the age bracket of 50-59 years and 60 and above respectively.

TABLE 3: DISTRIBUTION OF THE RESPONDENTS BY THEIR ACADEMIC QUALIFICATIONS

ACADEMIC QUALIFICATIONS	NUMBER OF RESPONDENTS	PERCENTAGE (%)
O'level	44	44
NCE/OND	38	38
First Degree/HND	15	15
Second Degree	3	3
Total	100	100

*Source: **Researcher's Field Work, 2022***

From table 3, out of the respondents whose opinions were sought, 44% of them were having were O'level certificate Holders, 38% of them were NCE/OND certificate holders, 15% of them were first degree/HND certificate holders while 3% of them were second degree holders.

TABLE 4: DISTRIBUTION OF THE RESPONDENTS BY THEIR LENGTH OF YEARS IN SERVICE

LENGTH OF YEARS IN SERVICE	NUMBER OF RESPONDENTS	PERCENTAGE (%)
Less than5 years	15	15.00
5-10 years	28	28
11-20 years	40	40.00
21-3Oyears	10	10.00
Above 30 years	7	7.00
Total	100	100.00

Source: Researcher s Field Work, 2022

Table 4 shows the distribution of the respondents by their length of years in service. Out of all, 15% of them had worked in the corporation for the period less than 5 years, 28% of them had worked in the corporation for the period of 5-10 years in the corporation, 40% of the respondents had worked in the corporation for the period of 11-20 years, 10% of the respondents had worked in the corporation for the period of 2 1-30 years

while **7%** of them had worked in the corporation for the period above 30 years.

4.3   STATISTICAL RESULT

The following were the computations made through the use of excel spreadsheet on data gathered:

CRONBACH ALPHA

	AIS	HR	FL	IC	OE	
	1					
AIS	0.9078	1				
HR	0.044178	0.05343	1			
FL	0.09078	0.12035	0.05343	1		
IC	0.06354	0.07949	0.03808	0.07949	1	
OE	0.09078	0.122035	0.05343	0.12035	0.07949	1
Average (mean ri)	0.3806					
Kx Mean	2.2836					
1+mean	2.903	$$Rc = \frac{Kxmean\ (ri)}{1 + mean(ri)x(k-1)}$$				
Crombach's Alpha	0.78663					

Source: Excel Computation

ANOVA

Variable	B	SIG f	S.E	R-Squared
Accounting Information System (X1)	0.1124	*0.3524*	0.7099	0.0177
Human resource nature (X)	0.1414	0.3776	0.7106	0.0159
Managerial Leadership *(X3)*	0.4730	0.0000	*0.5993*	0.2989
Internal control (X4)	0.1263	0.3394	0.7096	0.1864
Constant	*3.3755*			
Observation	51			
Standard Error	P<0.1			

Source: Excel computation

	OE	AIS	HR	OL	IC
OE	1	0.8587	0.9107	0.4410	0.5501
AIS	0.8587	1	0.8484	0.9024	0.4410
HR	0.9107	0.9024	1	0.8258	0.9024
OL	0.8484	0.8258	0.8258	1	0.8258
IC	0.4410	0.5501	0.6933	0.6486	1

Since p>0..05 then the model is considered to be significant. P=0.3524

Summary of correlation analysis and p-value

Variables	Correlation coefficient	p-value
Accounting information system (x_1)	0.8575	0.3524
Human resource nature (x_2)	0.9017	0.3776
Managerial leadership (x_3)	0.5484	0.0000
Internal control (x_4)	0.4410	0.3394

Source: Research Findings

From the above tables, we can predict the quality of financial reports in any given time provided we have accounting information system. It is clear that AIS affects quality of financial reports positively since all coefficients are positive. So the model will be:

Y= 3.37+O.1124X1+O.1414X2+O.4739X3+O.1263X4…………….(iv)

From the above model (iii). the performance of the organization could be predicted when the need be

4.4 TEST OF HYPOTHESIS

The hypothesis set in chapter one of the study is tested below:

HYPPOTHEIS

H0: Accounting information system does not have significant effect on public corporation performance

Determination of Critical Value

Degree of freedom= df (v) is given by (r-l)(c-l)

Where R= number of row

C= number of column

The significance is 5%or 0.05 using chi-square formular.

$$X^2 = \varepsilon \frac{(OI-EI)^2}{Ei}$$

Where, Oi is observed value
Ei is expected value
X2 is chi-square
Decision rule
Reject Ho if $X^2_{cal} > X^2_{tab}$
Chi-square Table

Option	O	E	O-E	$(0-E)^2$	$\varepsilon(O-E)^2/E$
Strongly Agree	49	49	0	0	0
Agree	45	49	-4	16	0.33
Strongly disagree	1	49	-47	2209	45.08
Disagree	5	49	-44	1936	39.51
					W4.92

$X^2_{cal} = 5.105$

Hence comparing X^2 with the table value of the chi-square distribution using 5% level of significance and 2 degree of freedom (df)(co1umn-1) (row-1)= (3-1)(2-1)=(2)(1)=2

X^2_{tab} 0.05 (table value) 5.041

Decision Rule

Reject H0 if X^2cal 0.05> $X^2_{tab\ 0.05}$

Conclusion

We reject H0 since X^2_{cals} greater than X2taband conclude that accounting information system has significant effect on public corporation performance

4.5   SUMMARY OF FINDINGS

The findings clearly shows that taking a11 other independent variables at zero, a unit increase in accounting information systems will lead to a 0.1124 increase in efficiency of public corporation in Nigeria; a unit increase in quality of human resource will lead to a 0.1414 increase in efficiency of public corporation. This infers that accounting information system, human resource and finance leadership affect public corporation efficiency with near equal measures. At 1% level of significance and 99% level of confidence, accounting information systems had 0.01424 level of

significance; human resource showed a 0.08893 level of significance then transparency had 0.0516 thus most significant.

The researcher found out that the factors that influence affect transparency including if the organization share the program progress to its shareholders, if they have sufficient electronic control, the framework/right of confidentiality, integrity of top management, accountability of funds and current reports value in the future which scored mean of 4.0 out of the possible *5* which is a good indicator that the manufacturing firms are transparent in their operation which contributes to the quality reports.

The general objective of the study was to establish the impact of accounting information system of organization effectiveness. From the study, an organization which has invested in a reliable information system in terms of speed, data accuracy, data organization, user friendly, reliability and availability. This will enable public corporation become efficient in term of time delivery of financial reports, reduced costs, increased profitability and adaptability to changes in both micro and macro environment

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

The objective of this research was to carry out a study on how public corporation utilize accounting information technology in their financial reporting process. The researcher analysed how accounting information system affect public corporation effectiveness. Organization effectiveness was in terms of increased in profits, reduced costs, adaptability to changes in the economy and timely delivery of financial reports to the board of management. The study adopted a simple random sampling. Data collected was analyzed using Microsoft excel and present in tables. Chi-.square test statistics, correlation and regression analysis were used to test data reliability and relationship.

The study found out that there exists a positive relationship between accounting information system and efficiency of public corporation. The study therefore showed that the use of accounting information systems affect the efficiency of public corporation to a great extent. The study also found out that well trained and motivated staff will facilitate proper implementation of accounting information systems in public corporations.

Training staff in accounting packages and computer packages will enable them increase in productivity and efficiency.

The study results are consistent with empirical review studied. The empirical literature reviews showed that there is a relationship between accounting information system and firms effectiveness. Accounting information systems is a cry important tool for data analysis which in the long run helps in decision making or planning, controlling and coordinating operations in an organization. Accounting Information system utilization in public corporations also increase departmental communication and point out areas that management need to put more focus in order to remain competitive. The study indicated that firms having AIS have either a stable or increasing profitability

5.2   CONCLUSION

The study concludes that accounting information systems directly has an impact on the efficiency and performance of public corporations in Nigeria. An organization planning to invest in computerized accounting system should also ensure that it does proper research to ensure that system will be able to increase processing speed, uphold internal controls and data security. The system should also be user friendly, facilitate financial

management and have the ability of providing strategic information pertaining cash flow planning and budgeting If investing in a good accounting information system will enable a firm generate financial reports properly understood by board of management and having reliable data to allow the management make decisions to counter economic challenges and face competition strongly. Organization will also be able to increase tier efficiency also since from the research most of the firms having strong AIS have reported having maintained their profitability, market share, reduced costs and generally sticking towards their vision and mission.

5.3   RECOMMENDATIONS

From the study findings, it was clear that computerized accounting information system leads to increased processing, speed, timeliness and quality of reports generated affecting firm's performance in it operations. The study therefore recommends that in order to ensure that the firms have quality understandable reports; they should invest in computerized accounting system since it is seen to affect the financial reports to a great extent. Based on the findings of the study an adoption of computerized accounting information system is advisable for all public corporations in a bid to ensure correctness in reporting and general record management as

enterprises that had this system showed an increase in return on investment as opposed to those that had a manual system

The utilization of accounting information system need to be regulated by management of public corporation like NNPC. This is not only to bring sanity but to set standards and ensure provision of certain information requirements which are of financial report format to encourage most business operators to be aware of basic reporting skill. This can even he made on line in nature and such it leads to more adoption of computerized systems.

The study further recommends that organization leadership need to enhance proper guidance and ensure that staff are motivated in process of using AIS to ensure that production processes a:e accurate, timely and to create efficiency in both management and board of directors and meeting set goals and objectives. Management need to factor in both current problems and expected future challenges which the system will solve contingent to the firm.

Organization leadership should not be biased to the individual needs but should consider the owners interest in choosing and implementing AIS

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Kwara State Polytechnic,

Department of Accountancy,

Institute of finance and

Management Studies,

PMB 1375,

Ilorin, Kwara State.

Dear Respondent,

I am a final year student of the above named institute; it is part of the school requirement for the award of National Diploma (ND) in Accountancy Department.

Therefore, I decided to make a research on the effect of accounting information system on public corporation performance in Nigeria.

I respectively solicit for your cooperation in supply the necessary information to this questionnaire and I assuring you that all fact and figures in strict confidence.

Your early and prompt response to the questionnaire will be highly appreciated.

Thanks

Yours faithfully,

ADEBAYO ABOSEDE CHRISTIAN

QUESTIONNAIRE

SECTION A

PERSONAL DATA

1.   Sex: Male (   )   Female (   )

2.   Age: 20-29 (   )   30-39 (   ) 40-49 (   ) 50-59 (   )

3.   Academic Qualification: O'Level (   ) NCE/OND (   )

      First Degree/HND (   ) Second degree (   )

4.   Length of years: 0-5 (   ) 6-10 (   ) 11-20 (   ) 21-30 (   )

      31 and above (   )

SECTION B

1.   Do you think accounting information system make it possible for one
      to know the weakness of an organization? (a) strong agree (   ) (b)
      agree (   ) (c) undecided (   ) (d) strongly disagree (   ) (e)
      disagree (   )

2.   Do you think the role of accounting information system has an effect
      on the performance of public sector establishment in Nigeria? (a)
      strongly agree (   ) (b) agree (   ) (c) undecided (   )   (d)   strongly
      disagree (   ) disagree (   )

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3. Did accounting information system enable organization to manage tasks effectively; (a) strongly agree ( ) (b) agree ( ) (c) undecided ( ) (d) strongly disagree ( ) (e) disagree ( )

4. Do you think the use of accounting information system assists organization in achieving a competitive advantage? (a) strongly agree ( ) (b) agree ( ) (c) undecided ( ) (d) strongly disagree ( ) (e) disagree ( ) T