

TITLE PAGE

**THE EFFECT OF COMPUTERIZATION TO THE PRACTICE OF
ACCOUNTING PROFESSION
(A CASE STUDY OF IBETO MICRO FINANCE BANK LTD)**

PRESENTED BY

EZEENEKWE BLESSING ADAOLISA

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APPROVAL PAGE

CERTIFICATION

This research project by Ezeenekwe, Blessing Adaolisa has met the requirement for the award of Masters in Business Administration (Accounting Option) of the Federal University of Technology, Yola (FUTY). And is approved for its contribution to knowledge.

(Supervisor)

Signature and Date

(Head of Department)

Signature and Date

(Dean)

Signature and Date

(External Examiner)

Signature and Date

DEDICATION

This work is dedicated to Almighty God, the wisdom and knowledge itself. Also to my daughter Nchetanna Udebuani.

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ABSTRACT

Accounting profession is one of those professions that demand a lot. It requires diligent and skilled personnel to achieve the standards requires of it by those who utilize the services. The aim of this work, the effect of computerization to the practice of accounting profession is to critically find out the possible effects of computerization to the practice of accounting profession. The perception of seeing computerization, as an end to professional practice difficulties will at end of this research work is determined. Also this work intends to ascertain the advantage of computerization over non-computerized banks in Nigerian banking sector. As a community bank, I used both primary and secondary method as a source of data both primary and secondary method as a source of data collection. All data collected were analyzed using percentage method of analysis. Finally, my finding is that computer is an aspect of information technology available to accounting officers or personnel in computerized organizations for their operations. Since its introduction into business environment, its impact has been felt on overall organizational performance. Moreover, the level of effects of computerization to the practice of accounting profession is determined by the prevailing circumstances surrounding the operational environment. However, the nature of accounting works may not give rooms for better understanding or evaluation of how computer helps in facilitation of accounting profession to those that lack accounting knowledge. Therefore, Government should make plausible policies on information technology to favour those that wish to invest on communication and information equipment to accelerate speedy development of the nation's information network. Also computer as a product should be subject to proper capital budgeting analysis be devoid of product deficiencies, timed perfectly during introduction and have no technical problems in other to achieve of its application to the practice of accounting profession.

TABLE OF CONTENTS

| | | | | | | | | | | |
|--------------------|---|---|---|---|---|---|---|---|----|-----|
| Title page-- | - | - | - | - | - | - | - | - | - | i |
| Approval page- | - | - | - | - | - | - | - | - | - | ii |
| Dedication- | - | - | - | - | - | - | - | - | -- | iii |
| Acknowledgement- | - | - | - | - | - | - | - | - | - | iv |
| Table of contents- | - | - | - | - | - | - | - | - | -- | vi |
| Abstract- | - | - | - | - | - | - | - | - | - | ix |

CHAPTER ONE: Introduction

| | | | | | | | | |
|-----|--------------------------------|---|---|---|----|---|----|---|
| 1.1 | Background of the study- | - | - | - | -- | - | -- | 1 |
| 1.2 | Statement Of The Problem- | - | - | - | - | - | -- | 3 |
| 1.3 | Objectives Of The Study- | - | - | - | - | - | - | 4 |
| 1.4 | Hypothesis/Research Questions- | - | - | - | - | - | -- | 5 |
| 1.5 | Significance Of The Study- | - | - | - | - | - | -- | 6 |
| 1.6 | Scope Of The Study- | - | - | - | - | - | - | 6 |
| 1.7 | Limitation Of The Study.- | - | - | - | - | - | - | 7 |
| | References- | - | - | - | - | - | - | 8 |

CHAPTER TWO: Literature Review

| | | | | | | | | |
|-----|-------------------------------------|---|---|---|---|---|----|-----|
| 2.1 | An Overview Micro Finance Bank Ltd- | - | - | - | - | - | - | -10 |
| 2.2 | Accounting Profession.- | - | - | - | - | - | - | 10 |
| 2.3 | Information Technology- | - | - | - | - | - | - | 14 |
| 2.4 | The Computer- | - | - | - | - | - | - | 21 |
| 2.5 | Characteristics of a Computer- | - | - | - | - | - | -- | 23 |

| | | | | |
|-----|---|---|----|-----|
| 2.6 | Auditing In a Computerized Environment- | - | - | 26 |
| 2.7 | Accounting System- | - | - | 28 |
| 2.8 | Application of Word Processing Packages-- | - | -- | 29 |
| 2.9 | Spread Sheet Package- | - | - | 31 |
| | References- | - | - | -32 |

CHAPTER THREE: Research Methodology

| | | | | |
|-----|---|---|---|-----|
| 3.1 | Research Design- | - | - | -35 |
| 3.2 | Population of the Study- | - | - | 35 |
| 3.3 | Sample of the Study- | - | - | -36 |
| 3.4 | Sampling Techniques- | - | - | -36 |
| 3.5 | Methods Of Data Collection- | - | - | -37 |
| 3.6 | Methods or Techniques for Data Analysis-- | - | - | -37 |
| | References- | - | - | 37 |

CHAPTER FOUR :Data Presentation

| | | | | |
|------------|------------------------|---|---|---|
| 4.1 | Analysis of Data.- | - | - | - |
| 4.2 | Hypothesis testing- | - | - | - |
| 4.3 | Research finding- | - | - | - |
| 4.4 | Discussion of finding- | - | - | - |

CHAPTER FIVE ;Summary, Conclusion, and Recommendation

| | | | | |
|-----|-----------------|---|---|---|
| 5.1 | Summary | - | - | - |
| 5.2 | Conclusion- | - | - | - |
| 5.3 | Recommendation- | - | - | - |

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Business trends have changed scientifically in this present period. The dynamic operation and the strives for development have necessitated, the application of computers in solving business problems.

Computer is a fast changing methods in business operations by replacing the drudgery of manual operations and a quick actualization of results. Its uses cut across all areas of human endeavour, from simple to most complex operations, performing operations on data collected to produce information. The adoption of computer in specialized jobs has made the practice of accounting profession easier. Computers are created to behave like their innovators.

In fact, computer is an automated machine that works according to instruction given to it by the operator. Computer which is a machine that accepts data from input device, performs defined programs and finally transfer processed data to an output device has an application reliability in

performance and accuracy of its results produced. It has large memory capacity.

Recently, computers have been making waves both in one to hear about the impact of computer in the field of accounting profession. This is because accounting profession is field of practice that forms the bedrock of this research work. Computers are used in measuring, collecting, manipulating and storage of accounting information than the accountants manually.

These reasons many others form the basis of banks going into computerization. The rate at which computers are introduced into the banking sector has affected the industry tremendously. All banks in Nigeria have either been fully computerized or in the computerization process. Ibeto Micro Finance bank is not an exception to the foregoing issues of computerization.

Computer is an automated electronic machine. According to Anigbogu (2000), he defined computer as a special gift of nature, a system which has the capability of accepting data and instructions, process the data based in instruction given to it and bring an out put in respect of the job done by it. The

computer performs operations have lead to the discovery of its effects to the practice of accounting profession.

1.2 fsSTATEMENT OF THE PROBLEM

Computerization of firms and industries whether in a private or public enterprise has generated more problems other than the existing problems. The following problems have been identified to affect the operations of Ibeto Micro Finance bank limited in the computerization process.

Huge capital outflow: the cost of computerization is very high in Nigeria as a developing country. To place the bank on a stage of fully computerized. It will cost million of Naira to the bank and may absorb all their available working capital.

Training of staff or Hiring of computer literate staff to replace the existing staff Ibeto micro Finance bank is a community based bank.

The staffs are mainly indigenous of the community. Training the staff in computer operations may last up to six months as the case may be and there is no possibility that all who went for the training programme will be able to operate the

computers effectively. Then problems may arise in the bid to lay off some staff to recruit the computer experts in handling of financial matters.

Power supply failure: the tendency that there may be a period when NEPA will cease the supply of electricity on technical reasons is possible within such periods, those computers will be idle and put of use after information have been stored in them.

The conversion and system change over: File in use during manual operations will be converted to suite the new system. The process of going so is associated with a lot of difficulties and may led to cost of valuable database.

Finally, over seventy percent of the bank customers are non-computer literate and may misinterpret the ideas behind the computerization to introduce a change in the form and period of producing accounting information to owners, customers and investors.

1.3 OBJECTIVES OF THE STUDY

The objective of the study is to critically find out the possible effects of computerization to the practice of accounting profession.

- To examine accounting practice as a professional means.
- To examine the effect of computer as it is applied in accounting practices.
- To evaluate the effect of accounting profession to determine the benefits of accounting professions.

1.4 RESEARCH QUESTIONS

1. Has computerization shown an improvement in customers' services by your bank?
2. What are the effects of computerization as it affects accounting practices?
3. Does the use of computer to process data save time and reduce the level of difficulties?
4. Use of computer prevents occurrences of fraud and dictated any accrued fraud in a bank, is it true?
5. How does the issue of computerization lead to shortage of human resources input in a bank?

1.5 SIGNIFICANCE OF THE STUDY

Generally, the end products of this study will be beneficial to all banks whether computerized or non-computerized banks in decision making and evaluation of their performances.

Specifically Ibeto Micro Finance bank management will use the provisions of this research work a yardstick on issue of computerization. It is always said that problem identified is problem solved. The bank applying suggestion solutions therein to avoid making a serious mistakes that may cause them to go into liquidation would properly tackle the problems identified in this work.

Finally, users of this work will only have the knowledge of computer capabilities but will as well know its effects to the practice of accounting profession in banks and fairly in relation to other business organizations.

1.6 SCOPE OF THE STUDY

- a. The scope of this research work, its scope covers the staff or employees of Ibeto Micro Finance bank Ltd that are involved in collecting, sorting, measuring and reporting of

accounting information whom their work will be effected by computerization of the bank.

- b. The scope of this research is to only the accounting operations of the accountants of Ibeto Finance Bank Ltd as the target is specifically centered on the accounting profession that goes on in the bank.

1.7 LIMITATION OF THE STUDY.

The research on Computerization of Ibeto Micro Finance Bank Ltd with the view of finding out the effect is limited by the following factors:

- a. Information: Banking industry is among those industries that do not release or give full assessing to their database. Therefore, not every information about the banks' operation was gotten, but the available data at my reach were enough to draw reasonable conclusion on certain matters of interest.
- b. Finance: Apart from the information on the bank that forms my case study, lack of money to source for more information in the course of the research process.
- c. Materials: Computerization is still new in Nigeria as a developing country. There have not been enough materials

on computerization, which would have helped during data gathering to ease the work.

- d. Time: All the factors of limitation will not be complete without mentioning time available to perform an assigned task. It is worthwhile to state here that the time taken to carry out this research work is limited.

CHAPTER TWO

LITERATURE REVIEW

2.3 AN OVERVIEW MICRO FINANCE BANK LTD

Ibeto Micro Finance Bank Ltd (formally known as Ibeto community bank) is the only Micro Finance Bank in Nnewi North L.G.A Anambra state. It emerges as a result of the introduction of micro finance banking system in Nigeria. Ibeto Micro Finance bank was Incorporated on 14th January 1993 as a private limited liability company and it started its operation on 3rd June 1994 as extracted from Nnewi Mass return programme booklet held December 2000. Then was incorporated as micro finance bank in August 2006.

According to the Bank annual report of 1995, the bank carry on normal banking business as well as company banking initially, the authorized share capital was twenty five million naira. (25,000,000) dividend into twenty five million naira shares of one naira (N1.00) each. As the business grew the share capital were increased to fifty million naira in 1996 and later in 1997 it was again up to eighty million naira to boast its banking operations effectively and efficiently.

As at 31st December 2007, the paid up capital of Ibeto Micro Finance Bank stood at twenty five billion naira (N25b). The first manager of the bank was Mr. Chinedu Obikwechi who was later succeeded by Mr. Samuel Aniagor from 1999 to date. The boards of director are up to seven regular members and two alternate members.

The regular has his royal Majesty Igwe Nnamdi Oruchi, Okeife III of Nnewi as chairman, Chief J.O. Udeoyi, Chief John Uzokwe, Chief Ezeani, Ichie Oradubanya, Mr. J.O Udeagbala and Ichie J. Orazulike as members. At every board meeting, the Nnewi development Union chairman, the represents the members of the community that have over 30% of the equity shares.

It's the policy of the bank that no individual should be allowed to own more than five percent (5%) of the paid up capital. Also the bank employs across Nnewi town where it is situated. The employees were mixed to accommodate people that are non indigenes of Nnewi community.

Presently, Ibeto Micro Finance Bank ltd is not fully computerized bank but it has acquired some electrically operating machines like counting machines and electronic adding machine. The computerization process will begin in less than one year as hinted by the management Mr. Samuel Aniagor.

The operating hour of the bank starts by 8 0'clock and end by 4pm while balancing of account sometimes last up to 6pm. On Major business days, about three hundred cheques were received while an average of one hundred and eighty is expected daily.

On the security aspect, although it is situated along Ozubulu road, the Nigerian police station Nnewi building thereby providing adequate security network within the area.

Business growth rate is expected at the completion of Nnewi main market and industries within the area. All these and many other development going on at Nnewi town are foreseen to tipple the rate of growth development and operations of Ibeto micro finance bank ltd, few years to come.

2.4 ACCOUNTING PROFESSION.

According to the accounting 12th edition 2000/2001 section by NAPAS, the accounting profession is one of those profession that demands a lot. It requires diligent and skilled personnel to achieve the standard required of it by those who utilize the services.

The learners dictionary defines accountancy as the work of an accountant it involve the whole process of planning for identifying, recording, summarizing, interpreting and drawing objectives gamete of business events and activities. It is good accounting system ensures that errors and fraud are thrown open as soon as possible.

Accounting, in business according to Okeke Chike H.N.D1Fed poly Oko the accountant Vol.1 No.3 p.1, states the services provided by the accountancy profession to the society.

Include among others:

- a. Handling of accounting functions such as recording, analyzing and presentation of financial activities of organizations.
- b. Fund sourcing and cash managing.
- c. Tax management and other advisory services.

- d. Enforcing adherence to acceptable accounting standards (auditing).
- e. Accountability and control to help achieve efficient allocation of limited resources.
- f. As strategic planner, interpreter, implementer and quality controller.

From the above listed functions, it is obvious that an accountant is in all department of an organization no matter the nomenclature the organization used in naming of their department

2.4 INFORMATION TECHNOLOGY

According to Umezziwa (1997), the meaning concept and use of information technology cannot be complete without knowing the meaning of data

Data can be defined as facts (i.e numbers, figures, symbols, or aggregates of one or more of these) which are raw and undesired in their present form and need to be transformed into a refined or desired form. The desired form into which data is finally transformed after undergoing a series of process is called information Umezziwa (1997).

It then becomes clear that information is the final form into which processed data exist. It is not uncommon that it is only the processed data (information) that is useful to any organization for effective decision making.

According to Umezding Ibids P. 107, information has results when knowledge is imparted on data, Data is a raw fact and in fact meaningless to any organization. Data becomes information only when it is processed or knowledge is imparted on it, only then that it becomes meaningful to any establishment. Information is the life wire of any organization. Mbanefo (1997) P. 238 noted that accounting information is the chief means of communicating the result of managements stewardship to external and internal users. The world is going nuclear and the information required of every organization became increased. Seventies is no more useful enough in this present time.

In fact, what we are experiencing now is information explosion. The valuable has to be protected by any means available. Computer systems have been found useful in this

regard. Computer help users to receive, process, store and convey information required by an organization.

In accounting firms, accounting policies currently in use, internal control procedure, rates and other accounting information may be stored in a computer.

However, the use of computer in the collection or generation, processing, storing and retrieval of information, use of such information and its management has lead to a new innovation called information Technology (IT).

According to Oliver and Chapman (1990), "Information Technology is the technology which supports activities involving the creation, storage, manipulation and communication information, together with their related methods, management and application. Therefore, information technology may be seen as the broadly based technology, needed to support information system,". The further stated that electronic data processing (EDP) is part of It. But not sensible to think of EDP as being a water tight compartment

and therefore, it is important for the data processing student to be aware of It.

This is because electronic data processing (EDP) must be seen in content as one of a number of important areas of information technology IT.

The topic of this research work is the effect of computerization to the practice of accounting profession. This implies that it will be useful to deal exhaustively with the technology to apply before looking at how it affects the profession.

According to Oxford Advance learner Dictionary of current English. Technology is the mastery of and utilization of manufacturing and industrial methods, systematic application of knowledge to practical tasks in industry. This definition of technology depicts that knowledge is applied to an existing units comprising of various equipment.

This knowledge has to be acquired through training and hearing. This issue of industrialization is a new idea to the third world countries.

Recently, technology have changed everything, the changes introduced into the various professions has evolve a modern style of accounting practice, varied stages and concepts. For effective communication within and outside an organization.

Many authors define information technology in different words that convey choose meaning. Atueyi, (1995) PP 75-76, defined information technology concepts as the host of systems, equipment and materials essentially computer based which are used to achieve the set goals of an organization in relation to the function of an office such as obtaining, storing, processing and distribution of information.

Eamon (1990) Pg.¹⁸ in his book “The personal computer in the small business” defined information technology (IT) as the term used to refer to a broad spectrum of electronically based ways of handling information, including telecommunication, broadcasting and consumer electronic and even includes the use of computers to control the machines.

Still on the definition of it, Kolawole (1999) defined it as the technology, which aids data collection and processing as well as the transmission, manipulation or processing of information to support managers.

All these definitions points at handling of information by use of information technology recognizing the roles played by computer in the proper use and functioning of information technology.

Other means of information technology are:

- a. Electronic mail service (EMS)
- b. Facsimile Transmission
- c. Tele conferencing
- d. Decision support system (DSS)
- e. Phonogram service (PS)
- f. Leased Lines (LL)
- g. Telex service and delivery (TSD)
- h. The internet

Owing to the scope and objective of this research work, only the internet out of these means of information technology will be treated.

The Internet:- The world wide web information “Super High Way” defines the internet as a global net work of networks

enabling computer of all kinds to directly and transparently communicate and share services through much of the world in form of words, it defines it as “a collection of computers around the world linked to cables like ordinary telephone lines allowing the transport of digitalized information”.

The computer and the internet are the most powerful marketing and communication tools to hit the face of the earth. Presently there are other 120 million people on the net with another 70,000 people coming online world wide everyday. It is been predicted that over next three years there will be over 500 million individuals and business online worldwide. The rate at which it doubles is tremendous and the internet is the fastest growing communication medium ever in existence.

E-Mail is a way of sending messages around the internet. It is far cheap to E-mail a friend than a phone along distance. This medium delivers almost instantly.

Many computers according to internet news, June 2001 edition P.2 now rely on E-mail as a means of communication because it is much faster and cheaper than ordinary mail or fax. The most

wonderful feature of using e-mail is its accessibility in a cyber café anywhere at anytime of the day.

While the increasing amounts of information about scientific and technological developments are now available only on the internet, the questionnaires are:-

- a. Has the “information poverty” been added to the many other gaps, which separate developing countries from the developed countries?
- b. Will the internet have the potential to narrow the existing north-south information gap due to its less accessibility and more expensive in the south than in the industrialized world?
- c. Will corporate Forces in the developed north dominate the electronic age?
- d. Should culture or government in the south fear a new deluge of northern based culture, political and economic matter, or should they welcome the new information trend.

Using the internet services, it takes perhaps half an hour to complete research which would previously have lasted for weeks or even month.

Imperatively, the internet is useful for banks in accessing information about a customer often banks and other useful and reliable accounting information on the net.

2.4 THE COMPUTER

Computer is one of the major technologies that make up the information technology, Although it has been defined earlier, at this stage, computer as a separate entity will be looked into starting from definition of computer by different author on different background.

Collins comprehensive dictionary of computing (1988) P42 defined computer as a machine that received or stores or process data very quickly according to a stored program.

Galanter (1984) p.36 describes it as just a device that accepts information of one kind or another stirs it round according to a carefully prepared set of rules or procedures and then dumps it out in a new form. One basic fact about their definitions is that a computer is a machine that performs operations on data according to instructions given to it. It was supported by Anigbogu (1999) p.1 when he defined computer

as a machine which has the capability of accepting data and instructions, process that data base on the instructions given to it and bring out an output in respect of the job done by it.

Further more, a collection of definitions of the machine computer will not be enough by me without inclusion of the conjunction of Mr. Aroh. In their words said that computer is a machine which accepts data from an input device, per forms arithmetic and logical operations and finally transfers the processed data to an output device either to further processing or find printed form such as business documents, schedules and management control reports.

This definition of computer in relation to the topic of this research work has positive aspect of these definitions; it implies that computer will be suitable for handling of accounting information since it performs logical and arithmetic operations as directed by the user. Also another good work of it is that it stores the information processes for further use, which means that there will be no loss of valuable information when data is processed using a computer. Finally in this respect, it has the ability to transfer information from

one point to another location. This makes the accessibility of accounting information at different work point and easy task.

From a negative point of view, computer cannot be said to have saved accountants from making serious errors and producing an incorrect accounts when they work in a computerized environment.

This is so because computer work as directed Garbage in garbage out (GIGO) is used to stress this point. It simply means that a computer will produce whatever the operator loaded in it. That is to say that it will produce wrong information when the operator gave it a wrong data and correct information when it manipulates on a correct data. Therefore, a computer should be regarded as an automated electronic instrument by accountants and not a final solution to accounting problems they are facing.

2.5 CHARACTERISTICS OF A COMPUTER

The characteristics of computer in performing operations according to Nwashili (1999) includes the following;

- a. Accuracy of results

- b. Reliability in performance
- c. Speed in operation
- d. Versatility in applications

Accuracy:- As earlier stated, computer gives an error free results if the operator did not originate any error from the inception of data generation and input into the computer.

Reliability in Performance:- Computer is a type of machine that shows no fatigue and continues to produce the result of processed data as long as the enabling environment is created.

Speed in Operation:- Computer operating speed supersedes other electronic devices because of quick processing of data to give out the result as information.

Versatility in application:- Due to the fact that computer can be directed, it can as well be used for different areas of human Endeavours which includes: Accounting, Marketing, Engineering , Medicine etc. it is said to be versatile in its application of those field education, provided a package for such field has been developed.

Nweke in his contribution to “The Accountant”, Magazine produced by accountancy department Federal Polytechnic Oko, said that a number of benefits could accrue from the computerization of bank services. The benefits may include:

- a. Reduction of customers waiting time since the necessary verification is done speedily. The verifications may be within the same bank or in another bank. In this respect the internet plays a very important role.
- b. Customer’s accounts can be accurately maintained. Accuracy here is subject to the data loaded in the computer to perform the necessary operations on them.

Also Nweke (2000) went further to say that computerization has some limitations, which includes non-guarantee of information leakage to an outsider or an unlawful user on the ground that anyone who can manipulate the computer can recall some information, which may be confidential.

Accounts that are prepared manually contained international errors in their balances although their figures may be

Accurate but a computer will not do so unless the user will supply such balance.

The use of computers reduced reliance on man power and may compound unemployment problem in the economy.

2.6 AUDITING IN A COMPUTERIZED ENVIRONMENT

Auditors are made up of accountants. The companies and allied matter decree 1990, section 358 sub section (1) stated that a person shall not be qualified for appointment as an auditor of a company unless he is a member of a body of accountants in Nigeria established from time to time by an act decree. Thus implies that authors are drawn from body will only serve as an employee in the internal audit unit and not as qualified auditor.

The ways in which an auditor can approach the audit of computer based system fall into the following categories:

- a. Auditing round the computer
- b. Auditing through the computer

Round the computer means an auditor concentrating solely on the input and output, ignoring the procedures that take

place within the computer. On the other hand, auditing through the computer demands that the auditor should check the input data and in addition makes use of tests thoroughly examining the processing procedures in the computer. According to Monwuba, (1995), auditing round the computer is now frowned upon because of loss of audit trail.

Introduction of computer in accounting and auditing practice has created additional problems for instance, an auditor may encounter some special problems in auditing in a computer based accounting systems such as; loss of audit trail, problems of understanding as a result of complication in the electronic data processing system, disappearance of informed control that exists in the manual system and finally, mistakes made during installation process may render the system inefficient.

An accountant in the course of his work uses computer systems in maintaining strong internal control. Internal control has been defined by Millichamp (1996) p.89 as the whole system of controls, financial and otherwise, established

on the of the enterprises in an orderly and efficient manners, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. Okos, Nnamdi in his article published in the polytechnic accountants wrote that administration have the duty of designing an appropriate system of internal control for the organization.

Since non-accountants do the development of computer and its software packages, here is a fear that the complete intended aim of using a computer in maintaining a good internal control in an organization may not be achieved.

It is obvious that organizations may wish to adopt different accounting systems in view of varying organizational problems detailed look at the accounting system will be of great importance to this research work.

2.7 ACCOUNTING SYSTEM

Accounting system must be seen as wider than books of account. It encompasses all the procedures necessary to record transactions in the form of documentation (e.g. goods inward notes clock cards etc.) as well as the actual books of account. Without controls, a system of accounting and record keeping will not succeed in completing and accurately processing all transactions. What constitutes an adequate system of accounting depends on the circumstances, the basic needs of a system is that it provides for the orderly assembly of accounting information to enable the financial statements of the management interest in the system must be borne in mind.

Mbanefo (1997) defined accounting system as the accounting arrangement, with regularity and order in provision of accounting information. This definition implies that there may be reasons for such an accounting arrangement by the management.

Millichamp (1996) summarized that adequate accounting system must incorporate internal control to ensure authority,

complete\ness and accuracy and to prevent or uncover error and fraud.

In his view, the management of an enterprise needs complete and accurate accounting and other records. The business cannot other wise be controlled, records of debtors and creditors are indispensable, safeguards of assets can only be done if a proper record is made, primary records are needed in preparation of financial statements requirement

2.8 APPLICATION OF WORD PROCESSING PACKAGES

Word processing package are packages used by almost every office establishment with a computer technology. In recent times, it is a major tool for word communication in office administration.

Example of word processing package includes; read me, word star perfect, adobe page maker, display write, multi mate, word for windows .According to Elochukwu (1999) some word processing packages has been designed and developed to assist users to make effective use of word processing software in creating, editing, storing and manipulating on text or words to produce reports notes, memos, manual and letters.

Further more, he stated that word processing packages provide the following advantages to the users:

- a. It is easy to make correction
- b. Some word processor provide spelling checks
- c. The printer output can be of high quality
- d. Documents can be stored on magnetic media (hard disk, Flash drive or floppy diskette) and retrieved quickly when needed.

In the practice of accounting profession, accountants use the above-mentioned packages for the preparation of documents for report or for letters.

For example, tender report, cost report, project progress report, preparation of the firm's official letters etc. in fact with the technology of word perfect nothing cannot be created on a given document. The technology if word perfect has improved the efficiency of the modern accounting firm that has installed the system of information technology in their office. This allows and enables the business to keep up-to-date information on their paper work with ease, a requirement and standard that cannot be met by an ordinary typewriter.

2.9 SPREAD SHEET PACKAGE

Spreadsheet according to Anigbogu (1999) is an application package that has become widely acceptable in most computerized environment.

The fundamental power of the spreadsheet is its ability to store and manipulate large amount of data. The spread sheet software has been designed and developed to assist in storing and manipulating of large amounts of data such as inventories, financial statements, financial control preparation etc.

The worksheet (excel) according to Nwashili (1999) has a rectangular grid of 256 columns and 16,384 rows. Also lotus 1-2-3 has 256 columns and 8,192 rows which is half of the excel worksheet. The intersect of a column and a row is called a cell. The cell is the basic unit in which data is stored and in which scientific calculations are performed.

Other features of Microsoft excel includes;

- a. Options for moving around the worksheet
- b. Options for entering data
- c. Options for editing, saving, copying and inserting data and information in rows and columns

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

The design of the study follows a systematic format. This research was aimed at identifying the effect of computerization of banks to the practice of accounting profession. According to Eze (1999); Research design is the blueprint or plan which determine the nature and scope of study carried out or proposed”.

Therefore this particular study was designed to sequentially study the use of computer in banks and its effects limited to the practice of accounting profession.

Firstly, the topic was stated followed by the introduction of study, problems, purpose and significance, limitations, scope and review of related literature, methodology applied, testing of research questions used, data presentation and analysis and finally the summary, conclusions, recommendation with emphasis on Ibeto Micro Finance Bank being the case study of the research.

3.2 POPULATION OF THE STUDY

Accounting profession is practiced in all sectors of the economy and in all human endeavours. So also computer is universally applied in all works of life. But to make this research work practicable and fruitful, the population of the study were the entire accounting staff of Ibeto micro finance bank Ltd. Which numbered about twenty five (25) staff employed. Borrowing from contributions of Nnadozie (1995); only members of the target of the study as defined by the aims and objectives of the research were included in the population.

3.3 SAMPLE OF THE STUDY

The central purpose of any research is to discover or rediscover phenomena (events laws, principles, occurrences) which have beneficial applications to mankind, most research studies are not carried out on a while population, and as well the sample size of this research is united to fifteen (15) account personnel's of the Ibeto micro finance bank that carry out their services in relation to accounting works.

3.4 METHODS OF DATA COLLECTION

The data used in this research will be from primary and secondary data sources to produce adequate information to enhance reaching acceptance conclusions.

Primary Source of Data

Personal interview and the administration of questionnaires were the two understanding sources used in this research work. The administration of questionnaire is given close attention.

Secondary Source of Data

All secondary data were collected from textbooks, lecture notes and other periodicals gathered from the school library.

Personal Interview

In this method of collecting data and conducting research, the researcher ha to meet most of those concerns personally. While collecting data. The researcher applied the following techniques:-

- a. Before hand, the researcher made a list of the sort of information needed and gave to the persons to be interviewed in advance indicating the subject of discussion.
- b.** Discussion was based on a formal ground, as much as possible to allow free discussion, but within the limit of the subject matter and at times moderately outside the subject matter, in the interview.
- c.** A yes or No questionnaire was prepared before hand for use during the interview. This was helpful to the researcher.
- d.** In this selection procedure, persons who are in position to know fully well the activities of the department or organization were selected. Heads of department concern were selected as suitable persons were interviewed.

3.5 VALIDATION OF INSTRUMENT

The administered questions will be given to three professionals to vet and make their comments. All these will testify that the quality and strength of the questionnaire is good. Also various literature will be consulted before the questionnaires will be drafted.

Validity and reliability of the research instrument is to ensure potent validity and reliability of data and instrument used in

structured administered questionnaire were given to 30 respondents and planned control oral questionnaire is to be done to 25 personnel from the bank.

3.6 METHODS OF DATA PRESENTATION/ANALYSIS

Collected data from answered questionnaires were presented in a table and analyzed with the application of a simple statistical techniques of frequencies and percentages to the study. They are analyzed systematically using a system approach.

Firstly, questionnaires distributed to the respondents were collected, examined and evaluated to know the frequency of respondents in proportion to the total sample size administered with questionnaires.

3.7 INSTRUMENTS OF DATA ANALYSIS

Test the hypothesis for this study, tables and simple statistic such as percentages will be employed.

Where the frequency of each response was divided by the total number of respondents and multiplied by one hundred.

$$\frac{\text{Numbers of responses}}{\text{Total number of respondents}} \times \frac{100}{1}$$

Total number of respondents

1

The results obtained were presented in a tabular form as shown belowfor analysis.

| OPTIONS | RESPONSES | PERCENTAGE |
|---------|-----------|------------|
| YES | 10 | 66% |
| NO | 5 | 34% |
| TOTAL | 15 | 100 |

A SAMPLE OF RESULT TABLE

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

Below is the presentation of data collected from distributed questionnaires. Recall that this research does not seek to compare groups or objects but was designed to seek factual information on application of computer to the practice of accounting profession.

The data were presented simply and analyzed to determine people's reaction on the subject matter of investigation.

Research question:1

Does the use of computer have effects to the practice of accounting profession?

Table 4 . 1

| Option | Responses | Percentage |
|---------------|------------------|-------------------|
| Yes | 10 | 66% |
| No | 5 | 34% |
| Total | 5 | 100% |

The data from the table above shows that there is enormous effect on accounting profession arising from the use of computer on the other hand; few accounting officers do not agree that a computer

application is responsible to sudden changes in banking operations.

Question: 2

Are there any improvements in customer services by accounting officers after the introduction of computer systems?

Table 4.2

| Option | Responses | Percentage |
|---------------|------------------|-------------------|
| Yes | 13 | 87% |
| No | 2 | 13% |
| Total | 15 | 100% |

Table 4.2 shows that thirteen respondents representing 87% accepted that there is an impart on customers services as a result of introduction of computer based system machine while only two disagreed.

Question: 3

Can application of computer totally prevent and dictate fraudulent practices?

Table 4.3

| Option | Responses | Percentages |
|---------------|------------------|--------------------|
| Yes | 9 | 60% |
| No | 6 | 40% |
| Total | 15 | 100% |

Question: 4

With emphasis on your knowledge about networks, will you say that your organization is fully computerized?

Table 4.4

| Option | Responses | Percentages |
|---------------|------------------|--------------------|
| Yes | 1 | 7% |
| No | 14 | 93% |
| Total | 15 | 100% |

From table 4.3 above, 93% out of 100% agreed that their organization is partly computerized while 7% said that it is fully computerized by simply reasoning, it will be credited in favour of those that disagree rather than those in the affirmation side.

Question: 5

Do you use any accounting computer application package?

Table 4. 5

| Option | Responses | percentages |
|---------------|------------------|--------------------|
| Yes | 7 | 47% |
| No | 8 | 53% |
| Total | 12 | 100% |

Question: 6

Have there been any noticed benefits from the use of those packages?

Table 4.6

| Option | Responses | Percentages |
|---------------|------------------|--------------------|
| Yes | 11 | 73% |
| No | 4 | 27% |
| Total | 15 | 100% |

As deducted from the table 4.6 above, eleven accounting officers admitted that there are benefits attached to use of application packages. Four of them disagreed with it. From table 5 above, more than half of the sample populations do not use such materials, so may not notice whether there is a benefits or not in using them.

Question: 7

There are negative implications arising from use of application packages by accounting personnel's. Aren't they?

Table 4:7

| Option | Responses | Percentages |
|---------------|------------------|--------------------|
| Yes | 5 | 34% |
| No | 10 | 66% |
| Total | 15 | 100% |

Question: 8

The technicalities involved in accounting practice cannot by fully applied while using computer-based systems Yes or No?

Table4:8

| Option | Responses | Percentages |
|---------------|------------------|--------------------|
| Yes | 4 | 73% |
| No | 11 | 27% |
| Total | 15 | 100% |

A total of 73% affirmed that the techniques in accounting couldn't be fully implemented with computer against 27% that held a positive view that they could be applied fully.

Question: 9

Do you treat more than one file at a period because you are using computer?

Table 4:9

| Option | Responses | Percentages |
|---------------|------------------|--------------------|
| Yes | 11 | 73% |
| No | 4 | 27% |
| Total | 15 | 100% |

From the table above, 73% of the total respondents agree that they treat more than one file at a period but four of them do not do so. There may be reasons why they treat files one by one. Although computer has the capability of performing on more than one line of processing data at a time. It does soon command by the operator who may wish to do job sequentially to avoid wrong input into the processing machine.

Question: 10

Where you able to store and retrieve all documents and files without loss of any item in their contents?

Table 4: 10

| Option | Responses | Percentage |
|---------------|------------------|-------------------|
| Yes | 13 | 87% |
| No | 2 | 13% |
| Total | 15 | 100% |

Above data in table 4.10 shows that there is little loss of information on retrieval of documents stored in a computer information could not be retrieved if there was a power failure during storage if no back-up system was provided such as uninterrupted power supply (u . p . s) and a C D ROM.

NOTE:

There is no room for rest of hypothesis since none of the research question was given a tentative answer called hypothesis. Also it was a deliberate decision by the researcher to present the data clearly and avoid tedious work of preparing a table and discussing every entry in it whether significant or not which is regarded as a mistake made by in experienced researcher.

4.11 COMPREHENSIVE ANALYSIS OF ANSWERS OF ANSWERS GIVEN TO NUMBERS ELEVEN TO FIFTEEN QUESTIONNAIRE THAT DEMANDED FOR DETAILED ANSWERS,

On the problems attached to computerization of their organization, the problems as dedicated from their answers included idea generation and acceptance, finance, financing decision of the execution. After the implementation of the decision, other problems that arose were that of file conversion and system change over, retraining of staff on use of computer. Everybody believed that data is best handed by information technology for accuracy and speed .The introduction of internet is advancement in information technology that adds to computer capabilities and assist accountants to have access to data outside their working environment thereby facilitate their operational efficiency.

Information technology has made it possible for one person to handle more than one accounting process. In view of this statement, some argued that it has increased the level of unemployment while others said that information technology itself is catalyst to employment opportunities.

Accounting problems despite the introduction of computers and computer-based systems are not solved because computer is like a tool that depends on the users. Cases of fraud in some computerized banks is an indication that computer alone cannot prevent or dictate fraud if not used properly in performing a great job that needs application of professional skills. In other words, computer is a means to an end and not an end itself to accounting problems.

The general option of the management is to involve some investment appraisal techniques to ascertain the cost benefit of computerization project. The extents to which this will provide an answer depend heavily on the analyst, Capital budgeting must be Undertaken with caution given its position vis-à-vis other financial decisions of the firm and also caution must be exercised in the use of the resultant data.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

The aim of this research was to find out the effects of the practice of accounting profession using Ibeto Micro Finance Bank Nnewi as a case study. In summary, computer is an aspect of information technology available to accounting officers or personnel in computerized organizations for their operations , Since its introduction into business environment its impact have been mushily felt on the overall organizational performance. Recently, banks begin to go computerized to the extent that accountant and auditors now apply computer application package in their professional practices.

This study have shown that the practice of accounting profession in a computerized environment is easier , the result are normally accurate except in certain cases where the operator key in wrong data for processing or in situations where by the machine was affected by a virus . Apart from these reasons or other fraudulent practices, computer efficiency has drastically effected accounting profession.

Banks do not only consider the benefits that will accrue to them if they introduce computer-based systems but also take cognizance of volume of work available, financial aspect of the project, available facilities that will cope with computer operations and human resources aspect. Above all, much consideration was based on policy of the bank towards information technology introduction into their system.

5.2 CONCLUTIONS:

The real effect of computerization to the practice of accounting profession in Nigeria is still backward in the acquisition and full utilization of information technology. Computer alone as an aspect of information technology is not complete without other system supports. The reasons for non-full computerization may be traced down to inadequate resources and lack of system support services, which in the run compel accountants using computer-based systems, retire to their former methodology.

There is no doubt that most accounting jobs are done manually at the initial stage and later converted into system based at the apex level due to inadequacy of computers available to every accounting personnel's.

Computer is said to be error free only when the data supplied to it , to perform operation on them are correct , In situation where accounting personnel's do not use process involving computers may not be reliable. Notwithstanding the above impediments in the application of computer to accounting profession, there are still some benefits attached to use of computer. Retrieval of accounting information stored in a computer storage device is faster than doing it manually. Also accounting data are processed at a high speed to give out required information without much delay thereby enhancing the customer service efficiency.

Finally, the level of effects of computerization to the practice of accounting profession is determined by the prevailing circumstances surrounding the operational environment. However, the nature of accounting works may not give room for better understanding or evaluation of how computer helps in facilitation of accounting profession to those that lack accounting knowledge.

5.3 RECOMMENDATIONS.

Since the world is going computerized and we are now in information age, there are needs to install computers and other information technology **(I T) equipment** that are necessary for our dairy accounting practice.

Without prejudice to the above statement computerization is a capital project that will involve corporate strategy. It should be tactfully studied to evaluate its level of need, applicability and conformity to the existing facilities.

Considering the nature of accounting practice, students should be thought with computer instantly during their normally tutorial lessons rather than undergoing computer studies after graduation so as to perfect on how to apply computer and application packages.

Owing to the revaluation of this study that computer is a dormant object, which depends on instructions given by the user, over dependency on computer for accurate output (accounting information) should be curtailed. The management to prevent fraudsters from having access to the system otherwise the networks and internet service will be of good help to manipulate data store in

computer. The professional bodies of accountants should put efforts and has with computer vendors to produce accounting packages the will be of standard quality on specification. The internet services providers (**I P S**) should establish their services to cover all the states of federation to enable all banks hook up to the net so that the objectives of computerization may go beyond faster processing of data.

Seminars and workshops should be encouraged to help in creating awareness on relevance of computer and information technology in accounting and other professions.

Also the entire banking sector should join hand in the provision of system support services (SSS) and consistent training of staff on both manual and computer banking operations.

Government should make plausible policies on information technology to favour those that wish to invest on communication equipment to acceierate speedy development of the nations information network.

Above all, computer as a product should be subjected to proper capital budgeting analysis, be devoid of product deficiencies, timed perfectly during introduction and have no technical problem in order to achieve the objectives of its application to the practice of accounting profession.

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