EVALUATION OF THE IMPACT OF COMPUTERIZED ACCOUNTING AND AUDITING SYSTEM IN PUBLIC SECTOR

BY

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BEING A RESEARCH SUBMITTED TO THE POSTGRADUATE SCHOOL OF AHMADU BELLO UNIVERSITY ZARIA. IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER DEGREE IN BUSINESS ADMINISTRATION(MBA)

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DECLARATION

I hereby declare that this project work is the result of my effort and a product of my research findings. All materials used are duly and adequately acknowledged. I therefore accept responsibility for any shortcomings and errors.

_____

Ramat Altom MOHAMMED

CERTIFICATION

This is to certify that the Project titled; ‘‘*Evaluation of the impact of computerized accounting and auditing system in public sector. A study of National Research Institute for Chemical Technology, Zaria*’’ by Mohammed Altom Ramat meets the partial regulation governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, Zaria and is therefore approved for its contribution to knowledge and literary presentation.

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Dean postgraduate school Signature Date

DEDICATION

Dedicated to Allah (SWT).

ACKNOWLEDGEMENT

Whatever the Almighty Allah consents to is that which comes to reality. In view of this, I wish to glorify His magnificent name for His divine blessing and mercy on me throughout the course of my study. My profound gratitude goes to my Supervisors Mal Zubairu Mohammed popularly known as ‘’Alh Baba’’ , the entire lecturers of Business Administration Department, my family, friends and all well wishers. May Allah bless you all.

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ABSTRACT

The essence of this study is to evaluate the impact of computerized accounting and auditing system in the public sector. The study used of both primary and secondary sources of data to obtain information, for the primary sources, questionnaire, observation and interview method was used, while for the secondary data, the use of text books and journals was adopted. The findings of the study showed that the introduction of computerized accounting and auditing is needful for high professional quality work for National economic development, but the system is not given adequate recognition nor attention towards meeting the desired objectives, the study also revealed that there are insufficient experts in computers operation and maintenance. Other problems include, epileptic powers supply, out dated computers and current accounting software not replaced lack of conducive rooms for computer storage, all these are constraint to the success of the system. The researcher therefore recommends that adequate recognition and attention should be given to computerize accounting system for the enhancement of the system.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Business today is being done or conducted in an age of economic crisis and highly complex technology imposed on business management, there is need to implement sophisticated business systems which accords with present day needs. Looking at these, it is therefore necessary that effective and useful information should be provided to an organization for effective decision making. We are living at the age of information and technology environment which requires today's accountant and auditor or manage to be versed in the use of computer if he or she does not want to be left behind. Computer can be seen as machine which magnify information as well as data about workers abilities since it can receive and process back information, therefore person skills in using computer system will increase his or her output.

Today computers are used in different forms in both small and large business, education, science and engineering, health care, sports in our homes, entertainments and leisure e.t.c Technological development through the years enable us to do more with less effort. Today we are now witnessing one of the most dramatic technologies ever developed. A computer can just be seen as a device that works faster than an ordinary human brain. Although a machine or computer has no brain of its own to reason like a human being but has the in build memories and other accessories that enable it to solve complex of mathematical problem as fast as possible.

There are two types of computer namely, the Digital computer and the Analogue computer and their computer language such as (FORTRAN, COBOL, BASIC, ALGOL etc) the computer ca

translates sources programmed from a high level language (FORTRAN, COBOL, BASIC, ALGOL) into a machine language. The computer language that concerns the accountant is the common business oriented language (COBOL), which is English ion Nature. Before the introduction of computer into the business world, accounting computation were usually done manually, but with the introduction of computers accounting jobs has became more easier and fasters to perform the rate of errors has drastically reduced to the barest minimum. Since the computer cannot err as it is in human being, unless there is a human error with regards to the feeding in of the input where the logic of Garbage in and Garbage out (GIGO) will emanate.

The computer also cannot operate itself, but it can only work where an individual feed in information into the computer, the computer has its memories that can store in data for a long time use. Computers are very sensitive and highly complicated in nature. Accounting system, in a public sector means the services of task and records of an entity by which transactions are processed as a means of maintaining financial records. Such systems identify, assemble analyze, calculate, classify, record, summaries and report transactions and other events. The accounting system also comprise the internal control system which also comprise of environment and control procedure. It includes all the policies and procedures (internal controls) adopted by the directors and management of an entity to assist in achieving their objective of ensuring, as far as practicable, the orderly and sufficient conduct of its business, including adherence to internal policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records and timely, preparation of reliable financial information internal controls may be incorporated within computerized accounting systems. However, the internal control system of public sector accounting go beyond those matters which

relate directly to the accounting system. Control environment means overall attitude awareness and action of directors and management regarding internal control and their importance in the entity or public sectors, the control encompasses the management style and corporate culture and value shared by all employees.

Auditors are only concerned with the policies and procedure within the accounting system or internal control systems that are relevant to the financial statement assertions the understanding of relevant aspects of accounting and internal control systems, together with the inherent and control risk assessment enable auditor to assess the adequacy of the accounting system as a basis for Preparing the financial statements. Accounting system and control environment which is (internal system) state that in planning the audit, auditors should obtain and document and understanding of the accounting system and control environment sufficient to determine their audit approach in the process of understanding of the accounting and internal control system, some test of control on one assertion may provide audit evidence about effectiveness of the operation of internal control relevant to another assertion, in obtaining the understanding of accounting system pertaining to cash, auditors may obtain audit evidence about the effectiveness of the bank reconciliation process through enquiry and observation. In a computer environment auditor may find it necessary or may prefer to use computer assisted audit techniques. The use of such techniques, for e. g file interrogation tools or audit test data, may be appropriate when the accounting and internal control system provide No visible evidence documenting the performance of internal controls which are programmed into a computerized accounting system.
Accounting and auditing system were formally evaluated by the use of manual operation, irrespective of the manner in which business organization have evolved. One fact or has

remained constant and that is the need for Book-keeping (that is, the recording of business transaction in an orderly manner). In order to, among other measure the value of resources employed and the profitability (or other wise) of the business venture. Various forms of recording existed in the accounting and auditing department ranging from situation in which virtually No record were kept to single entry system, double entry and computerized system. Manual accounting system operated by human afford clerical personal or book keepers prepare business from making journals, entries posted to ledger account and prepared financial reporting, many small business able to satisfy within their information requirement with the manual system, although this has decrease significantly because of the increasing popularity and decreasing cost of computer.

Refinement of accounting and auditing system equipment it has being mentioned that business often referred to general accounting records of a manual system, to provide more efficient data processing and satisfying his own information requirement to process data accurately, most business used some types of equipment are calculators, type writers, cash register and copying machine are use to reduce the work a lot, and reduce errors wide range of additional equipment is available and can be adopted satisfy the information requirement and operating condition of a firm.

The most modern and sophisticated types automated accounting and auditing system involve and electronic computer, Electronic data processing the term of electronic data process and computer data processing are often use interchanging, refers to the sue of electronic consistence of a computer and its preference equipment to process, the primary advantage of computer in

accounting and auditing accurately in speed, storage capacity, versatility for performing analytical operations as a firm grow in size and the value of paper work from transaction to the process, increasingly significantly at some point that cause inaccurately in the daily of manual system force, today electronic equipment are at advance stage.

It was mentioned earlier that accounting and auditing system in the public sector are those financial activities of a government ministry or parastalas are made into several separate entities called funds for purposes of recording information, reporting financial position and the result of operations, therefore, some ministries and prastatals are given certain money for a specific purpose of which the ministry or parastatals are expected to give account of the fund to ensure that the purpose of the fund are met.

For example certain amount as released to all the higher institutions to enable them give refurbishing loans to the teaching and non-teaching staff of the institutions. It is mandatory that a separate report on the fund will be given which will also be included in the main account of the ministry or parastalas. Furthermore, when accounting and Auditing were able to create fund in that organization to meet government policy on certain issue, a separate fund account will be prepared as such, receipt and payments accounts revenue/income and expenditure accounting should be prepared to account for the fund, the receipts and payment account consist of actual money received and payment made during the accounting and auditing period of the public sector account.

1.2 STATEMENT OF THE PROBLEM

Computer has the ability to get you tentative information and answer fast enough, so that one has time to take action on them, it also has the memory unit to store large amount or huge quantity of information which can be retrieved when required. It has a high level of accuracy and consistency which can be relied upon. Computers are capable of performing almost any task provided that the task can be reduced to a series of logical step, it performs its specific task automatically. Computer does not got tired completely when operating it or loss concentration, despite these recorded success, it seems from the researcher observation that computerized accounting and auditing system has not been given its attention in the public service right from federal, state and local government especially in the National Research Institute for Chemical Technology Zaria.

This study therefore is directed toward determining whether the cause of this nonchalant inadequate attention or recognition of computerized accounting and auditing originate as a result of inadequate qualified workers to handle computer its inability to eradicate fraud completely, its installations cost and maintenance or as a result of epileptic power supply in the country at large which affects the out put of the system or whether computerized and auditing system makes accounting and auditors redundant leading to consequential unemployment among the labour force of that discipline in the country entirely.

1.3 RESEARCH QUESTIONS

The following are the research questions:

i. Do computerized accounting and auditing system has any impact in the public service?

ii. Do organizations has qualified personnel's to handle computer in the Account and auditing department in the organization?

iii. How can fraud be minimize in the organization through the use of effective computerized accounting and auditing system?

iv. How can the effect of Virus which affect the computer which resulted to damage of files and some component of the computer be minimize.

v. How can the persistent network problem be solve?

1.4 OBJECTIVE OF THE STUDY

The main objective of this research is to evaluate the impact of computerized accounting and auditing system in public service. Other specific objective includes

vi. Too see whether organizations has qualified personnel's to handle computer in the Account and auditing department of the organization.

vii. To minimize fraud in the organization through the use of effective computerized accounting and auditing system.

viii. To minimize the effect of Virus which affect the computer which resulted to damage of files and some component of the computer.

ix. To see how the persistent network problem can be solve which at times render the computer activities sluggish in the accounting and auditing department

1.5 HYPOTHESIS

The following are the research hypothesis:

Ho computerized accounting and Auditing system does not have impact in public service sector.

Hi computerized accounting and Auditing system has a great impact in public service sector.

1.6 SIGNIFICANCE OF THE STUDY

In a fast developing technology or technological age synonymous with the use of computer, this research is very significant in the sense that it will assist government train and retrained accounting and Auditing officers to be able to become knowledgeable and competent in handling computers in their various filed of Endeavour for adequate professional and financial decision making as well as improving the quality of service delivery in the public service the study will further serve as a ringing bell to accountant and accounting students top be computer literate as a matter of fact to avoid redundancy.

The study is opened for more research and further investigation or constructive criticism or contribution in the concerned topic of discussion. It also serve as the contribution of the researcher in the field of accounting, its improve the skill of accountant to be more conversant with computer operations in all activities of the organization as well as tabulating of figures for accuracy.

Finally, it is significant as it is one of the requirement for the word of chattered accounting and also one of the requisite requirement for auditing practitioner to be more exposed in the sue of computer to compete with modern technology.

The captivating magic of computer also add more significance to its user because of the attractiveness of many students relating to their friends or extracting meaningful information about things around them, it facilitate reading habit and prudency for people operating computer to be up to date in acquiring or sourcing of vital information through the internet, it is also hoped that this study will serve as reference materials for other researchers.

1.7 SCOPE AND LIMITATION OF THE STUDY

The research aimed at studying the impact of computerized accounting and auditing system in public service with the National Research Institute for Chemical Technology, Zaria as the study area within the period of 2008-2012. The study focus on the retreat of computerized accounting and auditing system in the sector, it also tend to outline the significance computers usage to the research institute for chemical technology Zaria.

This study is limited to national research institute for chemical Technology Zaria, due to lack of adequate finance, time to conduct the research and in adequate materials constituted major difficulties during the research finding.

Lack of adequate co-operation from members of the staff, of their refusal to give some information also contributed a greater problems for the study not to hare cover a wider range, on the research findings.

1.8 DEFINITION OF TERMS

- **Computer:-** A general purpose machine with application limited only by creativity of the human who use it.
- **Handware:-** System in the computer itself and all of its mechanical electrical magnetic and electro parts which consist of central processing unit (CPU) made-up arithmetic I logic unit central memory I storage and control it also consist input and out devices.
- **Software:-** System programmer that tells the computer what to do soft ware may be written by use or supplied by the manufacturer of the computer, it is a supervisor programme or langrage translator.
- **Data:-** A presentation of facts concept on instruction in a formularized manner suitable for communication, interpretation or processing by humans on automatic means.

- Auxiliary Storage:- A storage that supplements the primary internal storage of a computer.

- **Cell:-** The storage for one unit of information, usually one character, one byte or one word. A binary cell of a binary digit capacity.
- **Eobol:-** An acronyms for common business oriented language is as the name implies, a business language.
- **Fortran:-** The symbolic programming language Fortran is an abbreviation for formula translation.
- **Analog:-** These are computer concerned with processing of continue signals eg temperature and pressure.
- **Digital;-** Are those computer which are concerned with items which are concerted to digital before they can be processed.
- **Hybrid:-** It is a device comprising both analog and digital elements.

- **Mainframe Computer:-** These are large genera purpose computer with extensive processing storage and input capabilities IBM360 and 370, ICL 2900
- **Mini Computers:-** These are physically small compared with main frames and tend to be used for special purpose or small scale general purpose
- **Gigo:-** Is an acrogens for "garbage" in garbage out" which means that the result from computer system are Not more accurate than the data it receives.
- **Disk:-** A revolving plate upon which data and programmers are stored
- **Diskette:-** A floppy disk allow cost storage medium for micro computers and min computer.
- **File Processing:-** The periodic updating of master file to reflect the effects of current data after transcription data fountain in details file e.g a monthly inventory file.
- **Application Programmed:-** A computer program designed to solve a particular types of problems or perform specific action such as inventory. Chess e.t.c
- **Byte:-** A group of adjacent binary digits operated on by the computer to a units.
- **Batch Processing:-** A technique by which programs that are to be executed and are coded and collected together into groups for processing in batches the user gives his or her job to a computer centre. It is put in a hatch of programs, processed and date is returned the user has No direct access to the machines.
- **Dos:-** An acronym for disk operating system an operating system that uses disk to assembles, edit and executed program.
- **Magnetic Sisk:-** A disk made of digit material. [hard disk] the surface is used to hold magnetized information.

- **Vendor:-** A company that sales computers peripheral devices time sharing service or computer service.
- **Prompt:-** A character or messages provided by the computer to indicate that it is ready to accept keyboard input [ready].
- **Ibm [Pc]:-** This is the trade name given the manufacture of computer Softimage and hard ware.
- International Business machine [Personal Computer]
- **Acronym**:- A word formed from the firs letter or letters of word in a phrase or name e.g. basic from beginners all purpose symbolic instruction code CPU from central processing unit CRT form cathode ray tube.
- **Compiler**:- A compiler program that produces a machine language program a source program that is usually written in a higher level language by a computer user. The computer is capable of replacing single source program statement with a series of machine language instruction.
- **Bit:-** It is abbreviation of binary digit which computer can accept and use.
- **Character:-** Character is the smallest unit of date present action.
- **Numeric:-** If a field consist of number, letter and special character such as? Etc it is said to be alpha numeric.
- **Random File:-** File Not organized in my sequence in either computer or anything can be set to be Radnor.
- **Random Access Devices:-** A class of input/output device example included disk drum and data cell that provides for both sequential and random processing of data.

CHAPTERR TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Less than 40 years ago in Nigeria no one had such a thing as computer. Indeed when Dr. Gearge Stipite one of the esity leader in the development of the modern computing devices approached the management of the pretiqiuls Bell laboratory in 1937 and advised them that he had designed a calculator that performs any general calculations was told "who wants to spend 50,000 just to do calculation? The Longman Dictionary of contemporary English define a computer as an electronic machine that can store information and do thing with two types of computers namely the Digital computers and the Analog computer and there are computer languages such as ORTAN, COBOL, BASIC, ALGOL etc the computer translate source program from high level language (FORTRAN, COBOL, BASIC, ALGOL etc) into a machine language module or object programme. The computer language that concern the accountant is the common business oriented language (COBOL), which is English in nature.

Donald H. Sanders in "computers in society". An introduction to information processing, defined organization as a changing and on going system in which resources interact in a rationed and orderly manner to accomplish common goal whether private or public" He went further to state that computer system, may produce qualitative changes in an organization information system by manipulating data and solving problems faster. We are living in the age of data concerning these transactions, there are there other systems within the involving the accounting which are concerned with the transaction of business or with the custody and handling of asset of the firm. Management require however, that the system should be coordinated and that their interaction

should be death with in the drawing up of master budget for the achievement of financing and production objective. However it is not always easy to predict all the situation which may arise during the operation of business systems. Responses to abnormal conditions cannot be programmed and in this respect, business system me be considered as "Open-ended" adaptive management intervention is required at times of stress when normal conditions do not prevail. The concept of the organization as a open-ended system is illustrated by the operation of management by exception in which a system is derived and set in operation to locate irregularities require management attention. In this way the scarce resources of management ability can be applied optimally in economic terms by concentrating on management efforts where its though to e most needed.

2.2 HISTORICAL DEVELOPMENT OF THE COMPUTER

John (2002) Since the processing, information is such fundamental part of human activity, it is not surprising that attempts at automatic computation stretches back to the beginning of recorded history. It is known that the basic conceptional break through in the design of computer occurred at least one hundred years before the necessary technological advance were made. Man has not only wanted to record information but to perform calculation with it. From the early seventies, there has been various attempts to produce machine capable of automatic computation.

The origin of computing aids can be traced to China where merchants first made use of the ABACUS, while the history of modern computers, the best of business traced to France where pascal in 1542 unveiled the first machine for doing the four fundamental operations of arithmetic in money to six digit or figures and was later improved upon by leibritz in 1671 and

recommended for use in large volume of astronomical calculations require at that time, the first analogue computer was derived form Kelvins Tidal Analyzer in 1876 for predicting tides. The first digital computer was build by Charles Babbage in 1933 the punch card records system was invented by a French textile Engineer JR Jacquard (1752 – 1834) of Lyons to control weaving looms. Almost the same J.H Mulller had the same idea.

After Babbage, the next step in the history of computer was the development of the punch card as a medium for carrying encoded information. The idea came during the American National Census Bureau devised a machine utilizing the same jacquard loom punched cards, principle that has inspired Babbage nearly fifty years before, except the card contained data instead to control instruction. In 1937 Arken's automatic sequence controlled computer (ASCC) was developed by Arken in the U.S.A. He began as a project at Harvard University with the support of 1BM corporation. The machine was very similar in structure to Babbage engine but was on more realistic scale. The project reproduced to ENIAC which means electronic numerical integration and calculator. The engineers principally responsible for its design was Eckert and Mauchly. In the basis of their design, was the ring counter, a circuit capable of processing any often possible states and thus able to represent a decimal digit.

In 1944, John Van Neumna a mathematician became associated with the ENIAC project and made conceptual advancement which led to computer as we know them today.

The electronic computer for both scientific and commercial work were introduced in the early 1950. The world's first strake/program computer EDSAC was built at cartridge university, the

first commercially stored programs computer was UNINACT and used by the American Bureau of census in 1951 since he first office computer LEO (J. Lyins and Co Electronic officer) was introduced in 1953, machine have increased in size, sped, reliability and now cover an extremely wide range of applications without any changein fundamental principles. While these and other facilities were being developed to satisfy the need of users, the basis technology of computer was it changing. Thus changes are often described in terms of generations these "generation" are classified as follows:

2.2.1 **First generation (1951 – 1959)** this generation used vacuum tube technology in place of replay, they were huge and expensive to power unreliable, slow limited internal storage and there are based upon the design of ENIAC and EDVAC. Examples were EDSAC, ADVAC, LEO and UNIVACT.

Second generation (1959 – 1965) here solid device (transistors) were used in place of vacuum tubes, the internal storage used magnetic cores, more sophisticated English like computer language for coding (e.g. COBOL and FORTRAN). External storage supplemented internal storage e.g. tapes and magnetic disks. Examples were LEO mark III ATICAS and the 1BM 7000 series.

Third generation (1965 – 1970) this employed integrated circuit technology monetary, computability introduced the development of minor computer and emergence of software industry. Example were he ICL 1900 series and the IMB 360 series.

Fourth generation (1971 – 1982) employed large integrated circuit (many thousand of transistors in a single silicon chip), internal memory employed metal oxide semi-conductor which is faster and cheaper than the core emergence of micro computer and the super computer which are classified as "large scale integrated" (LSI) or "very large scale integrated" (VLS). Example were CRAY-1-80 mips and Cray X –MP 1 billion lps).

Fifth generation 1990: Artificial intelligence and robotics, expert system knowledgeably based system computer assisted manufacturing, automation of industry process, there are many predictions that by the end of the f the century computers will have been developed which will be able to converse with people in human life manner and which will also be able to mimic human sense, manure skills and intelligence some of which we have already began to see. The term "fifth generation" is often used to described such computer system.

2.2.2 Basic Five Elements Of Computer System

Maurice (2005), states the following:

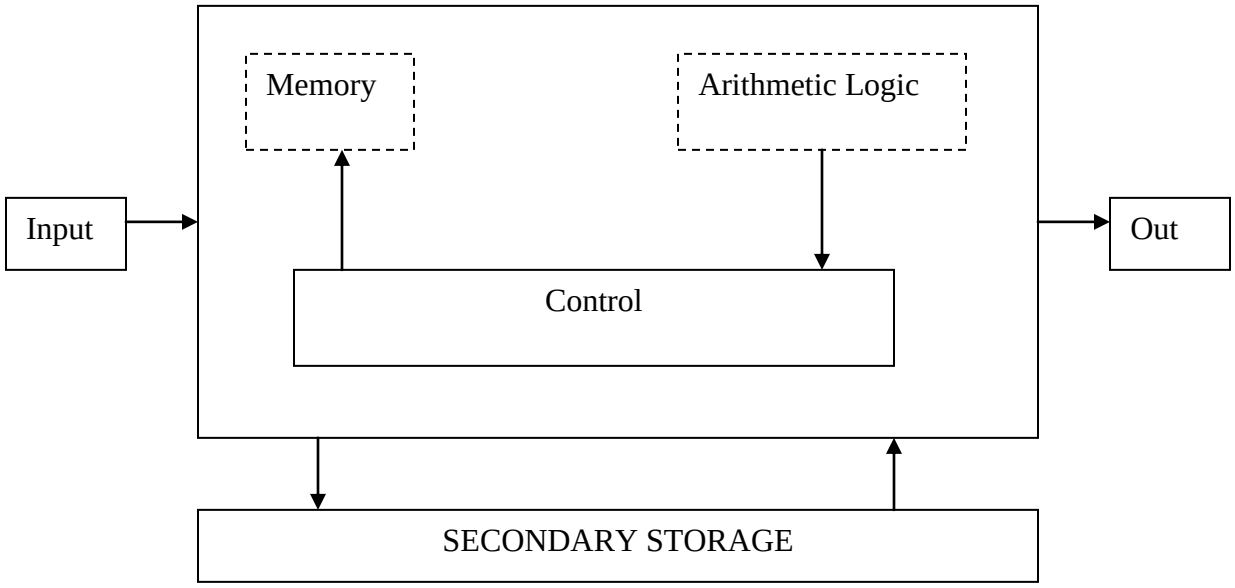
i. **Input**: This component receive data and instructions from the computer operator or an electronic devices. Many different means can be used for the input process parched cards, disk, paper tape magnetic cards, magnetic tape or key board.

ii. **Memory unit**: This is the primary storage component of the computer, where data instructions are stored and form which data are obtained when needed.

iii. **Arithmetic logic unit**: This perform arithmetic and logical operations such as addition, subtraction, multiplication, division and comparison of two value date in the memory section are manipulated according to instructions from the control unit and the arithmetic logic unit.

iv. **Control unit**: This directs the sequencing of operations that process input data according to well, defined instruction fed into the memory unit.

v. **Output**: This component translate the result of processed data in such usable form as printed copy, punched cards, disks, paper, tape, magnetic cards, magnetic tape or liaison a display screen, central processing unit.



Source: John (2003) introduction to computer

The central processing unit (CPU) 0f a computer consist of its memory arithmetic logic and control component. The central processing unit determine the operating capacity of the computer because it control the flow data into he system perform calculate and other manipulations on the data and reg8ulates the flow of output. In addition to the primary storage of the memory components, a computer is usually supported with secondary storage external to the computer which allows the storage of a large volume of data then permitted in the memory of the computer itself.

Reference: White, Ron, How computer work ZIFF-DAVIS Press 1993

TYPES OF COMPUTER

John (2002)There are deferent kinds of computer manufactured, but basically here are three types:

a. Digital computer which is designed to deal with data in discrete digital forms.
b. Analog computer which is designed to represent data in a continuous physical form such as diagrams.
c. Hybrid computer, are computer which have the continued feature of digital and analog computers.

COMPUTER LANGUAGE

1. FORTAN – formula translation language
2. COBOL – common business oriented language
3. BASIC – beginner all purpose symbolic instruction code
4. ALGOL

The computer language that concerns the business organization is the COBOL which is English oriented

INPUT AND OUTPUT DEVICES

Donald (1975 – 156) say that "input and output devise are instruments of interpretation and communication between man and machine". Data and instructions are put into the computer

though the input device and these are worked upon and converted into a form that can be used by man. The output device is that which make processed data available to man.

ONLINE VERSUS BATCH PROCESSING

Maurice (2005), Online process: Inconstant to the batch processing, online procession permits transaction data to be fed under the centered directly into secondary online storage device, from the point of origin without first being accumulated and sorted, appropriate records may therefore be quickly updated

Batch processing: This is the method whereby input or programs are collected such that a large batch accumulated before they are fed into the computer input device to update information recorder in the computer.

Reference: Handout on introduction to computer by Oceanic Tide

2.2.3 Computer Ware

i. **Hardware**: Hardware is a general term used to describes all electronic and mechanical elements of the computer together with those devices used with the computer.

ii. **Software**: Is a general term used to describe all various programs which may be used in a computer system together with their associated documentation.

COMPUTER PURPOSE

Computer can be designed for two purposes:

i. Special purpose: Compute for special purpose is designed for a particular job to solve problems of a restricted nature.

ii. General purpose: Computer for general purpose is designed to solve a wide verity of problems. It can also be adopted to perform particular tasks.

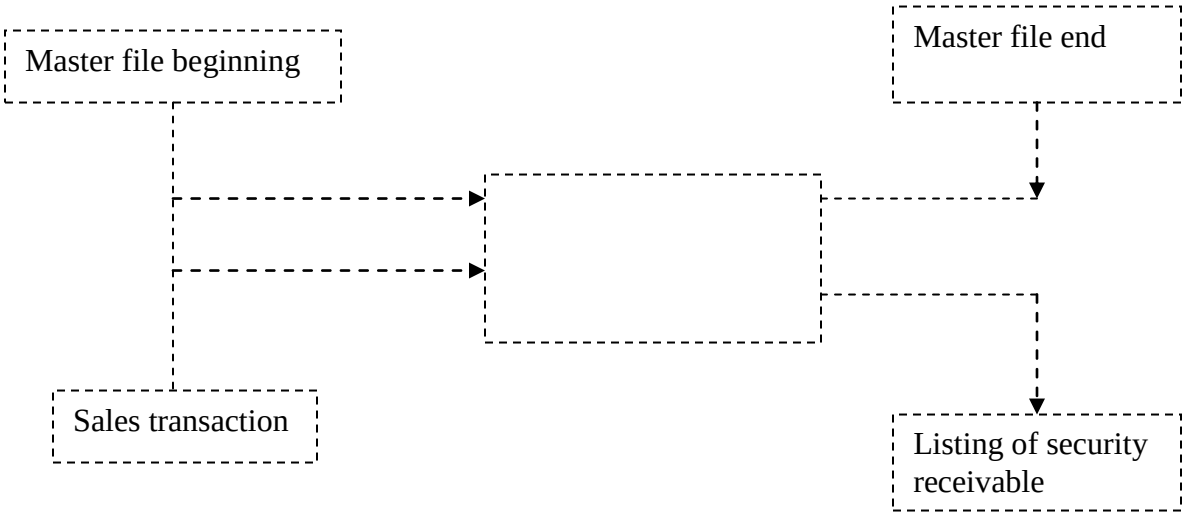
A distinction is sometime made between data and information, when data is converted into a more meaningful, useful intelligible form, then its said to be proceed into information.

COMPUTER ACCOUNTING SYSTEM

John (2002), It is important to note the similarities between basic accounting system and a computer each involve three essential phases input, processing and output. The integration of computer into accounting system consist of business forms. Journals, ledgers and reports. In computer accounting system the basic business forms can be used as those used in a manual system but they must be converted into a machine readable format to be accepted as input to the computer business transactions are recorded on condign forms.

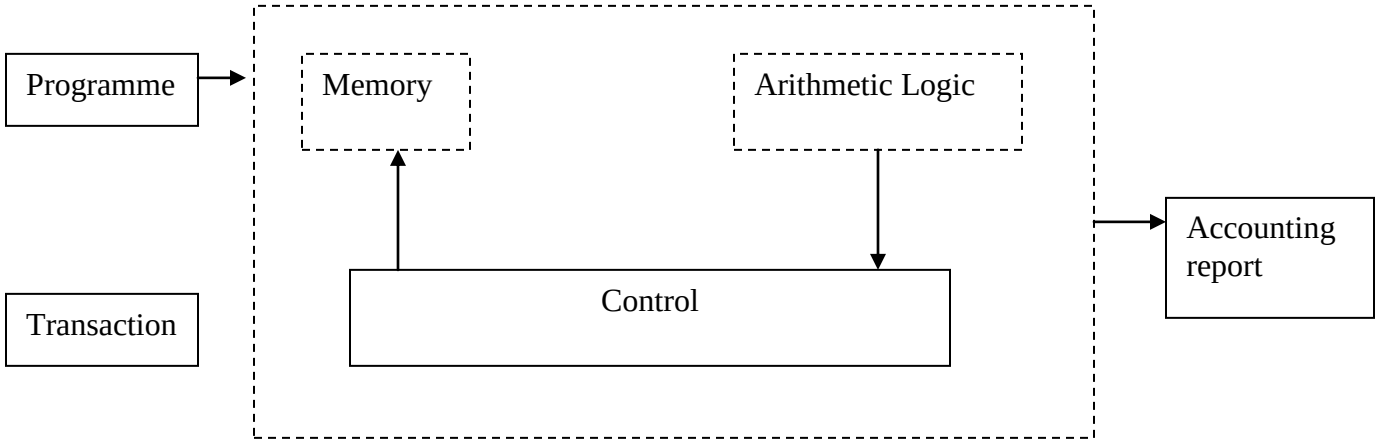
The data ate then put into the computer through some devices (input devices) such a keyboard, which is similar to the key board of an ordinary typewriter, the program supporting particular accounting application are moved into the primary storage area of the computer, the work area of the storage area as the computer processes date according to well defined to process the accounting date, example the accounting receivable master file (consisting of a record for each

customer) at the beginning of an accounting period can be updated by the computer to record credit sales billed to customers a follows,



Source: Jenkins and Pinkney A (1978) approach to computer institute of chartered account England.

Note, the similarities between he updated procedure, the accounts receivable file and output, the input consist of the account receivable file, (master file) at the beginning of the period and sales transaction (called a transaction file) required to update the beginning balance, on the output side, an updated account receivable master file and listing of account receivable billed ate produced through the computer processing. In general, the transaction transformation of data into information with a computer accounting system can be diagrammed as follow:



Source: Handout on introduction to computer Oceanic Tides, compute school.

2.3 CONCEPT OF ACCOUNTING

John (2002), Accounting generally is a scientific study in which records of expenditure and income of a firm, individual or government are kept, couple with useful information relevant to decision making. All forms of financial records maintained by individual or firm in their private establishment are regarded as private sector accounting while those kept by government ministries extra- ministerial department agencies, start and local government are termed public sector accounting. Account which had an origin at about 500BC did not maintain any specific patterns rules or regulation and one could imagine what the situation was like then. It means that business activities were not as complete as they are today. When a new business is started, one of the first steps taken is the development of a deprivable accounting system. In many instance, the system can be designed and installed by a member or members of the firms own accounting department, although the system may be developed by an outside source. Such as C.P.A firm, with either approach, the development of an accounting system must based on a thorough understanding of business and the industry in which is operates.

As the business grows and engage in different activities, the accounting system must be revised frequently to accommodate a very large volume of transaction and change in the nature of those

transaction, therefore, the design of an accounting system is not a one-time endeavour, rather, it requires continuous development in order to ensure that the capability of the system is compatible with the changing need of the business it serves many large firms have a system to determine whether portion or all of its require revisions. The installation or revision of an accounting system consist of three phases system analysis, system design and system implementation.

2.3.1 Planning For Computerization Of Accounting System

Maurice (2005), Selecting accounting software is the major responsibility that takes a considerable amount of careful planning in preparing such an assessment of pubic sector which should be realized in the several candidate software programs. For an objective evaluation of public sector accounting system in the organization should be conducted before ordering computerized accounting system. The organization should name an accountant or better yet a team made up of accountants and computer experts to conduct the needed assessment.

Security must be considered early in the assessment the team should ask such questions as to which area will need restricted access through passwords? What data must be restricted? Who need access and why? Since there are advantages to accounting system, if can inference with popular spread sheet data base or word processing software, the team should identify which program they would like to link. General ledger modules very in sophistication capacity and flexibility.

Since most accounting packages require modules, accounting systems need it as software building block, the team should be especially sure it is suited to company need. Once the team determine which software features are critical, it should begin online evaluation of candidate program having mentioned the need for the involvement of auditors in the implementation of computer in the accounting system of the organization seeing as it facilities effective auditing. Accounting to (SANM, FAKIYES, auditors need to supply some unique tools and techniques in computerized audit assignments such techniques include, integration software, test data, parallel simulation approach, embedded audit data collection, sample control audit review the system and the internal control will not be different from, that already discussed when the researcher was dealing with conventional accounting system but additional control system should be put in place to take care of the processing programming operation, library, computer hardware maintenance.

Careful planning for computerized accounting system therefore will help to invest the time, evaluation of program, decrease software search cost and improves the like hood that the right question will be asked and fatal errors avoided. There is an increasing need for coordinating and integrating of private activities and of management activities at all levels and section, the need is growing because of relative and absolute size of the public sector and private sectors which are coastally increasing in almost all countries government more over, made it class that the diversity and complexity of activities is increasing at the same time, therefore computerization of public sector is needed.

In this last respect there is hardly any difference between public and private organization. Advantages of computerization of accounting system in government and private organization are

numerous bit for this research work we are going to discuss a few of them. Most authorities of information system agree that some of the most important advantages among other is the element of the computer system that relates to the people involved. Dorothy Leonad - Breton and William A. Karns in a research on implementing "new technology" refers to three groups of people these are the developers users and manager with these people in relation to the computer in accounting system, there will be great implementation and improvement in public sector accounting system.

Professional should be left to handle computerization of accounting system in government and private sector, this will lead to effective use and there will be a display of skill in producing result in computer out put reference Marsahl Agbo 8CO (1988) Appraisal of computerization of psychos.

2.4 THE ORIGIN OF AUDITING

Maurice (2005), The origin of auditing is a result of the separation of ownership from control. It is instituted are justifiable. Many professional bodies on accounting and auditing and various scholars has offered definition and explanations as to what auditing actually means. The main objective of an audit is to make such an investigation into the books of account and the information from which they have been written up as will enable the auditors to report to his upon the accuracy of the balance sheet and profit and loss account or other statements prepared form the books.

To achieve the above objectives the auditor has to ensure the following:

a. Critical review the system of book keeping and internal control and form opinion as to the reliability of the record.

b. Compare the profit and loss account and the balance sheet with the basic books of accounts of ensure compliance
c. Verify the existence of assets, whether owned and property value
d. Critically examine the final acquaint to report to the client whether the account disclosed the true and fair view.
e. Examining whether the information is provided on the statutory backing and sound acquainting principle.

2.4.1 Audit Classifications (Types of Audit)

John (2002), There are many types of audits but for the purpose of this research work few of such types are pointed out.

a. The statutory audit
b. Privet audit
c. Financial statement audit
d. Compliance audit
e. Operational audit
f. Management audit
g. Internal and external audit
h. System bred audit

Private Audit

Audit carried out at owners desire, but which is not mandatory of required by law such as auditing of partnership accounts and sole protractor account the reason is because of the advantages they hope to enjoy from the audit exercise.

Statuary audit

These are audit exercises carried out in fulfillment of statutory or hw governing the operation of an organization in fact the audit requirements are distinctively hid down by law and can not be modified by any of the organizations concerned. The company and Allied matters decree 1990 stipule that the accounts of a limited liability company mast be audited.

Financial Statement Audit

This stipulates the investigation and examination of the financial statement of in organization by an auditor as to form an opinion as to the truth fairness and accuracy of the statement. This is offend done yearly and are usually published in the newspapers and journals.

Compliance Audit

In this type of audit the aim of the auditor is to cheek if the audited has conformed to the riles and regulation or bye- law governing the organization, such as the accounting system. This is associated with government associations and clubs.

Operational Audit

As the term is used the interest here culled be berated as a systematic review of a whole unit, segment section of organization to sec how they separate or perform.

Management Audit

This involutes examination of the managerial effeteness and efficiency in an organization by an auditor, this has damages of providing the report sheet of performance. Discovery of unhealthy and fraudulent management practice and procedures and overall access to constructive advices.

Internal and External Audit

An internal audit is the type of audit where the organization establishes its own audit unit or department and appoint staff to look into its affairs it should be noted that this types of audit is defective since it lacks independence for they are under the management control.

External Audit

This is the most ideal types of audit in this case, an independent body or person is appointed to look into the account of the organization the auditor must be independent and should satiety the requirement of section (358) of the companies and allied matter decree. 1990

System Based Audit

This stipulates a modern auditing technique its effort is based on the investigation of internal control and its operates by tests to substantial the accuracy and reliability of the records and as much the needless work is avoided and more result ensured.

More so it should be noted that the audit types above are not exhaustive hence other types are complete audit, partial audit, interim audit vouching audit. Therefore, it could be seen that the type of audit discussed above are inter worsen as none could actually be discussed in isolation.

2.5 PROGRAM ORGANIZATION

Water (1990) states that this subsection described some typical programs met in information processing application that operate in bathe processing mode, obviously not all variation can be converted into a few notes, so only the main underlying principle are discussed data validation program, sort merge process program, edit media and print program.

Data Validation Program:-GIGO is an acronym for "Garbage in and out" which means that the result form a computer system are not more accurate than the data it receives, thus the functions of date validation or data vet or date edit program is to input and check, as far as possible the raw data being presented to the computer system by the environment system in order to direct and locate errors.

Disk And Diskette Organization:- the input out put (110) maintained for stepping and retrieving data and or information in an FBM Pc are referred to as the diskette disk before the use of diskette or flopping disk was introduced by IBM key data war stored directly on magnetic disk in a manner, similar to that used for magnetic tape.

2.6 THE CONCEPT OF COMPUTER

Modem (1993) defines computer as a highly complex electronic device that can candle enormous masses of data at an imaginable speed and performs in second calculations that trained mathematicians would take years to complete "Basically it can be seen as seen as an electronic devices that accept data form input devices, perform arithmetical and logical operations. In

accordance with per-defined instructions and transfers the processed data (information) to an out put devices either for further processing or in final printed from such as business documents schedule and management control reports the Basic computer concept can be seen by use of Plano as an analogy the piano can be caught of as the hard ware and roll of music as software the software are series of very simple computer instructions carefully organized to complete complex task. These instruction are writhen in programming language (like basic, Pascal) to help simplify the derdopment of application the hardware is what sit on your desk and execute the software instructions. The in put and out put radices make the accountant to operate smoothly knowing the two basic concept by which the computer has, micro processors, the PCS primarily use micro possessor (some time called the chip) manufactured by Intel the older version include 386. 486 and now the plectrum line. Modems allow you to communicate with other computer. Using a phone line modem speeds are bits per second.

CD- Rom drives is highly capacity storage which lets you read data from the disk put not write data back, the speed of the drives is measured in multiple from the first generation drives printers there are different types of punter (laser, ink, jet dot, matrix) with differing quality of out put, they are measured in DP (Dots per inch) the higher the better.

Scanners- “Digitize” printed material (like photos and graphic) and sac it to a graphic file format (like, Gif or JPG) for display on the computer.

2.7 COMPUTER VERSUS FRAUD

John (2002), Onkagha asserted that "information technology glut as a whole is putting a big question mark against the relevance of conventional auditing, computer particularly are raising crucial questions some tending towards such heady dependence on computers you will agree with us that security measures will be as rite these pose challenges to the auditors more challenging perhaps because of its disconnecting sting, is the globe concern of computer frond that is claiming millions. One would hare thought that we are yet immature for such crime, but many perhaps be sad or surprise to know that about 300 fraud related case we recorded in the banking industry per month by the end of July 1991 the total amount cost to fraud in the industry between 1989 and 1991was estimated as sixty four million naira (N 64m) ail in all, the implication is that changes affecting the nature and awaiting of audit evidence are occurring 30 fast that the conventional auditing techniques and processes are inadequate to cope with them, so the conventional auditor has to reach beyond his shares to answer this societal call.

Reference

Morale Thomas N (1978) computer and accounting. John wile & sons. New York Brisbane.

2.8 AUDITORS AND CHANGING TECHNOLOGY

John (2002), Derail impart in review the feeds of eccrinology it is apparent that it affects not only system developers and line management but also auditors. Auditors can no longer ignore advancement in technology, because they must understand the use of technology to run their practice. The businesses generate the numbers that appears on the financial statements. The financial audit will change significantly as business changes, because of the use of technologies such as networking client/ server, and real tine system the use of these technology minuses or eliminate historical paper audit trails it therefore has tremendous impact on how audile are

performed the use of software vendor hare made advanced software available to query databases and genera reports. Tools used to fine tune network and LANS are user by auditors to ascertain who has permission to do what and where they reside in the network. Vendor are also expanding their efforts to supply the necessary sift ware particularity in areas such as security and audit retrieval automated audit work paper tools (pack: intermediate principle and prance of Audit 2006 P 201) use of computer Assisted auditing techniques (CAATS) computers assisted audit techniques are application of auditing procedures using the computer as an audit troll (also known as CAATS) CAATS allows auditors to use automated tools to rest and verify the element within a computer file or report CAATS can perform the following functions.

i. Recalculate naira amount
ii. Re-extend total compare date between file
iii. Select samples
iv. Identify invalid code and transactions
v. Perform durance statistical analysis
vi. Specify the destination to copy the file into

CAATS thereby may improve the effectiveness and efficiency of auditing procedure they may also provide effective effete test of control and dubitative procedure where there are no input document or visible trail or where population and sample are very large. ICON – story prick auditing (2006 P205).

2.9 SELECTING ACCOUNTING SOFTWARE

Ken. M. Bore and other (1993) maintained that selecting accounting software is a major responsibility that takes a considerable amount of careful planning, after all, if the selected programme fails to meet organization need or the accounting staff in not adequately trained to operate it, the business against this type of calamity, management should name an accountant or better get a term made up of accountants and computer export to conduct the assessment. In preparing such an assessment, the team should realized that several candidates software programmes probably will have to be tested before a final choice is made during that time the team must learn the programme fundamentals and try each function to see if it meets the organization need many software vender provide a free or low cost demonstration packages for this purpose.

2.10 APPROACH TO SELECTING COMPUTER SOFTWARE

John (2002) , "A common part noisy approach to selecting a computer system to handle an organizations accounting and management information is to buy a powerful, expensive computer first and then select and accounting software package to fit the hardware, on the other hand, computer software is a generic term used by the accountants to describe a suit of programs or instruction, that guide and control the operations of the computer that is use in the organization, without the software the hardware cannot function.

Another unwise approach is to purchase accounting software and then shop for the supporting hardware while consuming and costly. Instead a management account should begin by figuring out exactly what management wants the accounting confirmation system to accomplish by analyzing the organizations accounting and business reputing needs and determining the possible

ways to meet these need, there are obstacle to announcing those need. Some accountant are held back by the traditional perpetual limits of accounting which focus almost entirely on money on money transaction and it is difficult to meet the management needs. A first step in searching software is checking with the company trade association since many have identified tested and sometimes endorsed special accounting software in making the final decision, be sure to factor in the reputation of the supplies.

2.11 CRITIQUE THE RELEVANT THEORIES

Yemi Ajijason (1999) "A important aspect of the impact of computer revolution in the business society is the problem of computer related fraud which has experienced tremendously upsetting since the early 1970s to data this view is supported by existing statistic on computer frauds, there are for example two recorded cases of computer fraud in 1950 the qu7antum leap of about 2,500 percent per decade from the 1950s to the 1920s point to the inherent danger in computer frauds. More disturbing is the revaluation of losses arising from computer frauds. The 1973 equity finding case involved a total of $21.3 million (1784). The average computer embezzlement course in the U.S.A according to Sander (1979) was between one and half million dollars. The was 5 to 10 times higher than the average manual system loss in Nigeria. Cases of large scale computer fraud have been recorded in the Bank of Credit and commerce international.

Given the endemic nature of fraudulent practices of both the public private sectors, this economy and the quantum leap in acquisitions, it has became necessary to examine the issue of computer frauds and possible remedies in this research as we rush to embrace the diffusion of computer revolution into our society.

P.E ETADAGE (1999) believes that the computer is not really a threat to the accountant as it is generally believed by many accountants and would be accountant. It is argument is base on he fact that, since the computer perform any job its own except directed human being, it is then apparent that the person who direct is more than the computer. He support his point by citing an example. That human being together and arrange data before passing them into the computer for processing. This then means that if wrong data are processed the computer will read interpret then as presented to it by the account or the programmer.

2.12 HISTORICAL BACKGROUND OF NARICT

The national research institute for chemical technology (NRICT) formerly leather Research institute of Nigeria (LRIN). Was established in April, 1976, under the agricultural research council of Nigeria which was later replaced by the national science and Technology Development (NSTDA) originally the institute started as a project of the united nation food and Agricultural organization in 1964 at the request of the federal government of Nigeria. The project came to an end in June 1992. During the yeire between 1972 and 1976, the institute functioned as a division of the federal livestock department the federal Government as part of its national science and Technology policy, created the ministry of science and Technology in 1980 and the institute along with other research institutes in the country under its supervision as semi-antonymous body with its own governing board. The mandate of the leather research institute of Nigeria when created in 1976 was to conduct research into all aspects of the production and products of leather and utilization of local training materials. The institute also had responsible for the training of low and middle level man power for the leather industry. In April 1987, the

mandate of the institute was expanded to also include industrial chemicals, polymers and plastics and hence the change of name to national research institutive for chemical technology, Zaria.

Finally the method and sources of data collected in this project are directed by the nature of research and all facts and informatory gathered from various sources are weighed and considered relevant for the purpose of this project.

2.13 SUMMARY

Auditing, despite the fact that its existence has been as old as the accounting profession itself, the mina purpose are subsidiary objective to form an opinion as the truth, fairness and accuracy of the balance sheet and profit and loss account prevention and detection of fraud and providing of material result have remain unchanged. Auditing has also broad classification and due to the day to day development and complexity of accounting system, some qualities as living up to expectation, moral emotional and personal characteristics are required coupted wit the qualification as stipulated in section (358) of CAMD 1990. the current computerization in the accounting computer to the field of auditing (compute audit) due to the need far auditors to express their opinion based ion the input, processing and output from the computer. Hence, it becomes incumbent on auditors to be acquainted with the computer at least those feature of the computer that are relevant to their field as stipulated the chapter.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter aims at providing the various types of research methods, methods of collecting both the primary and secondary data and hence pinpoint the type of research method used for gathering data for this study. And the justification for the method used for in the developing nature of the contemporary Nigerian society the high place of research in the scheme of things can Disagreet be overemphasized this has called for the involvement of many and sundry to ensure the sustainable development of all sectors of the society of which the research hopes this projects work will contribute to achieving. The validity of research findings is the function of the quality of data available and tools of analysis employed in analyzing the data this calls for a virile method of data collection and toot of analysis which is the focus of the chapter.

3.2 RESEARCH DESIGN

Research design could be seen as a frame work or plan that is used as a guide in collecting and analyzing the date for a study. Nachmias and Nachmias. (1978.12) defined it as model of proof that allows the research to do inference concerning causal relations among the matriarch to do inference concerning causal relations among the variable under investigation. This study is therefore essential and an explanatory study to inquire on the computerization of accounting system and how it makes auditing effective in private organizations. The research is designed in such away to enable the researcher obtain as validly, accurately, Objectively and economically as possible the realization of these objectives, they will employ the historical research methods of date collection. This type of design is suitable for this study as it is not the intention of the

researcher manipulate the variable of the research h. it is purely an explanatory research and it implies physical observation of the characteristics of the research subject.

In conclusion, this study was designed to investigate the computerization of accounting system and the effective of auditing as it applies in NARICT . The research being an explanatory one will specifically make use of the process of interview and observation design to collect information.

3.3 POPULATION OF THE STUDY

The population of the study constitutes the staff of the accounting department of National Research Institute for Chemical Technology (NARICT). The population is 32 staffs of the accounting department National Research Institute for Chemical Technology, Zaria.

3.4 SAMPLE SIZE AND SAMPLING TECHNIQUES

Sample is taking a portion of a population or universe as representative of that population or universe. There are so many sampling techniques used in selection samples that will be representative of the population in conducting a research work. These are the processes of drawing sample from the population. They are the methods or procedures available for drawing or selecting a sample from large population. For the purpose of this study the researcher used the Yamane sample size

Using Yamane (1967) sample size formula is as follows:

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

n = sample size

N = Population size

e = level of precision

n = N/1+N(e)2

n= sample =?

N= is the population size = 35

e = the level of precision = 5%

$n = \frac{35}{1+35\,(0.05)^2} = 32$

For the purpose of this research, twenty (32) is the sample

3.5 SOUCES OF DATA

The two sources of data in the research wok is primary and secondary source.

3.5.1 Primary Source

In most research work and project generally involve the use of primary source to collect data. This is costly but the data are usually relevant to the issues at hand, the methods used in gathering the primary data include questionnaires and interviews.

3.5.2 Secondary Source

This provides a starting point for research and offer the advantages of lower cost and quicker available of material journal magazines textbooks. Articles are used to gather information in relation to the study at hand.

3.6 METHODS OF DATA COLLECTION

The methods used in collecting data for this study is in line with the type of data collected and the source. We utilized both primary and secondary data. Secondary method of data collection could come in form of aggregate data collection and analysis or by way of documentation. Both of these components appear to be ex-post factor in that they are almost non-relative since the investigator has Disagree way of influencing the data he handles as raw data. He can only manipulate existing data by analyzing them systematically towards tackling some research problems. In line with the above, the method used in the collection of data for the purpose of this study is the secondary and primary method. The secondary data were collected from the various company annual report for the respective years under consideration. While the primary data were collected via the administration of questionnaires to the staff of the organization banks management and customers. The institute Banks principal officers were equally interviewed in other to compliment the information obtained through the questionnaire. Both the questionnaires and interview were structured. This is to enable the researcher and the respondents not to encounter any difficulty in the course of the proceedings.

3.7 DATA ANALYSIS TECHNIQUES

For the purpose of this study, the analysis of the returned questionnaires was based on simple descriptive analysis of frequency distribution of relevant statistical information supplemented by percentage. This is because of its simplicity, clarity and relevant to our data.

3.8 JUSTIFICATION FOR THE METHODS USED

Again the methods used include questionnaires, interviews and observation. These were used primarily because they made it easier and quicker to get information from those that provided them, other reasons include:

a. Interviews were used because naturally, people prefer to talk than write and because more information can be gotten from this method by asking unstructured questions. Also not all the staff can be able to write down their answers, interviews help the researcher to judge if the correspondent is truthful or not.

b. Questionnaires were used because they don't consume time and had questions that don't require long answers. It has also been noticed that respondents are being helped to stick to the subject of study. even in the absence of the researcher at the case study; his work (question) was being answered.

c. Observation helps to know easily if respondents are really acting or doing what they say. It helps the researcher to make his own objective opinion by being an eyewitness.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

In this chapter, data collected was presented and analyzed using explanation and description and design to facilitated good and direct response with the intention to show clearly the objective of the study. Most of the research questions, interviewed question were named into a suitable manner that is presented to the staff of the firm and ten persons have the opportunity to be interviewed, also ten questionnaires were directed to other firms.

Those questions were tailored towards computer section and data collected from the interviewed persons have been critically examined and analyzed to discuss the effects of computerized accounting and auditing system.

The response of the interviewed persons presented below also the response of the questionnaires are presented in a tabular form and summary pattern using percentage (%) as a techniques for the analysis therefore, questions were presented and analyzed on them in order of importance.

4.2 DATA PRESENTATION AND ANALYSIS

4.1 Analysis of the returned questionnaires

Total number of questionnaire distributed	Total number of questionnaire returned	Total not returned
32	24	8

Source: Field survey: 2013

Table 4.1 indicated that a total number of thirty (30) questionnaires were distributed and twenty four (24) were filled and returned. As there were Disagree questions with more than twenty four (24) unless were a respondents refuses to tick or answer any questions.

Analysis of responses

Table 4.2 Question one: does the staff of the institute for chemical technology make use of computer?

Option	**Frequency**	**Percentage**
Agree	24	100
Disagree	0	0
Total	24	100

Source: Field survey: 2013

Table 4.2.0 above indicate that at the respondents confirmed that national research institute technology makes use of computer to perform audit.

Table 4.3, Question 2: if Agree above, are the computer of good quality in national research institute for chemical technology?

Option	**Frequency**	**Percentage**
Agree	24	100
Disagree	0	0
Total	24	100

Source: Field survey: 2013

Table above 4.30. shows that all the respondents believed that the computer used in the firm are of good quality.

The table above 4.3.0 shows that all the respondents believed that the computer used in the firm are of good quality.

Table 4.4, questions 3: Are the staff of audit department in national research instate for chemical technology computer literate?

Option	**Frequency**	**Percentage**
Agree	20	83
Disagree	4	17
Total	24	100

Source: Field survey: 2013

From the above 4.4.0 2o respondents representing 83% indicate that they were computer literate while the remaining 4 respondents representing 17% said they have Disagree knowledge about the computer. Most emphasis was placed on the favourable, respondents because of their knowledge in the filed of computer and their suggestion will be of help from 17% respondents who said they have Disagree knowledge of computer.

Table 4.5, question 4 does the institute for chemical technology use computer auditing assisted technique?

Option	**Frequency**	**Percentage**
Agree	22	92
Disagree	2	8
Total	24	100

Source: Field survey: 2013

Table 4.5 above indicated that number of the respondent about 92% agreed that the chemical research uses computer auditing assisted techniques. While 2 respondents representing 8% disagreed with the statement. The differences have called for a thorough study of the computer, which has indeed carried out so as to come up with a conclusive solution this questions.

Table 4.6 question 5: if Agree to the above question is the computer highly effective in accounting and auditing in national research institute for technology?

Option	**Frequency**	**Percentage**
Agree	19	79
Disagree	5	21
Total	24	100

Source: Field survey: 2013

Table 4.6 above indicates that 19 respondents representing 70% from the total respondents confirmed that the computer was highly effective in accounting and auditing, while the remaining 5 representing 21% of the overall respondents disagreed with the statement. The disagreement may be due to their preference for the manual mechanized system or auditing round the computer with this development, it implies that 5 respondents are amateur in auditing through the computer.

Table 4.7 question 6: does the computer influence the opinion of the auditor in national research institute for chemical technology?

Option	Frequency	Percentage
Agree	20	83
No	4	17
Total	24	100

Source: Field survey: 2013

Table 4.7, indicates that 20 respondents representing 83% agreed that computer seriously influence the opinion of auditors but 4 respondents representing 17% said No to the question.

Table 4.8, question 7; Are the responsibilities of auditors influence by the use of computer in the national research institute for chemical technology?

Option	Frequency	Percentage
Agree	22	92
Disagree	2	8
Total	24	100

Source: Field survey: 2013

Table 4.8 above indicates that a reasonable number of the respondents about 22 representing 92% confirmed that the responsibilities of auditors are influenced by the use of computers. But 2 respondents representing 8% who were among the amateurs disagreed with the statement the amateur could see the as the result of Not experiencing it before.

Table 4.9, Question 8: would it be easy for accountant or auditor to detect fraud.

Option	Frequency	Percentage
Agree	17	71

Disagree	7	29
Total	24	100

Source: Field survey: 2013

Table 4.9 above indicates that 17 respondents representing 71% of the total respondents agreed that the auditors would find if easy to detect computer fraud while the remaining of respondents representing 29% said Disagree.

Table 4.10 question 9: Do you encounter problem(s) in the audit of a computer based accounting firm?

Option	**Frequency**	**Percentage**
Agree	20	83
Disagree	4	17
Total	24	100

Source: Field survey: 2013

Table 4.10 above reveals that 20 respondents that represent 83% strongly agreed that problems are encountered in the case of auditing a computer based accounting firm. This is because of the knowledge level they have attained in computer auditing while 4 respondents or 17% who seem to be complete and perfect in computer auditing said Disagree because they have been conversant with the problems and so device means of tackling the problems.

Table 4.11, question 10: can these problems(s) be solved by the establishment of a good internal control?

Option	**Frequency**	**Percentage**
Agree	18	75
Disagree	6	25

Total	24	100

Source: Field survey: 2013

The above table 4.11 indicated that 18 of the respondents or 75% are of the opinion that the establishment of good internal control of both general and application control will solve the problem to some extend while 6 respondents or 25% the overall total respondents concluded by saying Disagree.

Table 4.12 can the combination of accounting and auditing ground the computer be best used by the firm?

Option	**Frequency**	**Percentage**
Agree	11	46
Disagree	13	54
Total	24	100

Source: Field survey: 2013

From the above table 4.12 given 13 or 54% of the respondents are of the opinion that accounting and auditing round the computer is subject to the level of their knowledge. They said not to the combination because of the fact that auditing round the computer requires less training. The auditing is this methods tries to reconcile the input data to the input of the whole information. But 11 or 46% of the respondents favoured the combination of auditing through the computer, by implication effectiveness of the job and efficiency in the use of the computer are achieved thereby educing the work of the auditor.

Table 4.13 question 12: Does the institute use the same method to all types of accounting and auditing?

Option	Frequency	Percentage
Agree	18	75
Disagree	6	25
Total	24	100

Source: Field survey: 2013

The above given table 4.13 indicates that 75% of the whole respondents confirmed that the firm uses the same method to all types of auditing. But 25% disagreed with the statement.

Table 4.14 question 13: does the institute use both interrogation of software and black box approach?

Option	Frequency	Percentage
Agree	16	67
Disagree	8	33
Total	24	100

Source: Field survey: 2013

Table 4.14 indicates that 16 respondents representing 67% agreed that the institutes use interrogation of software and black box approach. But 8 respondent or 33% said not to the questions.

Table 4.15 Question 14: is the computerized accounting and auditors acceptable to your customer?

Option	Frequency	Percentage

Agree	23	96
Disagree	1	4
Total	24	100

Source: Field survey: 2013

From the table 4.15 96% representing 23 respondents confirmed that computerized accounting and auditing is acceptable to consumers. But a respondent representing 4% of the whole respondents do not agree.

Table 4.16, questions 15: Do you think that computers will soon assume the work of auditors?

Option	**Frequency**	**Percentage**
Agree	14	58
Disagree	10	42
Total	24	100

Source: Field survey: 2013

Table 4.16 above reveals that a total number of 14 respondents representing 88% are of the view that the computers will soon assumer the role of auditors this may be because of the advantage that the computer has over the manual. But 10 respondents is 62% said Disagree to the assertion.

Table 4.17 question 16 did epileptic power supply leads to low level of output in computerized accounting and auditing?

Option	**Frequency**	**Percentage**
Agree	20	62

Disagree	4	38
Total	24	100

Source: Field survey: 2013

Table 4.17 above clearly seen that out of 20% respondents representing 62% accepted that epileptic power supply tremendously slow the level of production in accounting and auditing system. While 4 respondents representing 38% are of the opinion that another method can be use.

4.3 TEST OF HYPOTHESIS

In the first chapter of this research work we formulated and listed how hypothesis to serve as guide in data collection and analysis. To this end significant success has achieved. now it is imperative to test the two hypothesis to see which one is vindicated and which one is rejected. To make this easier, the two hypothesis will be enumerated again thus.

Ho computerized accounting and Auditing system does not have impact in public service sector.

Hi computerized accounting and Auditing system has a great impact in public service sector.

To test the two hypothesis the answer to this question clearly vindicated hypothesis H_1 and nullified hypothesis H_o based on what table 4.90 has show, we can conclude that computerized accounting and auditing can detect fraud and its has the ability to provide and stored information when needed. Faster than the manual system because majority of the respondents 17 representing 7% percent agreed with the claimed fact as against 7 representing 29% were disclaiming the fact.

We can finally conclude that based on the answer given in table 4.90 hypothesis H_0 has nullified completely.

Table 4.7.0 shows that majority of people agreed that computer influence the opinion of accounting and auditor.

Table 4.4. indicates that does the national institute for chemical technology use of computer.

Table 4.2.0 indicate that all the respondents representing 100% confirmed that national research institute for technology make use of computer to perform accounting and auditing work.

Table 4.4.0 indicate that 20 respondents representing 83% are computer literate.

Table 4.4.0 shows clearly that majority of the staff make use of computer while 4 representing 17% are not knowledgeable, most emphasis is placed on the literate staff for the execution of qualitative job

Some of the instrument use in gathering my data include the following personal interview and questionnaires. Books of relevant information about national research institute for chemical technology.

4.4 SUMMARY OF FINDINGS

The following are the summary of findings:.

1. The organization does not have very strong clerical control over source data with good computerized records to aid in preservation of accounting and auditing trail.
2. With the use of accounting and auditing system, the organization finds it easy to detect fraud.
3. The organization does not use tracing during compliance testing of application control and specific transaction may be traced through an application.
4. The staff of audit department in national research instate for chemical technology are computer literate, this will enhance their usage of computer.
5. Computer influence the opinion of the auditor in national research institute for chemical technology?
6. Frequent dumps of master files to guard against the risk of loss or corruption of data.
7. Disagree good logically facility in order to provide a permanent record of a main machine communication, which is vital in order to pressure accounting and audit trail.

CHAPTER FIVE

SUMMARY, CONCLUSION, LIMITATIONS AND RECOMMENDATIONS

5.1 SUMMARY

The objective of this project is geared towards attempting to evaluate the various problems and effects of computerized accounting an auditing system and also to prefer probable solution to the examined difficulties and peculiarities.

The research started by identifying what led to accounting and auditing which is necessitated for the institutions of some system of checks upon persons whose business was to record the receipt and disbursement of money on behalf of others. Such persons can be linked to determine whether persons in position of fiscal responsibilities were accounting in good faith or honest manner.

In trying to find a lasting solution to these problems, data was collected from twenty four (24) staff of an auditing firm through the use of direct personal interviews, questionnaires and consulting of relevant literature books and journals.

Based on the research, it is very important to appreciate the usefulness and objective of the study which has been forestalling effect of computerized accounting and auditing system in a public service.

In view of this, the researcher has been able o discover some of the major problem controlling auditors in a computer environment, these problems are:

⇒ Lack of trained persons which has been one of the problems preventing an addition from discharging his responsibilities effectively. This is because some of the computer operations are half baked and lacked the qualities to produced the needed results.

⇒ The researcher also discover that what hinders an effective use o computer is its complex made of operations. It requires some sort to technique absence of which will put the auditors work in Jeopady.

⇒ Most importantly, there is the possibility of systematic errors and non-retention of files, this hinders the smooth operations of computer and auditor responsibilities in the organization.

5.2 CONCLUSION

This research work was boarded on the effect of computerized accounting and auditing system with a case study of National research institute for technology Zaria.

From the early fact gathered about this project, we can only deduce that most of the business establishments whether big or small have been suffering from most of these problems listed out as a course o using the computer though computers are relatively new in business in this country, there is Disagree doubt that they have helped internal control. The computer is fast, despite the fact that human beings have to prepare data for input to the computer and distribute the resulting information, the speed at which the computer processed this information has helped in internal control purpose.

It is apparent that computers are diligent and reliable, once a programme has begin execution. Operations becomes automatic and Disagree further human intervention is need.

The computer should not be seen as problem generator, rather than the economic benefit rendered, much time has to be taken to analyze these problems and conclusion should therefore be implemented in conclusion, the responsibilities of auditors in a computer environment are the same which ever method the auditors are willing to adept. The auditor before relying in internal control of the organization should take necessary action.

5.3 RECOMMENDATIONS

Having collecting various data and analyzed them, it was been discovered that the problems affecting auditors in a computer environment could be overcome it proper channels and steps are followed.

Going by the research findings, the researcher recommends the followings:

1. Very strong clerical control over source data with good manual records to aid in preservation of accounting and auditing trail.
2. Tracing may be used during compliance testing of application control specific transaction may be traced through an application.
3. Frequent dumps of master files to guard against the risk of loss or corruption of data.
4. A good logically facility in order to provide a permanent record of a main machine communication, which is vital in order to pressure accounting and audit trail.
5. Competent person to operate he computer.
6. Password control.

7. Good programm check, this includes he blinking “cursor” that’s the inputs records is displayed and the operation is oblique to usually check it, prior to acceptance other validation checks may be employee at the year direction.
8. Mapping using specialized software to monitor the execution of programme instructions. Analysis o this data may provide details of program logic not executed and therefore will help detect possible unauthorized program execution.

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APPENDIX

Department of Business Administration,
Ahmadu Bello University,
Kongo Campus,
Zaria,
Kaduna State.
23rd February, 2013.

Dear Sir/Madam,

I am a Postgraduate Student of the Department of Business Administration, Ahmadu Bello University, Zaria. As part of the requirement for the award of Master of Business Administration (MBA), I am undertaking a research on "*Evaluation of the impact of computerized accounting and auditing system in public service*''

I am soliciting for your cooperation to kindly answer the questions attached here. All information would be treated confidentially and would be used for academic purpose only.

Yours faithfully,

Ramat Altom MOHAMMED

QUESTIONNAIRE

SECTION A

1. Sex

Male ( ) Female ( )

2. Years of experience

1- 10 ( ) 11 – 20 ( ) 21-30 years ( )

SECTION B

3.Doest your firm makes use of computer?

Agree ( ) Disagree ( )

4. If Agree, are the computers of good quality

Agree ( ) Disagree ( )

5. Are you computer literate?

Agree ( ) Disagree ( )

6.Does your firm uses computer accounting and auditing techniques?

Agree ( ) Disagree ( )

7.If Agree, are the computer highly effective of accounting and auditing?

Agree ( ) Disagree ( )

8.Does the computer influence the opinion of accounting and auditing?

Agree ( ) Disagree ( )

9. Are the auditor responsible for detecting computer frauds?

Agree ( ) Disagree ( )

10. Would it be easy for auditor to detect computer fraud?

Agree ( ) Disagree ( )

11. Do you encountered problem(s) in the audit of a computer based accounting firm?

    Agree ( ) Disagree ( )

12. Can this/these problems be solve by establishment of a good internal control?

    Agree ( ) Disagree ( )

13. Can the combination of the auditing and the computer and auditing through the computer the best used by firm?

    Agree ( ) Disagree ( )

14. Does the firm uses the same method to all types of accounting and auditing system?

    Agree ( ) Disagree ( )

15. Does the firm uses both interrogation of self ware black box approach?

    Agree ( ) Disagree ( )

16. Do you think that computer will soon assume this rules of this auditors?

    Agree ( ) Disagree ( )