

# Financial Accounting Information System Usage for Management Decision Making in Nigerian Banking Institution

## ABSTRACT

This research examines the role of accounting information systems in helping organizations make smart decisions. This study relies heavily on primary data collected via surveys. The data was analyzed using regression and Karl Pearson's correlation. The findings reveal that the bank's internal auditors were not given enough reports at the right time. But organizations are advised Invest in information technology tools to increase their efficiency, effectiveness, and overall performance.

**Keywords:** *Financial Accounting Information System, Decision Making, Fraud and Mis-management.*

## 1. INTRODUCTION

Recent advancements in information system modules throughout the globe have compelled corporate organizations to invest in this sector if they wish to compete well against domestic and international competitors. The days when commercial organizations were just needed to earn a profit, survive, and pay investors a reasonable return on their investment are long gone. Modern corporate organizations operate in an environment fraught with global uncertainty, fierce rivalry on a local and global scale, and unparalleled economic upheaval. As a result, managers of large organizations are frequently expected to make pragmatic and educated decisions if the organization is to go forward, as an organization's success or failure is frequently a consequence of the sum of its previous decisions. However, the quality of managerial decisions is contingent upon the substance and accuracy of data given by the systems at their disposal. Accounting systems are one of the most effective decision-making tools available to management because they provide a systematic means of collecting and organizing information about various company activities in order to assist management in managing the firm (Copeland & Dascher, 2018). Accounting data may also assist managers in better comprehending their duties and reducing ambiguity prior to making decisions (Chong, 2016). Thus, accounting information systems are critical to all organizations, and possibly every organization, whether for-profit or not-for-profit, should maintain one, as no organization is free from decision-making throughout its operations. To thrive in today's dynamic and global environment, any company, regardless of size, whether small, medium, or big, service or manufacturing, need effective information management. As a result, information is critical to every business's success. However, information must be processed effectively, and the information for doing so is through an integrated collection of components known as an information system. Thus, an information system is a collection of disparate components that work together to accomplish a given task, and it can be derived from either internal or external sources. Elvisa and Erkan (2015) assert that the

**Comment [P1]:** Which organization. Are you referring to banking institution?

**Comment [P2]:** You abstract is too scanty and lack some of the basic information that can give the reader a clear picture of your study without going through the study. Its about just 69 words as against the standard of 250-300 words.

**Comment [P3]:** This is not in any way found in the title of the study nor in the study's abstract. Take note please.

most critical system of management information systems is the one concerned with data processing, dubbed Accounting Information System (AIS). AIS entailed identifying, recording, evaluating, summarizing, and communicating economic data to a decision-maker.

Accounting is the business language, since it is the fundamental instrument for documenting, reporting, and analyzing economic events and transactions affecting commercial companies. It manages all financial records for a firm, from salary, cost, capital expenditure, and other responsibilities to sales revenue and owner equity. It disseminates financial information about a company's operations to internal and external users, such as managers, investors, and others. It is occasionally referred to as a means to an end, with the end being the choice aided by accounting information (Arnel & Hope 2010). Management is the art of collaborating, mostly via people, to accomplish an organization's broad goals (Ejiofor 2017). In order to accomplish these goals, the manager must devise ways for obtaining accounting information that is appropriate for the business. Management accounting makes use of both financial and non-financial data and is often designed for internal users who utilize the data to make decisions that contribute to the achievement of the organization's goals and objectives. Management accountants analyze financial data such as sales growth, profitability, return on capital employed, and market shares. They also analyze non-financial data such as customer satisfaction, manufacturing quality, competitive information performance, and customer loyalty. Management accountants make company decisions by analyzing both financial and non-financial data (Melissa Bushman 2017).

Thus, accounting is classified into three (3) subfields: financial accounting, cost accounting, and management accounting. Financial accounting, according to Leopold (2012), is concerned with "offering information about an organization's financial activities for the benefit of both internal and external users." Additionally, it is the categorizing and recording of an entity's monetary transactions in accordance with established ideas, rules, accounting standards, and legal requirements, as well as the display of a perspective of those translations during and after an accounting period. Using cognitive processes, decision making is the process of selecting various courses of action. When there is no obvious path of action to choose, decision-making is required. Accounting systems can assist us in making decisions by supplying information that is pertinent to the choice and the decision maker. Additionally, accounting systems ensure the legitimacy of transactions through the auditing and accountability processes (Gray 2016). Accounting information that is effective and efficient is critical for management decision-making. Decision making has been defined as a deliberate selection among a variety of possible courses of action. Managers rely on AIS to supply them with critical information. Management decisions are one of the most critical elements of any company, since they influence the firm's success or failure to achieve predetermined goals and objectives (Clinton, Matuszewski & Tidrick, 2011). Interestingly, management accounting makes use of both financial and non-financial data and is typically meant for internal users who utilize the data to make decisions that contribute to the achievement of the organization's goals and objectives.

Management accountants analyze financial data such as sales growth, profitability, return on capital employed, and market shares. They also analyze non-financial data such as customer satisfaction, production quality, competitive product performance, and customer loyalty. Melissa Bushman (2017) stated that management accountants utilize both financial and non-financial information to help in company decision-making; in other words, It is worth noting that Accounting Information Systems are derived from accounting data. Accounting Information Systems generate data that aids in decision making. As a result, it is reasonable to infer that Accounting Information Systems are not an end in themselves but rather a means to a goal, namely decision-making to improve company performance. Accounting Information Systems generate precise and easily-understandable accounting data that serves as an important foundation for decision-making.

The study focuses on the use of financial accounting information for management decision-making in Nigerian organizations; hence, First Bank Nigeria Plc will serve as the case study. Additionally, the study will focus on the significance of each accounting branch and the type of information they generate, as well as the usefulness of the information generated by each accounting branch's individual segment, for example, financial accounting, management accounting, and cost accounting.

### 1.1 Objectives of the Study

The main objective of the study is to examine the use of financial accounting information system for management decision making; however the specific objective is to:

Examine how financial accounting Information System controls fraud and mismanagement.

How effective is financial accounting information system in management decision making.

The research seeks to know the extent to which the management of the organisation under review has used the accounting information.

### 1.2. Hypothesis

H1: There is no significant relationship between accounting information system and effective decision making.

H2: There is no significant positive correlation between the degree of relationship of accounting information system and decision-making in an organization

## 2. LITERATURE REVIEW

### 2.1. Conceptual Review

The function of accounting information is critical in managing an organization and creating an internal control system. A critical issue in accounting and management decision-making is the compatibility of accounting data with organizational needs for information transmission and

**Comment [P4]:** Is this specific objective not out of context of the study. This is also not represented in your tentative statement (Hypothesis). Revisit Please

control (Nicolaou 2000). Accounting information systems are regarded as subsystems of management information systems (MIS). Perhaps the most recent definition of accounting is to view it as an information system, as evidenced by the American Institute of Certified Public Accountants' statement (2006). "Accounting is, in fact, an information system; more precisely, accounting is the application of general information theories to the sphere of successful economic operations, and it consists mostly of quantitative information." Boockhodt (1999) describes accounting information systems as systems that perform data collection, processing, categorization, and reporting functions on financial events with the goal of delivering relevant information for score keeping, attention directing, and decision making. According to studies, a good accounting system installation involves a balance of three variables (Markus 1983). To begin, a fit with the organization's or situation's prevailing view must be established. Second, the accounting system must be compatible with the manner in which issues are typically resolved, i.e. the organization's technology. Finally, the accounting system must be compatible with the organization's culture, which is defined by its norms and value system. Accounting systems are beneficial when the data they collect is successfully utilised by users in their decision-making process (Christiansen 1994). Otley (1980) argues that accounting information is an integral part of organizational life and must be evaluated in the context of their broader managerial, organizational, and environmental information. This evaluation should take into account not only the intended uses of such systems, but also the organization's contingency factors.

Accounting data is said to be effective when the data it contains satisfies a broad range of system users' expectations. Effective information should give data that may have an influence on the decision-making process in a structured fashion (Ives 1983). Numerous investigations have been conducted on the usefulness of accounting information (Chenhall 2003, Chong 1996, Kim 198, Mia 1994). Accounting information is often classified into two categories: information that impacts decision making and is primarily used to manage an organization; and information that facilitates decision making and is mostly used for internal coordination (Kren 1992). Hubber (1990) believes that accounting information integration results in organizational coordination, which improves decision-making quality. According to some accounting academics, the efficacy of an accounting information system is contingent upon the system's output being of sufficient quality to meet the demands of its users.

Accounting information, in general, generates daily and weekly financial reports and also serves as a valuable source of information for monitoring the decision-making process and the organization's performance. Simon (1987) utilized the first half of the statement as a control measure for management and the second part to evaluate the accounting information's effectiveness through continuous monitoring in his study. Access to information about an organization's primary transactions results in categorizes specific information that aides decision making in any tough circumstance (Mia 1994). Accounting information systems are computer-based systems that (Nicolau 2000) characterize as ones that improve control and collaboration inside an organization. It is critical for management to have high-quality information derived

from accounting data (Essex 1998). Kim (1989) contends that the user's impression of the quality of accounting information influences how the user uses the information. The quality of information is determined by its trustworthiness, timeliness, and usefulness to the decision. The effectiveness of an accounting information system is also contingent upon decision makers' perceptions of the information provided by the system's ability to meet informational requirements for operational operations, managerial reporting, budgeting, and control within the organization. Aggregation of data is a technique for gathering and synthesizing data over a specified time period (Choe 1998).

Accounting is as ancient as mankind, but the first formal literature dates all the way back to Luca Pacioli, an Italian monk and mathematician (1494). Reverend father Pacioli described the double entry system by providing insight into the logic behind accounting records in his classic book "Summa De Arithemtical Geometrical Proportion et Proportionalitain" (1494) published in Venice. He proposed that all transactions must be double entry, which means that when one is debited, the other must be credited, or debit the recipient and credit the donor. Even though records were kept to reflect the business's financial statements rather than the owner's, annual planning was missing throughout this time period. Pacioli, argued for an annual profit and loss account. Civilisational growth and technical improvement both contributed to the creation of contemporary accounting procedures. There was a need for advanced accounting techniques throughout the industrial revolution. Numerous organizations were founded, for example, the ACA in Scotland in 1854, the ACA in England and Wales in 1880, and the AICPA (USA 1887). Ownership was separated from management with the introduction of new systems. Accounting ideas and procedures have advanced dramatically since the discovery of the double entry concept. Although the development of micro and small computers improved performance, the essential concept remained the same. Locally, in Nigeria, record keeping dates all the way back to the ancient kingdoms and empires, and a prominent feature at the time was the periodic contribution that was recorded on the wall, but the granting of a royal charter to the Royal Nigeria Company marked a watershed moment in record keeping in Nigeria. In Nigeria, the accounting principles controlling the country were nearly identical to those in the United Kingdom, our colonial ruler. The Nigerian Institute of Chartered Accountants (ICAN) was founded in 1965 and is affiliated with professional organizations in the United Kingdom and the United States of America.

## 2.2. Theoretical Review

Contingency Theory: According to contingency theory, an accounting information system should be built to be adaptable to the environment and organizational structure in which it operates. Accounting information systems must also be capable of adjusting to the particular decisions under consideration. In other words, accounting information systems must be built on an adaptable foundation. The first publication in the accounting literature to expressly address the contingency view of accounting information systems was "A Contingency Framework for the Design of Accounting Information Systems" (Gordon & Miller, 1976). This article established a

**Comment [P5]:** The latest citation here is by AICPA 2006 which is about 16 years to date. Does it mean that there is no recent study on financial accounting information system usage? Remember, this is conceptual not theoretical review!!!!!!!

foundation for examining accounting information systems from a contingency standpoint. Gordon and Narayanan (1984) found that environmental unpredictability is a primary motivator of successful firms' management accounting systems design. A significant conclusion of this study was that when environmental uncertainty increases, decision makers seek additional external, nonfinancial, and ex ante information in addition to internal, financial, and ex post information. This latter conclusion has been corroborated by a number of subsequent investigations to the Gordon and Narayanan study. While contingency theory has been widely studied over the last two decades, it has received relatively little attention in terms of the factors that impact accounting information systems. Few organizations appear to have established systematic methods for controlling the evolution of their measurement systems, and few scholars appear to have addressed two critical questions: What are the accounting information requirements for car companies? Additionally, how efficient are automotive firms' accounting systems? The article tackles these issues by examining management accounting information contingencies using a sample of chosen car businesses in Kenya.

**Agency Theory:** During the last two decades, agency theory has been one of the most influential theoretical frameworks in accounting. The major advantage of agency theory for accounting scholars is that it enables us to openly integrate conflicts of interest, incentive issues, and procedures for resolving incentive problems into our models. This is critical since a large portion of the reason for accounting and auditing is to control incentive issues (Kaplan and Norton, 1993). The principal is typically believed to be risk averse, whereas the agent is supposed to be risk and effort averse. Both the principal and agent are considered to be self-interested, which frequently results in competing aims. Compensation contracts reconcile these diametrically opposed aims (David, Julie Smith; et al 1999). The sharing rule that governs how the outcome is allocated between the principal and the agent is referred to as a contract, regardless of whether it is written. Thus, agency theory enables a formal, direct analysis of the economic components of incentive pay contracts based on effort levels or surrogates for effort levels.

In conclusion, this research use agency theory to address two issues: how do characteristics of information, accounting, and pay systems impact (reduce or exacerbate) incentive problems? And how do incentive issues impact the design and organization of accounting information systems? Agency theory provides a framework for addressing these concerns and studying the relationship between accounting information systems, incentives, and behavior thoroughly.

**Psychological Theory:** The early research on behavioral theory accounting examined bivariate relationships between control system features (for example, dependence on accounting performance indicators or budget involvement) and a variety of criteria factors (e.g., performance or dysfunctional behavior). However, behavioral theory accounting research progressed rapidly to more sophisticated contingency models of the organization that provided a more nuanced perspective of the organization and individual behavior. The basic tenet of contingency theory research has been that organizational structure and control system design are contextually dependent. As a result, the impacts of control system features are mitigated by

contextual variables affecting both the individual and the organization (Kren and Liao, 1988). The control system's specific features must be linked with the contextual factors that characterize the organization's environment. The (often implied) premise is that a more favorable match is associated with improved organizational performance (Kren and Liao 1988; Merchant and Simons 1986; Otley 1980). In general, understanding control system design and efficacy begins with an examination of the features of individual organizations and their settings, which serves as the researcher's foundation.

### 2.3. Empirical Review

There is scant evidence of a relationship between these AIS and financial performance in the existing literature; however, it is worth noting the study conducted by Elena Urquia Grande, Raquel Perez Estebanez, and Clara Munoz Colomina (2010), which discovered a positive correlation between AIS design and organizational strategy and performance. Successful deployment of AIS may result in cost and time savings for shareholders. The information value that AIS generates for shareholders and other stakeholders when making investment decisions (Zulkarnain Muhamad Sori, 2009).

Recently, numerous studies stated that AIS plays a proactive role in strategy management, serving as a vehicle for organizational strategy implementation (Chenhall, 2003; Gerdin and Greve, 2004). Different typologies, such as Porter's (1985) or Miles and Snow's (1994), have been used to study strategy (1978). The latter is frequently referenced in management literature (Zajac and Pearce, 1990). Numerous scholars have remarked on the subject of value relevance. Ball and Brown (1968) document the stock market's response to earnings releases. They assert, based on their research, that accounting information assists investors in assessing the expected values and risks associated with securities returns. Their findings indicated that wages had a monetary worth.

In 1967, Benson examined public corporate accounting data and stock prices and asserted that investors utilized published accounting reports to gauge their expectations of businesses. Additionally, he argues that changes in investors' expectations induced by disclosed accounting data should be reflected in the company's stock price. Parker (1967) critiqued this work for its difficulty in isolating the cause-effect link. Pankoff and Virgil (1970) devised an innovative and audacious laboratory experiment to assess the use of accounting and other information to professional security analysts who serve as subjects in a laboratory stock market. Information's usefulness is defined as "the degree to which information aids in decision making." They suggest five methods for evaluating the utility of information items based on this criteria.

They are the subject's demand for the item; the extent to which the item affects the subject's forecast; the extent to which the item contributes to accurate forecasts; the extent to which the item contributes to accurate forecasts; the extent to which the item contributes to accurate forecasts; the extent to which the item contributes to accurate forecasts; the extent to which the

item contributes to accurate forecasts; the extent to which the item contributes to accurate forecasts. Studies such as those conducted by Brown, Lo, and Lys (1998) indicating a reduction in value relevance have been greeted with vehement criticism. According to Collins, Maydew, and Weiss (1997), as well as Balachandran and Mohanram (2006), it is premature to say that accounting information has lost its value significance. In a recent study on the relationship between conservatism and the value relevance of accounting information, Balanchandran and Mohanram (2006) concluded that there is no evidence that industries with increasing conservatism experience a greater decline in value relevance than industries with decreasing conservatism. Additionally, Callao, Cuellar, and Jarne (2006) conducted a comparison analysis of the reported earnings and their components' value significance. Their analysis demonstrates the financial significance of the net profits statistic. Gjerde, Knivsfla, and Sættem (2007) discovered that after adjusting for changes in underlying economic factors, the temporal trend of total value relevance has not decreased. The significance of financial accounting information in stock market growth is best grasped by evaluating how effectively accounting information figures such as earnings explain or have an effect on stock prices and returns. Earnings, according to research, is a component that is "priced" in the securities market (Blume and Huse, 1973). The share price effect appears to be greater than both the earnings yield and size impacts on anomalous securities returns. Additionally, the research reveals a substantial cross-sectional relationship between share price and security returns.

Additional research by Ariff, Loh, and Chew (1997) establishes a link between earnings and share prices. Their findings indicate that unanticipated earnings fluctuations have a major effect on share price movements. Additionally, they claim that the primary purpose accounting information is created is to aid in decision making. However, financial reporting must be relevant, thorough, and accurate in order to be successful. These qualitative qualities need that information is not biased in favor of one side over another. Accounting data should enable a decision maker to forecast future actions. Additionally, it should improve users' ability to recognize similarities and contrasts between two forms of information. In a similar vein, Vishnani and Shah (2008) calculated the value relevance of financial reporting in India, defining value relevance as the financial information included in the financial statements' capacity to explain stock market measurements. Their analysis details the expected effect of listed firms' financial reporting on the market values of their shares. The study's findings indicate that the value relevance of public financial statements is minuscule. Ratios derived from these financial statements, on the other hand, have a strong correlation with stock market indicators. Additionally, they examined the value relevance and value additivity of cash flows through his study. They found that, despite widespread usage and ongoing advancements in accounting information and reporting procedures, there is some worry that financial statements do not convey sufficient value in the eyes of shareholders or investors.

### **3. RESEARCH METHODOLOGY**

#### **3.1. Design of the Study**

**Comment [P6]:** The latest citation here also is by Elena et al 2010 which is about 12 years to date. The citations here are antiquated and disjointed. Revisit Please



This research design identified the characteristics of a particular phenomenon in order to facilitate comprehension and decision-making. However, this study will employ both a survey and a descriptive research design to examine Financial Accounting Information System Usage for Management Decision Making in Nigerian Banking Institution.

**Comment [P7]:** Justify the choice of using the design at least in one sentence.

### 3.2. Population and Sample of study

The term "population" refers to a collection of persons, things, or measurements that have a common observable feature. A sample is a subset of a population; it is the capability of the population under study and the population to which our conclusion or generalization will apply (Yomme and Agbonifoh, 1971). The research's population is comprised of all employees at a selected small-scale firm in Benin that serves as the case study. The study employed census sampling, in other words, the complete 22 employees of the SME; this was done since a population of 22 is a reasonable size for data analysis. As a result, the study sampled 22 employees of small-scale enterprises in Benin Nig. Plc, Edo State.

**Comment [P8]:** From the onset, it was understood that the study emphasized on banking institution. Why the sudden change to small and enterprises (SME). This study really lacked direction.

### 3.3. Method of Data Collection

To conduct this research, data were gathered from a variety of primary sources. The data were gathered by delivering questionnaires to respondents who were managers and staff members of a selected bank's SME. The questionnaire was the primary source of data; it was carefully constructed and delivered to a random sample of 22 respondents from the selected organizations. The questionnaire contains straightforward, closed-ended questions. As a result, questionnaire responses were based on five-point Likert-type questions (agreed, strongly agreed, disagreed, strongly disagreed and indifferences). The questionnaire had twenty questions that were carefully crafted to elicit pertinent information. Pilot testing of the research instrument was conducted by an expert group comprised of academic members. The updated instrument was delivered together with a cover letter to the persons identified as financial managers of the businesses tested. A reminder was given, and non-respondents were contacted twice more.

**Comment [P9]:** Bank's SME. Explain please

**Comment [P10]:** SMEs again

## 4. PRESENTATION OF DATA, RESULTS AND DISCUSSION

### 4.1. Method of data analysis

This section discusses the strategies for analyzing the data that has been gathered thus far. For this sampling, because a probability sampling technique has been used extensively, parametric data analysis tests such as Karl Pearson's product moment correlation and regression analysis have been used with a level of significance of 0.05 (corresponding to a 95 percent confidence level) and with a value of 0.01 (level of significance) to determine the results of the research.

### 4.2. Test of hypotheses

After conducting a thorough study of the replies collected from respondents via a questionnaire, hypotheses were developed and tested.

### 4.3. Method of data analysis

This section discusses data analysis approaches. Because probability sampling was used extensively throughout the research, parametric data analysis techniques such as Karl Pearson's product moment correlation and regression analysis were used at a level of significance of 0.05 (corresponding to a 95% confidence level).

#### 4.4. Test of hypotheses

Having given a careful analysis of the responses obtained from the respondents through questionnaire administered, the hypotheses will now be formulated and tested.

##### 4.4.1. Hypothesis I

H0: Accounting information systems and decision-making effectiveness have no significant relationship.

H1: Accounting information systems and decision-making effectiveness has a significant relationship..

Regression analysis, on the other hand, was employed to test this hypothesis. The outcome and conclusion reached are summarized here:

Table 1 Model Summary

			Adjusted R Square	Std. Error of the Estimate
1	.968 <sup>a</sup>	.938	.927	1601.30239

Predictors: (Constant), Accounting information system

Source: Field Survey, 2022.

Table 1 demonstrates that a relationship exists between the independent and dependent variables as a consequence of the study. By demonstrating a link between accounting information systems and effective decision making, the model proved significant. The coefficient of determination (R<sup>2</sup>) is 0.938, indicating that the independent variable, Accounting information system, accounts for 93.8% of the variance in Effective decision making. As a result, it is determined that, in support of Hypothesis I, there is a significant relationship between effective decision making and the accounting information system.

Table 2 Coefficients<sup>a</sup>

				Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	-2523.684	1278.779		-1.974	.096
	Accounting information System	.032	.003	.968	9.503	.000

Dependent Variable: Effective decision making Source: Field Survey,2022.

As shown in Table 2, the constant -2523.684 is the intercept, producing a negative relationship due to the negative value, while the row provides the name of the Independent Variable (Accounting information system), which relates to the slope. Additionally, the table includes the t statistics that assisted in determining the relative relevance of each variable in the model, which is shown by the independent variable whose values are significantly less than -2 and significantly greater than +2. Any value less than -2 and more than +2 will be considered for as less process and technique improvement. The independent variable's value is statistically significant; this also accounts for the formation of a relationship between the independent and dependent variables. The independent variable (Information Technology) has a significance level of.000, which is less than the 0.05 threshold for the decision rule, which explains the significant relationship between the variables. As a result, it is determined that there is a strong link between successful decision-making and an accounting information system.

The model below illustrates this relationship:

$$Y = -2523.684 + .032x$$

Where

Y= Decision making that is effective and

X= Accounting data processing system

#### 4.4.2. Hypothesis II

H<sub>0</sub>: The degree of relationship between accounting information systems and decision-making in a company has no significant positive association.

H<sub>1</sub>: The degree of relationship between accounting information systems and decision-making in a company has a significant positive association.

This hypothesis was analyzed using Karl Pearson's product moment correlation. The following table summarizes the outcome and conclusion:

Table3 Correlations

	Accounting information system	Decision-making
Accounting information system	1	.620* .047
Decision-making	.620* .047	1

N	87	87
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\*. Correlation is significant at the 0.05 level (2-tailed). Source: Field Survey, 2022.

According to the test statistic table above, there is a high, positive correlation between the degree of connection between decision-making and accounting information systems, which is statistically significant at  $r = .620$  and  $P = .047$ . As the p-value is smaller than .05, we reject the null hypothesis and accept the alternative hypothesis that there is a significant positive correlation between the degree of connection between accounting information systems and organizational decision-making.

## 5. SUMMARY OF FINDINGS

The following are the results made by the researcher while doing the study:

There was no mechanism in place to regularly examine the ledger accounts, which would have made it impossible for creditors to make simple determinations of outstanding amounts, and to stop people from being given fresh loans just because they've had a debt on the books for a long time. Even if they had been provided sufficient reports, the bank's internal auditors were not given adequate time to thoroughly analyze the information and generate correct records. Responsible officers are not in managerial and supervisory positions, which would have assisted in maintaining effective implementation, appropriate division of responsibilities, and processes for follow-up, all of which is crucial to management policy execution..

**Comment [P11]:** The study has no discussion of findings.

### 5.1. Conclusion

An organization's accounting information has been shown to be its most important asset (economic enterprise). Accounting information has shown its effectiveness as a management decision-making tool. Companies were also concerned with projects that are intended to benefit the overall economy. Survey answers indicate that management of companies make decisions based on accounting information. In the end, poor accounting systems hamper managerial decision-making..

**Comment [P12]:** SMEs or Banks.

### 5.2.Recommendations

Investigation and observation revealed several breaches throughout the course of the research, as a result of which the following suggestion was formed: In order to make certain that staff debtors with outstanding advances are not given new ones just for determining outstanding balances, the ledger accounts should be checked on a regular basis.

Managers should be able to use the accounting or report information they are given to make comparisons of alternatives.

To maintain sufficient implementation, correct division of responsibilities, and follow-up processes, both management and supervisory officers should be involved in the supervision process.

The bank should guarantee that all audit reports are sent to their clients in a timely manner to make sure that attention is paid to and correct records are maintained.

The resources should be allocated to attempt to quantify the impact of the accounting principles already in use on managerial decision making. Management should from time to time provide in-service training for accountants to improve their operations, since these programs provide valuable management accounting information. In order to be able to access accounting information quickly, managers need have a basic understanding of accounting. Those employees should get training on how to use AIS as part of decision-making.

**Comment [P13]:** Does these decisions based on SMEs or banking institutions in Nigeria?

## COMPETING INTERESTS DISCLAIMER:

Authors have declared that no competing interests exist. The products used for this research are commonly and predominantly use products in our area of research and country. There is absolutely no conflict of interest between the authors and producers of the products because we do not intend to use these products as an avenue for any litigation but for the advancement of knowledge. Also, the research was not funded by the producing company rather it was funded by personal efforts of the authors.

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### Comment [P14]:

If the author used 7<sup>th</sup> edition of APA, this is the correct representation of it;

American Institute of Certified Public Accountants. (2006). *Statements of basic accounting theory*. New York: AICPA publication

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