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**EFFECT OF INTEGRATED COMPUTERIZED ACCOUNTING SYSTEMS ON
INTERNAL CONTROL SYSTEMS OF SUPERMARKETS IN MOMBASA COUNTY,
KENYA**

YUSUF KUNO



**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF MASTER OF BUSINESS
ADMINISTRATION DEGREE IN THE SCHOOL OF BUSINESS AND ECONOMICS
OF MOUNT KENYA UNIVERSITY**

SEPTEMBER 2023

DECLARATION AND APPROVAL

Declaration by the student

I declare that this research project is my original work and has not been presented for an award of a degree in this or any other university.

Signature: Date.....

Yusuf Kuno

MBA/74067/2014

Approval by the supervisor

This research project has been submitted for examination with my approval as University Supervisor.

Signature: Date.....

Dr, Andrew Songoro

School of Business & Economics Mount Kenya University

DEDICATION

This project is dedicated to my family for all their support and encouragement in the course of my studies

ACKNOWLEDGMENT

I would like to acknowledge and thank my supervisor Dr. Andrew Songoro, PhD for his guidance he has given me through the entire research proposal.

ABSTRACT

Integrated accounting has evolved since ancient time, through medieval period, renaissance period, industrial revolution to modern information technology era. Integrated computerized Accounting Systems (ICAS) faces the challenges of unauthorized access, alterations and destruction of data thus compromising the confidentiality, integrity and availability of financial information. This study was to evaluate the effect of integrated computerized accounting systems (ICAS) on internal control systems (ICS) of supermarkets in Mombasa County, Kenya. The four objectives of the study were; to evaluate the effect of integrated operations on the ICS used by supermarkets in Mombasa County, to evaluate the effect of segments information on the ICS used by supermarkets in Mombasa County, to ascertain the effect of computerized integrated accounting on the ICS used by supermarkets in Mombasa County, and to assess the effect of Consolidated Financial Reporting Systems on the ICS used by supermarkets in Mombasa County. The target population was 148 employees of the selected supermarkets in Mombasa County. The researcher used simple stratified random sampling procedure to select a sample size of 74 respondents. Questionnaires was used which had open and closed questions to collect data which was then analyzed using statistical tools and presented using tables. The findings of the study showed that integrated financial operations and computerized integrated accounting are positively significant on strengthening the internal controls while segment information and consolidated financial reporting transactions are negatively significant on strengthening the internal control system.

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ACRONYMS AND ABBREVIATIONS

AIS	:	Accounting Information System
ANOVA		Analysis of Variance
CAIS	:	Computerized Accounting Information Systems
CAS	:	Computerized Accounting Systems
Cr	:	Credit
Dr	:	Debit
ERP	:	Enterprise Resource Planning
IA	:	Internal Audit
IAS	:	International Accounting Standards
IASB	:	International Accounting Standards Board
ICAS	:	Integrated Computerized Accounting Systems
ICS	:	Internal Control Systems
IFAC	:	International Federation of Accounting Committee
IFRS	:	International Financial Reporting Standards
IGAS	:	Integrated Accounting Systems
ILAS	:	Interlocking Accounting Systems
IS	:	Information System
MIS	:	Management Information System
NSE	:	Nairobi Stock Exchange
PAT	:	Positive Accounting Theory
PAYE	:	Pay As You Earn
UNIVAC		Universal Automatic Computer
VAT	:	Value Added Tax

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Ancient Egypt, China, Greece, and Mesopotamia all had accounting systems in place. Ancient Egypt and Chinese culture handled treasury and other government records related to tax concerns. Egyptian bookkeepers kept records that went through a thorough internal auditing process. Records from Mesopotamia include a list of revenues and expenses. As a result of the Roman Empire's development of the cashbook, accounting reached new heights in the Middle Ages (Alexander, 2002; Alrawi and Thomas, 2007; Edwards, 2013). The invention of double entry by Luca Pacioli, the father of accounting, during the Renaissance had a significant impact on modern accounting. Latin words credit, which means "he trusts," and debit, which means "he owes," were first used in accounting. Pacioli suggested using a journal, memorandum, and ledger as the accounts books in his accounting treatise (Edwards, 2013; Rogers, 2014).

Large, sophisticated businesses expanded during the industrial revolution, and by constructing expense recording and monitoring systems, cost accounting came into existence. Cost accounting is one of the earliest tools in management. Queen Victoria of Scotland issued a royal charter to establish accounting as a profession during this time (Edwards, 2013; Schneider, 2015; Tanis, 2013; Wiley, 2013).

According to a German study on the integration of management accounting and financial accounting, good management accounting information should also be consistent from the user's point of view in addition to being accurate, timely, and relevant in relation to a particular control problem. If the proper GAAPs are not followed, it might be difficult to create consistency even if all legal and tax obligations are met. The requirements of IFRS 8: Operating Segment must be followed, but internal reporting is not about consistency. IAS, in

which financial records are used as a database for management accounting, and/or as a third set of books separate from financial and tax accounting records are the two main methods for providing accounting information for management control purposes (Weibenberger and Angelkort, 2010).

A study on the Perceived Threats of Computerized Accounting Information Systems in Developing Countries (CAIS) in Saudi Arabia revealed that almost half of Saudi organizations suffered losses as a result of CAIS breaches. According to Abu-Musa (2006), the biggest perceived threats to CAIS include data entry errors—both unintentional and intentional—employee data destruction, password sharing, computer viruses, suppression and destruction of reported output, unauthorized document visibility, direct printing, and information distribution to unauthorized parties. Bangladesh's operational operations, management reporting, budgeting, and controls are all improved by Accounting Information Systems (AIS) data. It is determined how comprehensive, timely, and aggregated AIS is. The scope includes internal and external, financial and non-financial information that can be used to predict future events. Aggregation is a technique for compiling and summarizing data over a predetermined time frame.

The AIS concept uses all of the following: content, accuracy, structure, usability, and timing (Fowzia & Nasrin, 2011).

An investigation into the concept, motivation, evaluation, benefits, and challenges of CAIS in developing countries was conducted in Ghana, and the results revealed that both internal and external factors, as well as potential CAIS advantages, influence acceptance. Among the causes are an increase in workload, financial constraints, business size, competitiveness, external agents, decision-makers' effectiveness with computer sets, level of IT proficiency, and technological advancement. Speed, accuracy, improved employee work

environments, efficient management, enhanced decision-making, a reduction in human error rate, and increased financial institution dependability were all benefits of CAIS in state-owned businesses. The CAIS improves data processing as well as the accuracy and consistency of financial statements.

In order to enable real-time data access, it was also discovered that CAIS was not integrated with other IS. It was discovered that the CAIS's own employees posed the biggest challenge. Internal management, employees, and external stakeholders all use the reports that CAIS produces. These reports (Appiah, Agyemang, Agyei, Nketiah, & Mensah, 2013) analyze receipts, payments, accounts payable, accounts receivable, cash management, petty cash utilization, and inventory balances. Selfano, Peninah, and Sarah's (2014) study on the impact of computerization on internal cash control in the Iringa municipal council in Tanzania found that internal cash control was significantly improved by computerization of accounting systems. The process of authorizing and approving must be carried out on computerized platforms that are password- and role-protected. According to a study on the impact of accounting information systems on small-scale firms' profitability levels carried out in Kampala, Uganda, the majority of small-scale businesses lack AIS, which contributes to their continued underperformance. It shows a positive correlation between AIS and Kampala's small business profit levels. This is due to AIS's ability to streamline classification and speed up data processing.

System backups ensure the dependability and security of data that can be retrieved at a later time (Muhindo, Mzuza, & Zhou, 2014). A study on the effects of CAS on audit risk management in public enterprises in Kisumu, Kenya, focused on the influence of CAS as an improvement to manual accounting, a boost to organizational effectiveness by changing processes, an improvement to data processing, and a promotion of basic analysis. Due to poor corporate governance and weak audit monitoring procedures, many risk management systems

have failed. The two categories of accounting tasks are management accounting, which produces reports for internal managers to use in making decisions, and finance accounting, which produces reports for stakeholders outside the organization. Software-based financial information protection shields a business from monetary and legal repercussions.

A positive external auditor's report produced as a result of CAS's internal control process improvement is valuable to leaders and stakeholders (Otieno & Orina, 2013). The Government of Kenya uses an ICAS called IFMIS to improve public finance management, which has aided in the growth and development of the nation. Examining how IFMIS has affected cash management practices in the public sector, it was discovered that a trustworthy system gathers data that is accurate, timely, comprehensive, and consistent and is secure from destruction, corruption, unauthorized access, and confidentiality violations. ICAS should guarantee the availability, confidentiality, and integrity of data and information. Cash management benefits from the dependability and adaptability of IFMIS. The shortcomings of IFMIS include a lack of internal control over data input, transaction processing, and reporting; a lack of standardized data categorization for recording financial events; duplication of procedures for comparable transactions; and data entry duplication (Selfano et al., 2014).

According to Karanja and Nganga (2014), the cost of implementation, technical proficiency, the complexity of IFMIS, and employee motivation all have an impact on how well the system is implemented in Kenyan government ministries. Advancements in ICT have significantly impacted the accounting systems of commercial organizations, according to Lim's (2013) study on the impact of information technology on accounting systems. The use of ICT in accounting has several advantages, including increased competitive advantage, economic efficiency, better processing equipment, accounting software tools, security, internet for business transactions, cloud computing, efficiency leading to better

results, transaction speed, entry accuracy, improved internal and external reporting, flexibility, and paper reduction.

1.1.1 Internal Control Systems (ICS)

According to Cordoş, Andreica, and Rof (2010), the broad standards of ICS include: clearly defining duties, maintaining satisfactory control, limiting unfavorable resources, holding representatives accountable, dividing obligations, isolating obligations for related exchanges, using mechanical devices whenever practical, and conducting routine and uncompensated surveys. Four major issues with inside control frameworks were identified, relating to input, handling, capacity, and output, in a Bahrain study on accountants' perceptions of internal control issues associated with the use of computerized bookkeeping systems. Input issues include unclear input, unauthorized access, and incorrect data entry by new clients. Issues with the planning process include the need for computer equipment judgment, the centralization and division of information into parts, the shameful use of computer speed, and possible mistakes. The capacity issues are the intangibility of the review process, the alteration of data without a physical trail, the convenience of taking data, and the misfortune of data. Clients not trusting computer generated results and the creation of alternate realities are the problems with yield organizations (Cordoş, et al. , 2010).

Vendor inventory management has an effect on organizational inventory investment, according to Uchumi's descriptive study case on the effect of vendor inventory management on organizational performance in retail outlets. The overall functioning of the business is impacted by inventory movement. The study recommended using ICT in the inventory management function because it enhances organizational performance (Karanja & Nganga, 2014). In a conceptual review on the impact of internal audit on internal control system effectiveness, Shamsuddin and Johari (2013) identify the reliability of financial reports,

efficiency and effectiveness of operation, and compliance with law and regulations as the main objectives of internal control systems. An ICS has five main components: control environment, risk assessment, control actions, information and communication, and monitoring (Appiah et al., 2013).

1.2 Statement of Problem

The advantages of coordinates computerized bookkeeping systems (ICAS) include speed, programmed record generation, precision, up-to-date data, accessibility of data, management data, fetched investment funds, VAT return, neatness, proficiency, staff inspiration, decreased disappointment, and the ability to effectively negotiate in different monetary standards (Hadler, 2014; Magloff, 2014). One of the threats identified by Hayale and Ab(2008) was the intentional and unintentional addition of incorrect information by employees and/or others, as well as the intentional and unintentional cancellation of information. In March 2016, Uchumi Grocery Store closed its five locations in Kisii, Taj Shopping Center, Eldoret, Nakuru, and Embu due to financial difficulties (Michira, 2016). This issue can be traced back over three years to cooked books, insufficient internal controls, false acquisition, and poor management. ICAS is hampered as a result of unauthorized access, modifications, and grinding.

In order to guarantee the confidentiality, integrity, and accessibility of bank data and CAIS, Jordan's banking sector uses Computerized Accounting Information mechanisms (CAIS), which Hayale and Abu Khadra (2009) evaluated for their level of efficacy. Using computerized accounting data in Jordanian banking, Hayale and Abu (2008) examined the alleged security risks. Without paying particular attention to ICAS and the degree of integration on ICAS, their study focused on how internal auditors, EDP controllers, and computer heads perceived CAIS. Thus the study seeks to evaluate the effect

of integrated computerized accounting systems on internal control systems of supermarkets in Mombasa County, Kenya.

1.3 Purpose of the Study

The study was to investigate the effect of integrated computerized accounting systems (ICAS) in strengthening the internal control systems (ICS) of supermarkets in Mombasa County, Kenya.

1.4 Objectives of the study

- i. To evaluate the effect of integrated operations on the internal control systems used by supermarkets in Mombasa County.
- ii. To determine the effect of segments information on the internal control systems used by supermarkets in Mombasa County.
- iii. To ascertain the effect of computerized integrated accounting on the internal control systems used by supermarkets in Mombasa County.
- iv. To assess the effect of Consolidated Financial Reporting Systems on the internal control systems used by supermarkets in Mombasa County.

1.5 Research Hypotheses

The study will be guided by the following null hypothesis

- H₀₁ Integrated operations have no significant effect on the internal control systems used by supermarkets in Mombasa County.
- H₀₂ Segments information has no significant effect on the internal control systems used by supermarkets in Mombasa County.
- H₀₃ Computerized integrated accounting has no significant effect on the internal control systems used by supermarkets in Mombasa County.
- H₀₄ Consolidated Financial Reporting Systems have no significant effect on the internal control systems used by supermarkets in Mombasa County.

1.6 Significance of the Study

The research will assist supermarket management in making decisions on the procurement of integrated computerized accounting systems to enhance their internal control systems (ICS). It will assist integrated computerized accounting system (ICAS) developers in understanding the requirements for a good ICS in supermarkets. The work will also be useful to future researchers since it will serve as a foundation for future research.

1.7 Scope of the Study

The effectiveness of an organization's internal control system (ICS) greatly affects its capacity to protect its assets. The most recent tool created in the accounting field to strengthen the ICS is the Integrated Computerized Accounting System (ICAS). In order to strengthen the ICS, the study looked at the degree of integration of accounting modules, branches of accounting, and related entities in various ICAS adopted by the supermarkets in Mombasa County, Kenya. The study provided a general overview of the country because Mombasa County has branches of the major supermarkets in Kenya, including Tusksys, Budget, Chandarana, A1, and Naivas. Therefore, if the same study were to be carried out in any other county, similar results would be attained. Mombasa County borders Kwale County, Taita Taveta County, and Kilifi County in the Coast region.

1.8 Limitation of the Study

The study required information from senior managers of the supermarkets who were busy and failed to return questionnaire. The study was limited to supermarkets in which are located within the jurisdiction of Mombasa County.

1.9 Delimitations of the Study

The researcher simplified the questionnaire and make follow up calls to ensure the questionnaires are returned.

The results obtained from supermarkets in Mombasa County was applicable to other counties and/or through the country since most supermarkets in target population have branches in most of the counties.

1.10 Assumption of the Study

The study assumed that the respondent were honest and responded to the questionnaires in time. It was also assumed that junior employees of the supermarket had limited rights in the system. This limits their ability to give objective response hence not targeted by the research.

1.11 Operational Definition of Terms

Accounting : is an art or a systematic process of collecting financial data assource records, recording in journals, classifying intoledgers, summarizing the balances, communicating financial information through reports & financial statements and interpreting them through ratio analysis to enable users make informed decision.

Accounting Information System: is an Information System (IS) that comprises of accountants, ICAS, financial data, computer hardware, and ICS working together towards a common accounting objective.

Auditing : It is an independent financial examination of source records, journals, ledgers, accounts, summaries, reports, statements and internal controls to ascertain as to whether; the correct books have been kept, the financial statement are drawn therefrom, and form an opinion as to whether theyshow a

true and fair view of the state of affairs of an organization as at and/or for a particular specified period.

Computerized Accounting Systems: These are computerized application (integrated or independent) that has the capability to accept financial data as input, process it using preset of controls, stores it and retrieve/ output the reports when needed.

Consolidated Financial Reporting Systems: It is a system (computerized or otherwise) of accounting for group of related entities where transaction relating to holding company, subsidiary, associates, investments property, joint arrangements, investment properties and unconsolidated “structured entities”.

Financial statements: The mandatory annual financial reports, in accordance to provisions of IFRS 1 comprising of statement of financial position, statement of comprehensive income, statement of cash flows, statements of changes in equity and notes to the financial statements that states the significant accounting policies adopted by an organization.

Information System (IS): a system that comprises of people, computer hardware, computer software, procedures and data working together towards a common objective.

Integrated Accounting Systems (IGAS): It is a system (computerized or otherwise) of accounting that financial accounting, tax accounting, management accounting and/or other branches of accounting are maintained in the **same** set of books and inventory is normally valued using a perpetual method.

Integrated Computerized Accounting Systems (ICAS): A Computerized Accounting Software that integrate and/or consolidate various accounting module/functions, branches of accounting, and segment information for a group of related entities.

Interlocking Accounting Systems (ILAS): It is a system (computerized or otherwise) of accounting that financial accounting, tax accounting, management accounting and/or other branches of accounting are maintained in the **different** set of books and inventory is valued normally using periodic method but a perpetual method may also apply.

Internal Control Systems: Procedures, policies, methods, culture, values, measures and tools adopted by an organization to safeguard its assets and ensure reliability of financial reports, efficiency and effectiveness of business operations, and compliance with laws, standards, policies & regulations.

Journals: Books or registers where financial transaction data is first entered in a sequential order as they are gathered.

Ledgers: Books of account where the financial data are classified into accounts broadly categorized as assets, liability, capital, income or costs/expenses.

Source records: Records that show evidence of a financial transaction such as cash sale, cash receipt, invoice, acknowledgement note, share certificate, memo, contracts, bills etc.

System : a set of components and/or procedures that works together to achieve common objective and/or goals.

CHAPTER TWO

LITERATURE REVIEW

2.1 Concepts of Integrated Computerized Accounting Systems (ICAS)

2.1.1 Accounting Information Systems

Establishing a data framework is what management information systems (MIS) do. The three terms that comprise MIS are administration (the art of planning, organizing, staffing, coordinating, and controlling), data (information that has been handled for decision-making), and framework (a collection of interconnected components that function as a whole). Two perspectives—practically and fundamentally—can be used to describe data.

An information framework is a collection of elements that cooperate to gather, analyze, store, and deliver data for decision-making while taking into account a particular set of controls. The fundamental elements of an IS are information, people, computer hardware, computer software, and control methods and arrangements (Al-Mamary, Shamsuddin, and Aziati, 2014; "Administration Data Frameworks," 2014).

When it comes to planning, decision-making, and control, AIS is defined as a group of interconnected subsystems that rely on computers to collect, process, store, transform, and distribute information. Saving money, safeguarding assets, balancing entity organization and human factors, and adjusting to changes in organizational structure are all objectives of AIS. The four main ones are the cost-benefit principle, control principle, compatibility principle, and flexibility principle (Otieno & Orina, 2013). Software, current IT infrastructure, security and internal control, administration, and users are the five crucial parts of an accounting system (Patel, 2012). Thus, AIS is described as a system made up of accountants and auditors, financial information, computer hardware, computer software, particularly ICAS, and internal controls (policies and procedures).

Figure 2.1: Structure of an Accounting Information System (AIS)

Source: Researcher, 2019

The figure 2.1 shows a structure of an accounting information system (AIS) that has five components derived from components of an information systems comprising of people, data, computer hardware, computer software and controls.

2.1.2 Computerized Accounting Systems

The creation of accounting records, the recording of transactions, and the preparation of trial balances and financial statements are all aided by sophisticated computerized accounting software components. The phases of transaction processing include data entry, data validation, processing, revalidation, storage, information gathering, and reporting (Kaur, 2015). As a result, the CAS is an information and report-producing financial application that receives and processes data. A control system for validating and storing data is present in the application. In addition to managing bank accounts, paying bills, and creating budgets, accounting software enables users to create revenue and spending accounts (Schofield, 2014). A CAS consists of inputs, processing, files on a computer, outputs, and controls.

Speed, expense, and complexity are the main differences between manual and automated accounting systems.

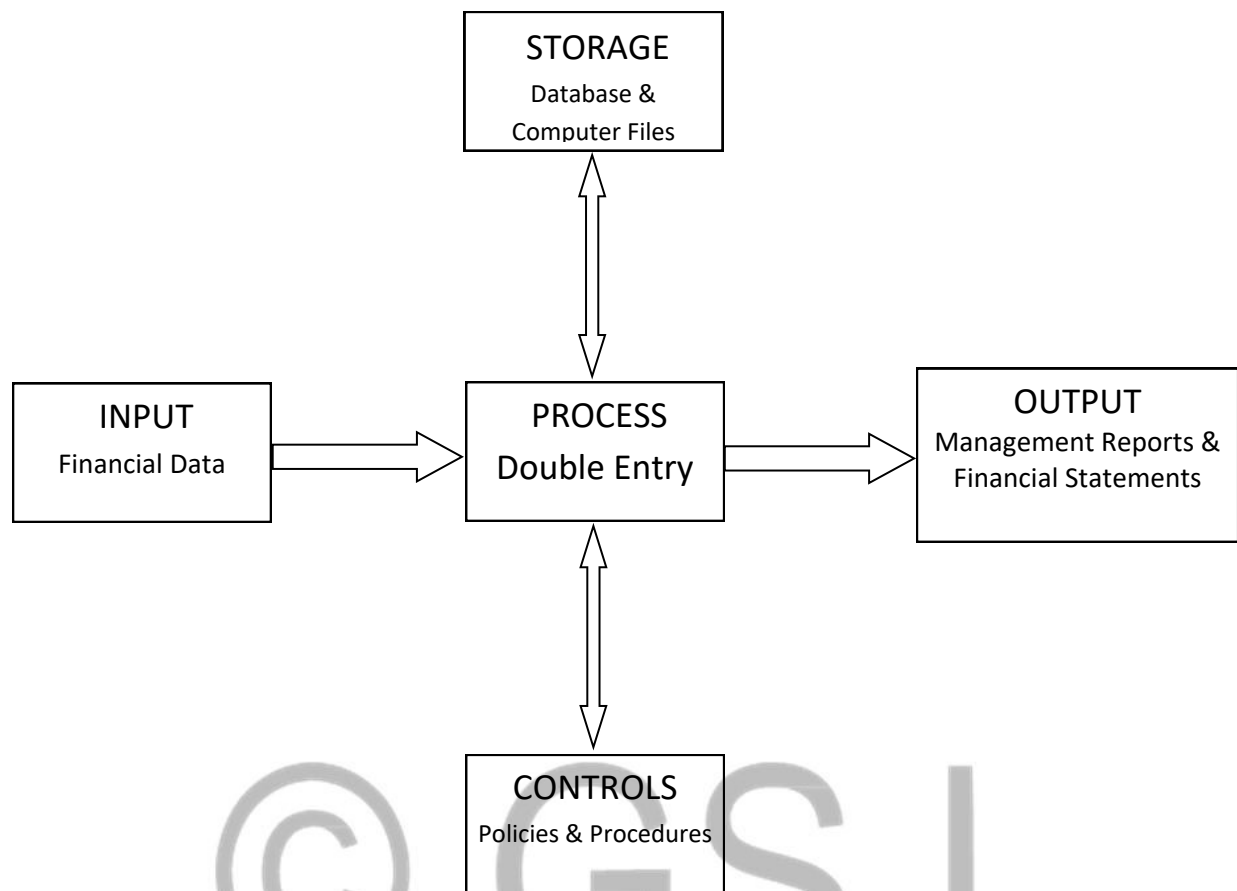


Figure 2.2: Structure of a Computerized Accounting System (CAS) Module

Source: Researcher, 2023

The construction of a computerized accounting system module is depicted in Figure 2.2. As input, the module receives financial data and processes it using double entry to create relevant management reports and/or financial statements. The module also includes storage capacity and data processing control methods. In a computerized accounting system, the output of one module becomes the input of another.

2.1.3 Integrated Computerized Accounting Systems (ICAS)

Computerized accounting systems have the ability to produce instant reports on the trial balance, trade and profit and loss account, balance sheet, stock valuation, sales analysis, budget analysis and variance analysis, VAT returns, and payroll analysis (Hadler, 2014).

The advantages of computerized accounting systems include efficiency, automated document generation, accuracy, current information, information availability, management information, VAT return, legibility, staff motivation, cost savings, and others reduced annoyance and the ability to conduct transactions in multiple currencies without any difficulty (Hadler, 2014; Magloff, 2014). The components of an ICAS include Accounts Payable, Accounts Receivable, Payroll, Benefits Management, Budgeting, Assets, Reporting, Project Reporting, and Supply Chain Management (Components of a Computerized Accounting System, 2015).

A comprehensive accounting system with numerous accounting modules is known as an integrated computerized accounting system (ICAS). It incorporates every element of an accounting department. ICAS manages inventory using a perpetual method as opposed to a cyclical stock take. There is a functioning integrated accounting system (IAS). Transactions from various accounting branches are managed by a single integrated system. This integrated system also keeps track of various branches and other related entities, such as associates, subsidiaries, joint-controlled businesses, and investment properties. The integrated computerized accounting system (ICAS) of an entity serves three functions: integrating all of the entity's operations into a single system, computerizing the IAS to increase its effectiveness and efficiency, and consolidating the accounting systems of a group to assist the entity in preparing the consolidated financial statements and reports required by the provisions of IFRS 12 - Disclosure of Interest in Other Entities (IASB, 2014d).

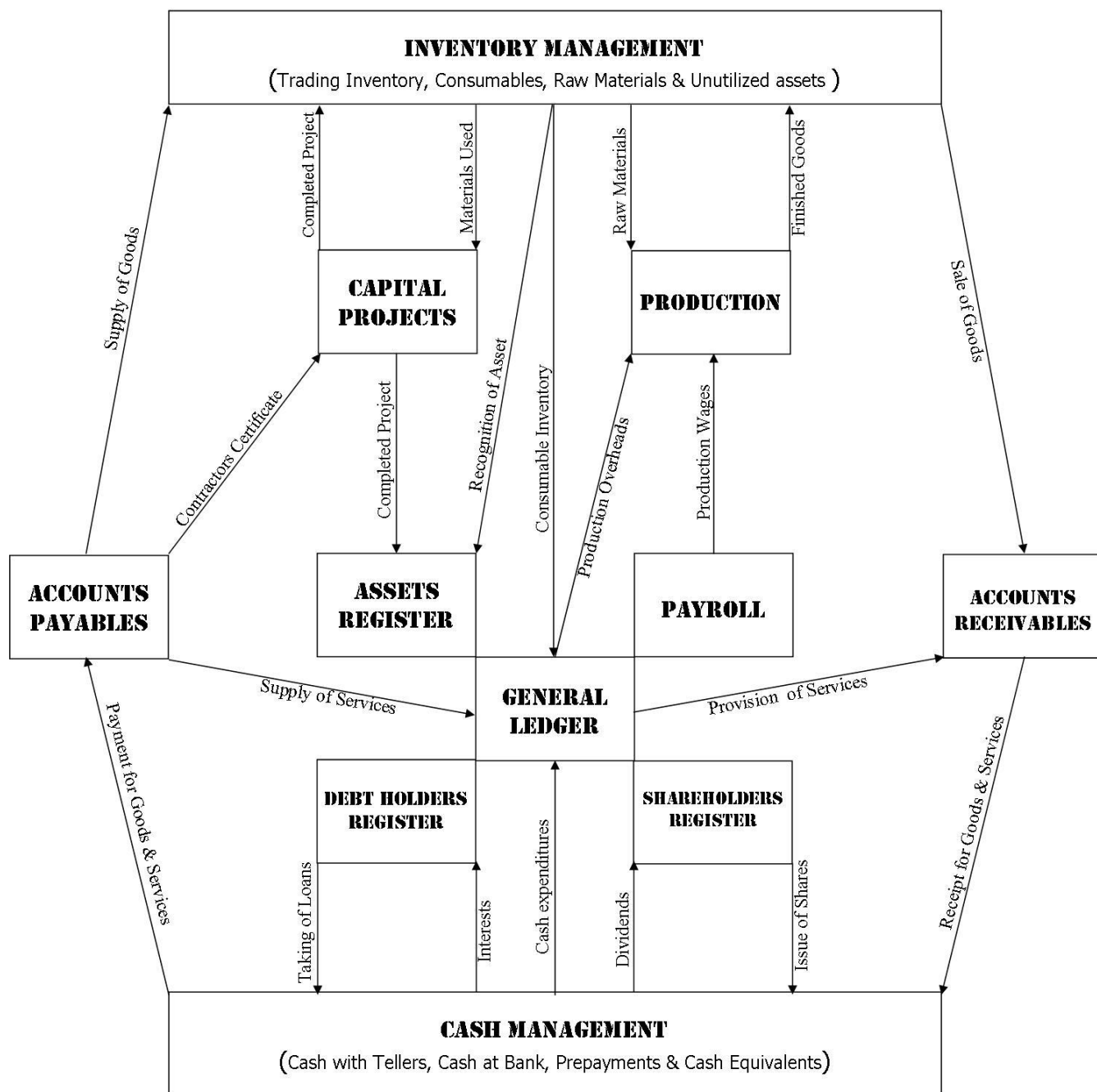


Figure 2.3: Structure of an Integrated Computerized Accounting System (ICAS)

Source: Researcher, 2019

Figure 2.3 shows the structure of an integrated computerized accounting system (ICAS). ICAS has up to 12 interconnected computerized accounting modules. One or more of the modules includes accounts payable, inventory management, accounts receivable, cash management, production management, capital project management, general ledger, payroll, assets register, shareholder registration, debt holders register, and budget. The data

flow between modules is depicted by the arrow. The information output of one module becomes the data input of another. The budget module is not part of the framework even though it is connected to all of the other modules.

2.1.4 Integrated Operations

The revenue cycle, expenditure cycle, human resource/payroll cycle, production cycle, and general ledger cycle are all examples of accounting software cycles. The revenue cycle includes all steps from receiving sales orders to shipping goods to billing customers and collecting payments. The expenditure cycle entails placing orders with vendors for goods and services, obtaining items, identifying supplier invoices, and paying suppliers in cash. The production cycle includes all aspects of product design, scheduling, manufacturing, and cost accounting. In the payroll cycle, employee data is updated, and payments are prepared, verified, and made. As part of the general ledger cycle, accounts are updated, corrections are made as necessary, and a trial balance and financial statement are created (Stolowy and Touron, 1998).

From the aforementioned cycles, the modules account receivables, cash management, accounts payable, inventory management, asset register, payroll, budget, and general ledger can be derived. The general ledger contains entries for non-current assets, shareholders, long-term debt, salaries, operational revenue, operational costs, and financial instruments. The components that are interconnected to prevent job duplication may all be included in a single integrated computerized accounting system (ICAS). These modules include those for inventory, accounts payable (supply chain management), accounts receivable (customer relationship management), cash management, production management (work in progress), capital project management, non-current asset register, payroll, general ledger, debt holders register, shareholders register, and budget. The inventory module keeps track of raw materials, finished goods, consumables, and idle assets.

2.1.5 Computerized Integrated Accounting

The main areas of accounting are fund accounting, auditing, financial accounting, cost accounting, management accounting, and taxes. Bookkeeping (source records, journals, and ledgers), as well as the creation of financial statements for external users (statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity, and notes to financial statements) are all aspects of financial accounting. Budgeting, cost estimation, determination, management, and control are all topics covered by cost accounting. In that it is used in budgetary controls, performance evaluation, transfer pricing, inventory controls, and cost forecasting, management accounting is similar to cost accounting. Cost accounting does not, however, use management accounting. Taxation is the study of the various levies and fines that citizens must pay to the government.

These levies and fines include excise taxes, value-added taxes (VAT), excise duty on imports, and other levies such as personal income and corporation taxes.

In order to determine whether the right records have been kept, the financial statements are derived from them, and the financial statements present a true and fair view of the state of the business, independent examination of the books of accounts and source records is the basis for auditing. Finally, fund accounting is concerned with money set aside for a specific task like a capital project, asset replacement, or any other special operation like a product launch or sales promotion (Boban and uak, 2006; Fowzia & Nasrin, 2011). Invoices, receipts, and other source documents are the main sources of financial data. A single, fully-integrated computerized accounting system called "ICAS" is used to create these records. The information and reports related to cost accounting, managerial accounting, financial accounting, and tax are processed by ICAS. Information on costs is related to budgeting, cost estimation, and cost determination. Financial forecasting, planning, transfer pricing, and budget control are all included in management accounting reports.

Annual financial statements are one aspect of financial accounting. Statements of Changes in Equity, Statement of Cash Flows, Statement of Comprehensive Income/Financial Performance, and Notes to Financial Statements are all included in the balance sheet. Pay as you earn (PAYE), corporate income tax, value added tax (VAT), customs duties, exercise fees, other fees, and license declarations are all covered in tax accounting reports. ICAS, a sophisticated system, was used to generate all of the aforementioned reports (Fowzia & Nasrin, 2011).

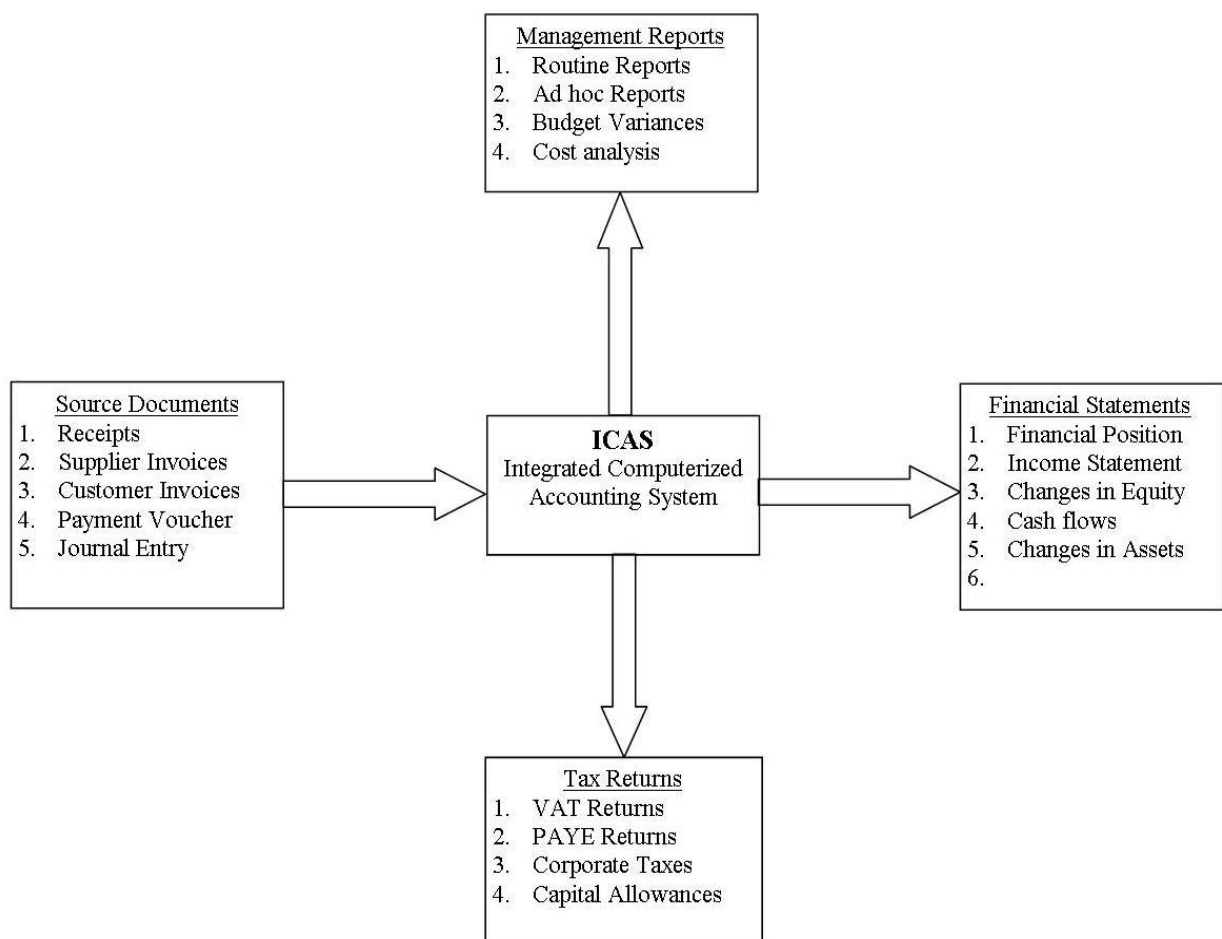


Figure 2.4: Structure of Integrated Branches of Accounting

Source: Researcher, 2023

The organization of the integrated accounting branches that comprise the integrated accounting system is shown in Figure 2.4. Typically, accounting documents are created in

four copies for him, with the originals remaining with the customer. His final three copies are given to tax accountants, management accountants, and financial accountants, and three distinct accounts are maintained. An integrated accounting system, on the other hand, unifies various accounting departments using sophisticated systems and stores only one set of company books. The sophisticated systems used by ICAS to produce various reports and financial statements are computerized using the same data sets.

2.1.6 Consolidated Financial Reporting Systems

An organization must disclose its interests in subsidiaries, associates, joint ventures, and unconsolidated "structured entities" in accordance with IFRS 12, which calls for consolidated disclosure. Organizations must create consolidated financial statements that include a consolidated balance sheet, a consolidated statement of comprehensive income, a consolidated statement of changes in equity, a consolidated statement of cash flows, and notes to the financial statements (IASB, 2014d). An organization is required to prepare and present consolidated financial statements for itself and the companies it controls under IFRS 10, "Consolidated Financial Statements." The ability and power to control returns are necessary for control, as well as rights and exposures to variable returns.

A company that an organization controls and owns at least 50% of is referred to as a subsidiary. For instance, an organization might have 20–50% control over someone, and it might do so through its directors and employees rather than the company it controls internally appointed directors (IASB, 2014b). IFRS 11 - A joint arrangement exists when there is a legal agreement for control and a legal agreement for joint management. Joint ventures, which represent shares of net assets and equity previously recognized under IAS 31 Accounting for Joint Ventures, jointly managed operations, which represent shares of rights in assets and obligations for liabilities, and jointly managed assets, which represent assets

owned jointly, are the three categories under which joint arrangements fall (IASB, 2013a, 2014c).

The requirements for the identification and measurement of financial instruments, as well as for impairment, derecognition, and general hedge accounting, are outlined in IFRS 9 - Financial Instruments. A contract that results in a financial asset, financial liability, or capital instrument for an organization is known as a financial instrument. A financial asset is an asset that is cash, an equity stake in another entity, a contractual right to receive cash or a financial asset from one entity, or a beneficial contractual right to exchange financial instruments with another entity. A financial liability is a legal obligation to pay money or a financial asset to another party under a contract, or a burdensome obligation to trade a financial asset for another party. Equity instruments are contracts that retain a stake in an entity's assets after all liabilities have been paid (IASB, 2014a).

Accounting and disclosure requirements for investment property are laid out in IAS 40 - Investment Property. According to the IASB (2013)b, investment property includes assets like land and buildings that are held for rental and/or capital growth. Based on an assessment of the internal management reports identifying the operating segments and the disclosed segment information, listed companies are required to disclose information about their operating segments, the geographic regions in which they operate, their products and services, and their major customers under IFRS 8 "Operating Segments" (IASB, 2013c). Product segments, on the other hand, refer to different product categories like apparel, furniture, electronics, food items, etc., while geographic coverage refers to the accounting of various departments within an organization.

2.2 Theoretical Literature Review

2.2.1 Systems Theory

The 1940s saw the development of systems theory by biologist Ludwig von Bertalanffy. According to this theory, natural systems are constantly evolving because they are exposed to and engaged with their surroundings. Emergence allows real systems to gain qualitatively novel properties. Systems theory is an interdisciplinary field that examines how phenomena are abstractly organized, regardless of their nature, nature, or existence in space or time. In addition to looking at the models that can be used to describe complex entities, it also looks at the principles that all complex entities share. (Helighen and Joslyn, 1992. Instead of dealing with ideas that are specific to one field, systems theory focuses on ideas and principles that are generally applicable. Decide whether a system is dynamic, active, or static, passive (stichweh, 2011).

System theory is predicated on the following tenets: Indeterminism, i.e. It can be challenging to predict a change's trajectory early enough. A system is made up of interconnected and dependent parts, and it has boundaries that set it apart from other systems. These concepts include objectivity, independent observations that yield the same result, causality, reflexivity, and selforganization. Determinism, the environment, interpersonal relationships, and systems are all homeostatic. Although they are resilient to outside influences, systems are also themselves. Systems adapt to make the internal adjustments required to protect themselves and to provide feedback based on reactions from other systems in the environment (Stichweh, 2011).

Since their theory presupposes that the majority of larger organizations have open systems, the system's application is restricted because it isn't applicable in small

organizations. It delays decision-making, fails to recognize interdependence in its various forms, and incorrectly categorizes interrelationships that may have unfavorable effects. It does not take an organization's culture or function into account. Systems theory is decried as pseudoscience because it approaches problems holistically. In addition, complexity may result from how organizations interact with their surroundings (Singh, 2017). Due to the systemic nature of the supermarkets in Mombasa County, this theory and the study are compatible. They are "open systems," which means that they accept input from society and give it back results. Supermarkets as systems are composed of various groups or divisions. The maximization of profits and shareholder wealth is a goal shared by each of these divisions, despite the fact that each is set up for a different purpose. Despite their differences, they are interdependent, and because of this, they function as a cohesive unit.

2.2.2 Contingency Theory

Woodward first put forth the concept of contingency theory in 1965, and Van de Ven expanded on it in 1974. According to the theory, "The selection of a technique or system is intrinsically dependent upon specific circumstances" (Alrawi and Thomas, 2007). There is no one best control system for all organizations; instead, the appropriate control systems will depend on the context and circumstances of the organization (Fisher, 1995). Managers must be well-informed because there are many uncertainties in the workplace. The mechanisms that supply the required information are monitoring, coordination, and control procedures. Bureaucracy, individually held controls, and group controls are the three categories of control structures developed by Van de Ven in 1974.

Individual and group relationships are based on group relationships, whereas bureaucracy demands that formal procedures be established beforehand. Individual processes differ from group processes in that they are decentralized. The amount of information processing needed

depends on both internal (such as technology and professionalism) and external (such as work unit size) factors. The information processing demands of a work unit are dependent upon the information processing abilities of the employed control activity. This is based on the following presumptions: There is no one best way to organize, not all organizational structures are equally effective, and a number of environmental factors and organizational design traits are related, i.e. e.

They are the most accurate, the variables are linearly related, and the effects are symmetric (Alrawi and Thomas, 2007). This theory's application is constrained by a dearth of documentation because it does not specify the types of actions needed in various circumstances. It is also challenging because it requires analysis to determine the circumstances in which management actions are needed. Managers who lack the capacity to properly assess the situation are impacted by this. Due to the complexity of the theory and the fact that it is reactive rather than active, it is also challenging to test experimentally. The theory is also constrained by a dearth of organizational-crushing abilities.

The industry is profitable enough to support less-than-ideal business operations, or alternatively, other organizations may have endured in the past with poor relevance because the relationship between technology, structure, environment, and performance isn't always linear and curves can exist (Chand, 2018). This theory applies to the study because supermarkets in Mombasa County have chosen for themselves the control systems they believe will best serve their needs and helps them accomplish their objectives. Each supermarket uses internal control systems that were chosen and created with a specific objective in mind. Beauty and structure are recognized, no matter what kind of control system supermarkets use.

2.2.3 Positive Accounting Theory

Watts and Zimmerman (1990) introduced the positive accounting theory in the 1960s. According to this theory, businesses predict things like the accounting policy they will adopt and how they will respond to new accounting standards that are being considered. The theory continues by claiming that predictions about actual events are made and then converted into accounting transactions. The business will aim to cut down on contract-related expenses like renegotiation, follow-up, and negotiation costs. Thus, in accordance with its contract, the business will implement its policies (Watts & Zimmerman, 1990). The theory is predicated on three hypotheses: bonus plans, debt covenants, and political cost assumptions. Management compensation is a part of the bonus plans. If management is compensated based on performance, management will implement accounting procedures that transfer future earnings to the current period in order to maximize current returns for personal income. limited covenants relating to the fulfillment of financial obligations.

In order to perform better and adhere to current covenants, managers of a company with a high debt ratio will adopt a policy of transferring future earnings to the current period. On the other hand, political costs emphasize minimizing outside interference and regulation. The existence of tax and legal requirements restricts the application of this. Governments, media, political figures, and consumer protection organizations are drawn to businesses that are exceedingly profitable. Various taxes and regulations may result from this.

According to "Positive Accounting Theory," Watts & Zimmerman, 1990, management of a large company adopts accounting practices that transfer current profits to future periods in order to reduce political costs (Milne, 2002). This study, in which Mombasa County supermarket markets prepared their financial statements in accordance with generally

recognized accounting principles and policies, i.e GAAP applies to financial reporting. As a result, they are prepared to adopt and apply any new accounting principles or policies that are released. These supermarkets must constantly monitor new accounting policies and principles because they frequently alter how businesses run, particularly when it comes to creating annual reports.

2.3 Theoretical Framework

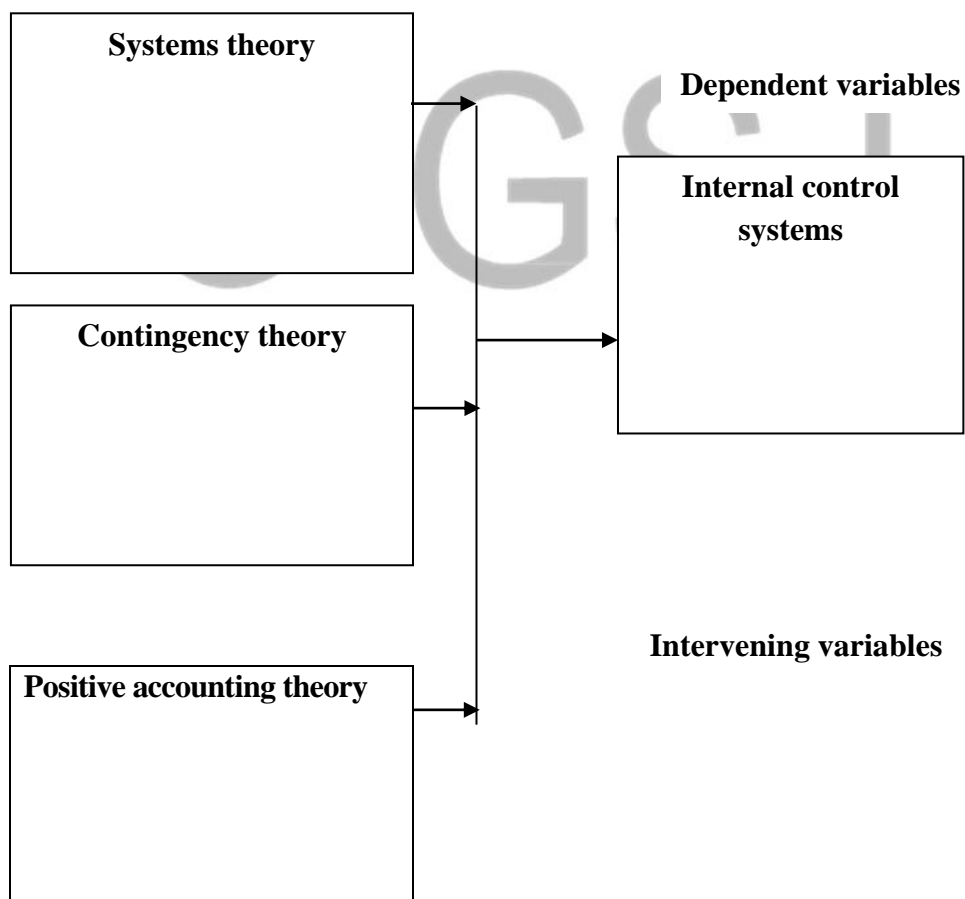


Figure 2.5 Theoretical framework

Figure 2.1 Conceptual

2.4 Empirical Literature Review

In order to safeguard the confidentiality, integrity, and availability of the computerized accounting information of Jordanian national banks, Hayale and Khadra (2009) assessed the effectiveness of the control systems in place. According to empirical studies, Jordanian banks use controls to effectively lower fraud and mistakes. However, they fall short in their efforts to secure electronic control, physical access, logical access, data security, document standards, disaster recovery, and internet and communications. This study was based on the perceptions of the internal audit and head of IT services about the efficiency of the control system implemented in computerized accounting information, but it did not take into account any role required by the level of integration in the software used. Competitive advantage, economic efficiency, flexibility, less paperwork, speed, security, accuracy, and equipment improvement are some of the effects of information technology on accounting that are highlighted in Lim's (2013) study on the subject. The emphasis of this study is on the role that computer hardware plays in increasing performance and efficiency while reducing speed. The effect of various software on the accounting system was not taken into account in the study. The use of AIS and software packages had a significant impact on the financial statements of companies listed on the Tehran Stock Exchange, according to a 2011 study on the impact of accounting information systems and software on the qualitative aspects of accounting information in Iran (Fowzia and Nasrin).

2.4.1 Effect of Integrated Operations on the ICS

A study on enterprise resource planning (ERP) systems and internal audit examined internal auditors' capacity to identify and manage operational, innovative, financial, compliance, and other risks as the organization transitions to an ERP environment and discovered that the internal reviewers see a decrease in operational and financial risk and

an increase in specialized dangers. Their ability to assess and monitor these risks helps mitigate the effects to some extent (Saharia, Koch, and Tucker, 2008). They did not, however, evaluate the effectiveness of the coordinate operations on the ICS.

According to Ramadhan, Joshi, and Hameed (2011), Bahraini accountants are aware of internal control problems associated with their use of computerized bookkeeping systems. They also looked into potential solutions to these problems. They discovered that problems with internal control relate to inputs, handling, capacity, and yield. Intangibility of input, unauthorized access, and new clients entering inaccurate information are input issues. The issues with preparation include the centralization of information and obligations, the need for human judgment, the abuse of computer speed, and the possibility of mistakes. Data alterations without a path, data misfortune, and the need for review paths are capacity issues. Issues with yield are brought on by a variety of realities and an excessive reliance on computers. Their consideration was primarily focused on the issue of the person bookkeeping modules, but they did not evaluate the coordinates modules to determine how they might affect the ICS. A quantitative analysis of the use of accounting data frameworks (AIS) for compelling internal controls in hotels found that the use of AIS has improved the internal control frameworks in hotels. The use of AIS has led to better internal controls, enabling hotels to achieve their objectives. The thought was active, much like an AIS i component. controls the launching of the other four AIS i components.

.Information, people, things, and ICAS.

An observational study on the factors influencing inside control advantages under an ERP framework in Taiwan revealed that the quality factors of a data framework, benefit quality, framework and data quality, and internal control quality are basic variables impacting the inside control advantages of an endeavor, while excellent communication can additionally

advance the inside control advantages. Additionally, increasing the inside control staff's comprehension of an ERP framework by thoroughly outlining its capabilities, benefit quality, and data qualities while utilizing a great communication interface can advance the inside control advantages of an ERP system (Hsiung & Wang, 2014).Coordinates operations were not one of the components examined despite being a crucial component of an ERP.

2.4.2 Effect of Computerized Integrated Accounting on the ICS

A review of the users' opinions on the integration of financial bookkeeping, management bookkeeping, and cash flow bookkeeping revealed that the advantages of Coordinates Bookkeeping are advanced information unwavering quality and significance of the data, changing from bookkeeping approach to administration approach, and being a tool of organizational change. Coordination of accountings brings together cash flow management, accounting for money, and accounting for administration (Stolowy and Touron, 1998).

The discussion was centered on two distinct types of bookkeeping, or i.e. The other branches of bookkeeping, such as charge bookkeeping, support bookkeeping, and fetched bookkeeping, are eliminated by financial bookkeeping and management bookkeeping. According to Weinberger and Angelkort's (2010) study on the integration of administration bookkeeping and financial bookkeeping in Germany, a higher level of integration within the bookkeeping framework plan results in higher yield quality attributable to the controller's services to administration and higher levels of financial dialect unification as perceived by administration.

As a result, the discussion also focused on what could be considered two bookkeeping specialties, i.e. Accounting for finances and management bookkeeping eliminates all other branches of bookkeeping like assessment,

support, and fetched bookkeeping. Coordinates Bookkeeping Frameworks are successful due to their simplicity, lack of compromise, lower cost, cross-checking, client-friendliness, accessibility of both financial and fetched information, time-saving nature, and use of devices like computers. The accounts covered by IAS include the following: the stock control account, the fetched of deals account, the indebted persons and lenders control account, the paid ahead of costs and extraordinary costs account, the coordinated compensation and overhead control account, the isolated taken a toll middle account, and the cash account (Pendse, 2015; Stolowy & Touron, 1998).

2.4.3 Effect of Consolidated Financial Reporting Systems on the ICS

Fleischmann, Zanetti, and Beier (2009) examined the IT-based group budgetary detailing's internal control frameworks (ICS) of various bunches. According to the survey, when program arrangements are used for group bookkeeping, the ICS is frequently insufficient or not successful enough, and compliance with the fundamental rules of proper bookkeeping isn't always guaranteed to the extent necessary. The program's bookkeeping rules, which naturally generated sections for detailed explanations, are furthermore inadequately archived and cannot be understood by an expert reader in a reasonable amount of time. Additionally, they discovered that in some of the applications they evaluated, the rules had been partially or incorrectly set, leading to passages in the solidified articulations that were incorrect or lacking. In addition, they discovered that it takes a long time to replicate figures generated by software within solidified reports, which results in a partial compliance with the fundamental requirements of proper bookkeeping, particularly for the solidified figures within the cash stream articulation, interpretation of savings, and articulation of value changes. This investigation will try to determine whether the report's assertion that the ICS is

weaker in a computerized environment due to the use of Solidified Money Related Detailing Frameworks is accurate.

2.4.4 Effect of Segment Information on ICS

According to a 2012 observational study by Trust, Thomas, and Winter Botham on the relationship between geological profit disclosure and trading volume, a decline in the disclosure of geological profit by multinational corporations in the United States results in a reduction in open data, which is problematic for trading volume in the stock market. Trust, et al.

conducted yet another experiment. In a study published in 2010, it was found that the ability of the user to predict winning did not change when a geographic fragment's profit was not disclosed. The capacity to estimate profit is unaffected by the two tests, but it is unclear why there has been a decrease in trading volume.

If there is any possibility that the Unified Budgetary Announcement Frameworks have an impact on the ICS, that will be investigated in this investigation. Uchumi General Stores informed its shareholders at its 35th Annual General Meeting that it would like to partner with 200 small branded stores stocking moo volume stuffed items as a foundation for its recovery strategy. As a result of closing five underperforming branches, including Kisii Department, it will brand and supply goods through the establishment in an offer to hold her showcase share. The company's financial issues were brought on by controlled books of accounts, helpless internal controls, false obtaining, and poor management (Okoth, 2016).

2.4.5 Strength of Internal Auditing (IA) on ICS

Shamsuddin and Johari's (2013) investigation into the effects of internal review on internal control framework effectiveness. They discovered that quality internal review efforts have favorable effects on internal control frameworks. To be successful, however, the inside

review needs the support of the best administration. A conceptual writing study by Badara and Saidin (2006) on the impact of the effective inside control framework on the viability of the inside review at neighborhood government levels also revealed a favorable relationship between the two. The conceptual audit was the basis for this, in any case. In order to distinguish the role of internal reviewing and determine the level of ICS, Mohamud (2012) conducted a graphic study on internal inspecting techniques and ICS in Somali settlement firm types. The study revealed that internal reviewing work was feasible on ICS but for the division of responsibilities.

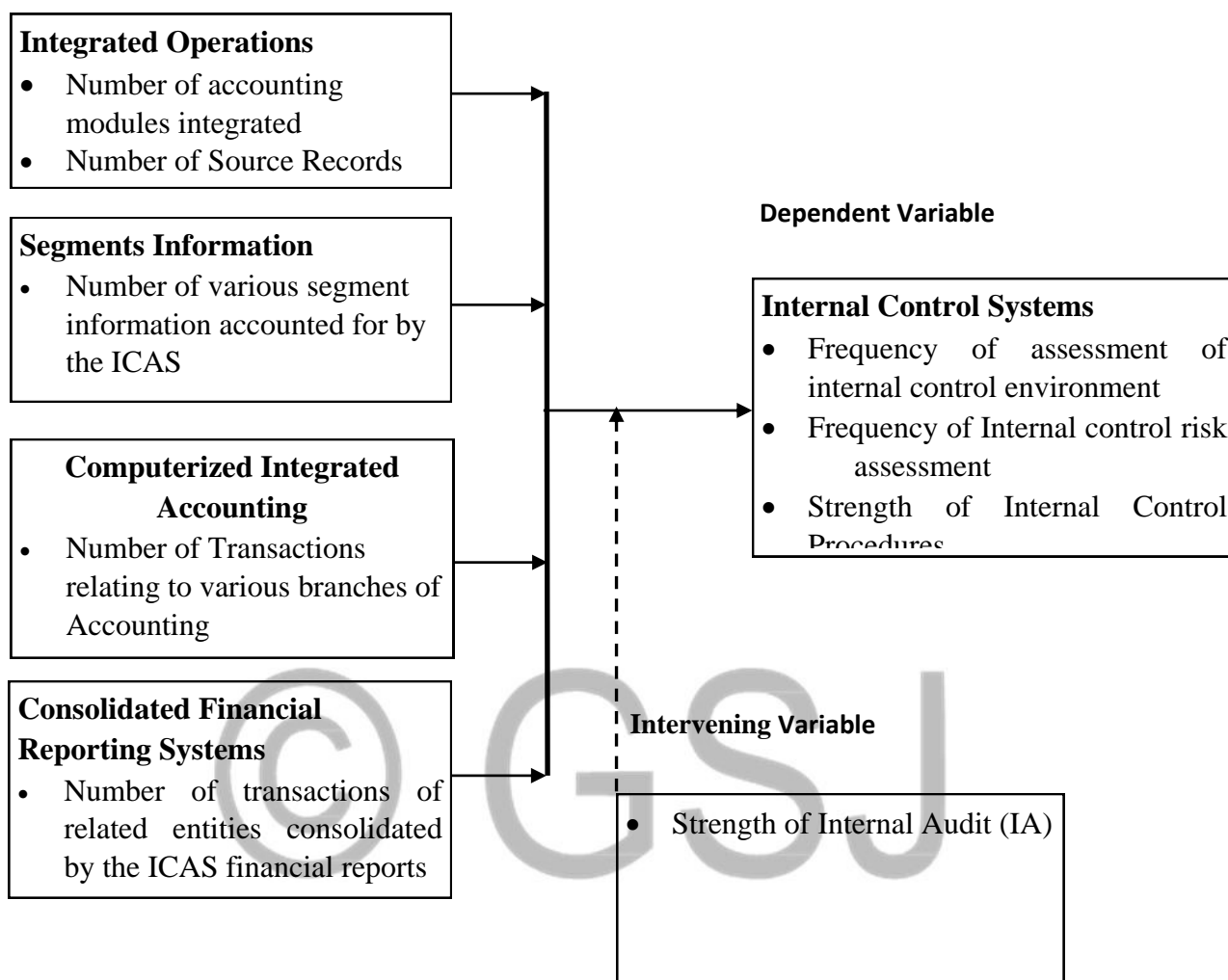
2.5 Research Gaps

Despite having a computerized bookkeeping system, the Uchumi grocery store had a week internal control system that allowed management to oversee the books of accounts for three consecutive years without interference from a paid outside reviewer (Okoth, 2016). This investigation will seek to determine whether such a computerized bookkeeping framework is successful in bolstering the ICS of the grocery store in Kisii, Kenya. Information, people, software, hardware, and controls are the components of AIS, according to the 2014 publication Administration Data Frameworks. The research on AIS that has already been done focuses on how bookkeepers, inspectors, and other representatives can distinguish between inside control frameworks in a computerized environment (Abu-Musa, 2006). They focus on people's discernment in a computerized environment either around frameworks or around inner controls. The interests of computers in terms of speed, accuracy, sufficiency, and efficiencies are the focus of other thoughts. This investigation will focus on the quality of internal controls frameworks and how well they are integrated into the software/systems, as none of the analysts who were looked at have used this method. Since there is no universal control framework that is best, organizational setting and circumstances determine the appropriate control frameworks (Fisher, 1995),

(Alrawi and Thomas, 2007). This results in different general stores receiving coordinates for computerized bookkeeping systems (ICAS) to carry out the inner control systems. The strength of ICS varies among general stores due to this ICAS's unique levels of integration. The most significant risks associated with computerized bookkeeping data frameworks (CAIS) include accidental and intentional dissemination of incorrect information, employee error in information destruction, password sharing, computer infections, concealment and pulverization of detailed output, visibility of unauthorized reports, coordinated printing, and distribution of data to those who are not authorized (Abu-Musa, 2006). The study examined the risks associated with computerized bookkeeping data systems in developing countries, but it did not look at how level integration affected CAIS violations. Figure 2.6 depicts what appears to be a relationship between interfering factors and free factors, as well as subordinate factors, in conceptual framework. Coordinated operations, computerized coordinate bookkeeping, and SFS are all factors that affect how well an internal control framework functions. The number of accounting modules and exchanges levels per module will be used to gauge how well integrated operations are working. The levels of various branches of coordinate bookkeeping that are computerized will be measured. Whatever the case, the relationship is affected by the quality of inner reflection.

2.6 Conceptual Framework

Independent Variables



CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter presents a systematic description of research methodology that was used to respond to the study questions outlined in chapter one of the research study. The methodology to be used in the research study comprised of the following; research design, target population, sampling design, data collection and analysis procedures.

3.2 Research Design

The current study used descriptive design to establish effects of integrated computerized accounting systems (ICAS) in strengthening the internal control systems (ICS) of supermarkets in Mombasa County, Kenya.. As stated by Kombo and Tromp (2016), descriptive research design is a narrative of the situation as it exists. Descriptive studies are not only limited to fact findings but in many occasions result the formation of important principal of knowledge and solutions to a major problem. Descriptive research design can be referred to as a technique of gathering data through interviewing or administering a questionnaire to sample of individuals. The researcher adopted a descriptive research method since the findings would reflect what happens in similar environments, it is time saving and is possible for the researcher to obtain current factual information from the employees in the organization and it is also a cheaper method of studying the organization and coming up with accurate and deeper findings.

3.3 Population of the Study

As stated by Kombo and Tromp (2016), Target population for a survey is the total group of individuals from which the sample can be drawn in the entire set of units for which the survey data are used to make inferences. The target population was the total number of individuals in a group that the researcher is intending to work with. This study targeted 148 employees of selected supermarkets in Mombasa County.

3.4 Sample and Sampling Technique

In research, a sample is a subset of a populace that is used to represent the total population as a whole. When conducting research, it is not practical to survey every member of the population hence a sample is determined. Sampling is the process of selecting representatives of the group from the population under study. The researcher used stratified random sampling procedure to select a sample that represents the entire population. These procedure best suites

the research studies, since all the target population has an equal chance of being selected. Mugenda and Mugenda (2013) Points out stratified sampling method ensures inclusion of small groups which otherwise could have been omitted entirely by the other sampling methods. The study used sample 74 respondents which is 50% representation of the target population since the smaller the sample error, the larger the sample size and the greater the precision. According to Mugenda & Mugenda (2013), the bigger the sample size, the smaller the sampling error and the more representative the sample becomes. Table 3.2 provides a summary of the sample size.

Table 3.2 Sample size

Categories	Target Population	Sample Size	Percentage
Top management	4	2	3
Middle management	16	8	11
Support staff	128	64	86
Total	148	74	100

3.5 Data Collection Instrument

The researcher used questionnaire as the main data collecting instruments. The selection of this tool was guided by the nature of data that the researcher aims to collect, time available and objectives of the study. This consisted of both structured and unstructured questions to avoid being too rigid and to quantify the data especially where structured items was used. This method helped the researcher to collect reliable information. The study was mainly concerned with views, opinions, perception, and attitudes. Such information was best collected through the use of a questionnaire, which is cheap, easy to administer and collected in-depth information which was important in the study (Oso, 2015)

3.5.1 Data Collection Procedure

Upon acquiring an introductory letter from the College, researcher sought for clearance by the County government of Mombasa in order to administer the questionnaires to the pertinent staff. Questionnaires were hand-delivered and they were collected after two days. The types of questions to be used included open and closed ended questions. Closed ended questions are defined as questions that ask respondents to choose from a distinct set of predetermined responses yes or no. A multiple choice question may also be used. On the other hand, open ended questions are those that require more thought and a simple brief answer. The researcher expressed the questions plainly in order to make clear dimensions along which respondents were analyzed.

3.6 Validity and Reliability

3.6.1 Reliability of the research instrument

According to Mugenda (2013), reliability is a measurement of the extent to which a research instrument produces consistent results or data after repeated trials. Reliability denotes whether or not the researcher gets the same results by using a method or an instrument to test something more than once. There has to be some form of consistency over time if the instrument is used repeatedly. To ascertain the reliability of research instruments, other researcher must be able to derive to the same results when they employ the same method.

3.6.2 Validity of the research instrument

According to Ogula (2018), validity measures the accuracy of the research instrument methods according to the purpose of the study. The instruments were tested to verify that it measures what it's supposed to. The self-administered questionnaires were validated using the content which is a process of logical analysis that involves careful and critical examination of items in the questionnaire. The officers of the selected respondents were interviewed to validate the questionnaire.

3.7 Data Analysis and Presentation

According to Kothari (2014), data analysis procedure involves the manner of packaging the information gathered, putting in order and organizing the main parts in a way that enables easy, effective and efficient communication of findings. After the fieldwork and before analysis, all questionnaires will be adequately checked and verified for reliability and validity after which the data will be editing, coded and tabulated accordingly. The data collected will be analyzed using simple qualitative and quantitative methods and will be presented using tables, figures and charts.

3.8 Ethical Consideration

Shukla (2018) ethics relate to the moral choices affecting decisions, standards and behavior and in research it has become difficult to lay down clear ground rules which can cover all possible moral choices. It is not always obvious how ethical values should be applied in different situations because ethical principles are abstract. However, there are basic grounds of ethics relating to social research which the study applied during the study as discussed in the subsequent section (Shukla 2018).

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Introduction

In this chapter the researcher carries out an analysis of data using both quantitative and qualitative methods. The analysis process was done on the basis of the variables of the research objectives. The analysis and interpretation of data was done by the help of analyzed tools such as graphs, pie charts and through judgment due to observations made.

4.2 Presentation of Findings

4.2.1 Response Rate

The response rate was the actual representation of the population. Out of 74 questionnaires distributed 58 were returned, that was 67% of the total population and only 16 which was 33% not returned so they were not used in compiling the final analysis.

4.2.2 Gender Analysis

Based on the analysis 67% of the respondents were male while 33% of respondents were female. This indicates therefore that most of the respondents were learned. This therefore can be interpreted that majority of the respondents were male.

4.2.3 Number of years of Service

On Number of years in service, 11% had less than 2 years, 15 % had 3 – 5 years' experience, 35% 6 – 8 years, 17% represented those within 9 – 11 years and 22% had above 12 years' experience. This indicates therefore that most of the respondents were from age bracket of 6 – 8 years which formed the majority.

4.2.4 Highest Level of Education

Based on the analysis of the respondents 47% of the respondents were University graduates. 28% of respondents had diploma certificate while 25% had postgraduate education. This indicates therefore that most of the respondents were learned, hence well informed of their rights and expectations as both internal and external customers of the organization.

4.3 Integrated Operations

Analysis from job analysis shows that 76% of the respondents agreed that integrated operations affects the internal control systems used by supermarkets in Mombasa County whereas 24% of the respondents disagreed that integrated operations does not affects the

internal control systems used by supermarkets in Mombasa County. From the findings it shows that majority were on the opinion that integrated operations affected the internal control systems used by supermarkets in Mombasa County.

4.3.1 Integrated Operations on the Internal Control Systems Used by Supermarkets in Mombasa County.

The question that helped in gathering information on the objectives of integrated operations towards the internal control systems used by supermarkets in Mombasa County the respondents to respond via ticking on a scale of 1-5 where 1=Strongly Disagree, 2=Disagree,3= Neutral 4=Agree and 5= Strongly agree.

Table 4.1 Effects of Integrated Operations on the internal control systems used by supermarkets in Mombasa County

Integrated Operations	1	2	3	4	5
Supermarkets in Mombasa county have integrated their operations to enhance efficiency	3(5%)	7(12%)	5(9%)	14(24%)	29 (50%)
Number of source documents from branches have been integrated	1 (2%)	2 (3%)	8(14%)	15(26%)	32(55%)
Integration of systems enhances services delivery of Supermarkets in Mombasa county	0(0%)	5(9%)	11(19%)	18(31%)	24(41%)
The Integration of operation in Supermarkets in Mombasa county has increased efficiency and effectiveness and hence, profitability	2(4%)	6(10%)	9(16%)	25(42%)	16(28%)
Cost of integrating of operation in Supermarkets in Mombasa county limits its applications	1(2%)	2(3%)	7(12%)	28(48%)	20(34%)

A survey on enterprise resource planning systems (ERP) and internal audit examined internal auditors' ability to identify and manage operational, technological, financial, compliance and other risks as the organization migrates to an ERP environment found out that the internal

auditors perceive a reduction in operational and financial risk and an increase in technical risks. The effects are somewhat mitigated by their ability to assess and manage these risks (Saharia, Koch, & Tucker, 2008). However, their study did not evaluate the effectiveness of integrated operations on the IC. It is evident from the table 4.1 above that, number of source documents from branches have been integrated of 55%, observation rated 50%, critical incidents rated 41, Questionnaire 34% and Interviews rated 41. This shows that, Supermarkets in Mombasa County have integrated their operations to enhance efficiency. This finding is supported by Baired et al, (2003) who stated that, Control systems are very important because it works at all levels of every department. In measuring the viability or whether the internal control systems works depend on the following variables– Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring of ICS are present and functioning (Anduuru, 2005). Ahmad et al.,(2009). On the case of sufficiency the usage of a clear and direct channel of information assessment is realized that the unavailability of workers review is placed as a real case confronted by the inner moderators in leading and compelling in moderations.

4.4 Segment Information

Segment reporting is intended to give information to investors and stakeholders regarding the financial results and financial position of the entity that are used by the entity's chief operating decision maker (CODM). Analysis indicates that 81% of the respondents agreed that segment information affect internal control systems used by supermarkets in Mombasa County whereas 19% of the respondents disagreed.

4.4.1 Segment Information on Internal Control Systems Used By Supermarkets in Mombasa County

The question that helped in gathering information on the objectives of segment information on internal control systems used by supermarkets in Mombasa County to respond via ticking

on a scale of 1-5 where 1=Strongly Disagree, 2=Disagree,3= Neutral 4=Agree and 5= Strongly agree. It helped understand their arguments on whether segment information affect internal control systems used by supermarkets in Mombasa County, on a scale of 1-5 please score your agreement to whether the following were the n?’ The output of the objectives is summarized in the table below.

Table 4.2 Effects of Segment Information on the internal control systems used by supermarkets in Mombasa County

Segment Information	1	2	3	4	5
Many segment information makes decision making difficult	0(0%)	1(2%)	5(9%)	20(34%)	32 (55%)
Good management of information segments enhance performance and service offered by supermarkets in Mombasa county	1 (2%)	3(5%)	7(12%)	14(24%)	33(58%)
Lack of modern technology makes collation of information segments difficult	0(0%)	4(7%)	10(17%)	20(34%)	24(42%)
Many segment information creates confusion leading poor decision making	0(0%)	1(2%)	8(14%)	25(43%)	24(41%)
Manual handling of segment information declines performance of supermarkets in Mombasa county	1(2%)	2(3%)	6(10%)	26(45%)	23(40%)

International financial reporting standard 8 (IFRS 8)- Operating Segments - requires publicly traded entities to disclose information about their operating segments, geographical areas in which they operate, products and services and major customers based on internal management reports of identification of operating segments and measurements of disclosed segment information (International Accounting Standard Board, 2013). Geographical area relates to accounting for various branches of an organization while product segments relates to various categories of product such as clothing, furniture, electronics, food staff, etc. An

empirical test by Hope, Thomas, & Winter Botham (2012) on disclosure of geographical segment earnings and trading volume showed that decrease in disclosure of geographical earnings by multi-nationals in United States reduces public information hence being detrimental to trading volume in the stock exchange. The findings in table 4.2 show that, Many segment information makes decision making difficult was rated high of 55%. Good management of information segments enhance performance at 58%, Lack of modern technology makes collation of information segments difficult rated 42%, many segment information creates confusion leading poor decision making rated 41% and Manual handling of segment information declines performance of supermarkets in Mombasa county at 45%.. This finding is supported by Noe (2012) who stated that another empirical test by Hope, et al. (2010) on the impact of non-disclosure of geographic segment earnings on earnings predictability showed that non-disclosure of geographical segment does not affect the user's ability to forecast earning. However, the two tests do not show why there was reduction in trading volume yet the ability to forecast earnings was not affected. This research will seek to know if the inconsistency of the results was an effect of the segment information on the IC.

4.5 Computerized Integrated Accounting

An integrated accounting system is a type of software that combines major financial accounting functions into one application. Replacing several discrete systems or programs eliminates the need for separate books or records for ordering, costing and other management accounting purposes. Integrating these features helps standardize procedures for recording transactions and disseminating financial information and interconnects the reporting activities of companies' different functional areas such as point of sale terminals, offices and stock facilities. Respondents indicated that 74% were in agreement that computerized integrated accounting affects the internal control systems used by supermarkets in Mombasa County while 26% disagreed.

4.5.1 Computerized Integrated accounting on the internal control systems used by supermarkets in Mombasa County

The question that helped in gathering information on the objectives of computerized integrated accounting towards internal control systems used by supermarkets in Mombasa County the respondents to respond via ticking on a scale of 1-5 where 1=Strongly Disagree, 2=Disagree,3= Neutral 4=Agree and 5= Strongly agree. It helped understand their arguments on whether Computerized Integrated accounting affect the internal control systems used by supermarkets in Mombasa County, on a scale of 1-5 please score your agreement to whether the following were the n?’ The output of the objectives is summarized in the table below.

Table 4.3 Computerized Integrated accounting on the internal control systems used by supermarkets in Mombasa County

Computerized Integrated accounting	1	2	3	4	5
Computerizing of accounting functions is common in all supermarkets in Mombasa county	0(0%)	3(5%)	7(12%)	23(40%)	25 (43%)
Integrating accounting services in Mombasa county supermarket enhances performances and delivery services	0 (2%)	2(3%)	8(14%)	18(31%)	42(50%)
Integration of accounting systems has led to decline in administration costs in supermarkets in Mombasa county	2(3%)	5(9%)	11(19%)	25(43%)	15 (26%)
Lack of top management support has made adoption integrated accounting systems difficult for many supermarkets in Mombasa county	0(0%)	2(3%)	7(13%)	25(43%)	24(41%)

Integrated accounting systems furnish information regarding the cost of each product, job or operation as well as comprehensive information about the profit or loss of an entire organization. These systems help management achieve and maintain control over operations by enabling companies to determine marginal costs, variances and abnormal losses or gains. Additionally, integrated accounting systems can be used to estimate, report and monitor a company's job costs as well as track and convert employee time into payroll. These systems can also handle additional processes such as inventory purchases, assembly and sales and sending information like statements and invoices to customers or vendors.

On the Table 4.3 above show that, Computerizing of accounting functions is common in all supermarkets in Mombasa county at 43%, Integrating accounting services in Mombasa county supermarket enhances performances and delivery services rated 50%, Integration of accounting systems has led to decline in administration costs in supermarkets in Mombasa county at 43%, Lack of top management support has made adoption integrated accounting systems difficult for many supermarkets in Mombasa county at rated 43%. This shows that an integrated accounting system is that information is entered once and shared with other modules, including the general ledger. One information database is used and accessed by all applications. Not having to re-enter data from one system to another reduces the likelihood of human error and eliminates the need to reconcile various ledgers and functions, which update automatically and in real time.

4.6 Consolidated Financial Reporting Systems

It supports the consolidation of financial statements and automates financial and non-financial reporting. Centralised database enables easy on-line access, and effective data and collection process management. The response on effects of recruitment and selection on human resource planning on organizational effectiveness with 85% indicating it does affect internal control systems used by supermarkets in Mombasa County while 15% disagreed.

4.6.1 Consolidated Financial Reporting Systems on the internal control systems used by supermarkets in Mombasa County

The question that helped in gathering information on the objectives of Consolidated Financial Reporting Systems on the internal control systems used by supermarkets in Mombasa County, the respondents to respond via ticking on a scale of 1-5 where 1=Strongly Disagree, 2=Disagree,3=Neutral 4=Agree and 5= Strongly agree. It helped understand their arguments on whether Consolidated Financial Reporting Systems on the internal control systems used by supermarkets in Mombasa County, on a scale of 1-5 please score your agreement to whether the following were the n? The output of the objectives is summarized in the table below.

Table 4.4 Consolidated Financial Reporting Systems on the internal control systems used by supermarkets in Mombasa County

Consolidated Financial Reporting Systems	1	2	3	4	5
Supermarkets in Mombasa county have consolidated their financial reporting systems.	0(0%)	1(2%)	3(5%)	24(41%)	30 (53%)
Consolidation of financial reporting systems have enhanced performance and service delivery by Supermarkets in Mombasa county	1 (2%)	2(3%)	3(5%)	17(30%)	35(60%)
Lack of modern technology in supermarkets in Mombasa county makes difficult to consolidated financial systems	0(0%)	3(5%)	8 (14%)	20(34%)	27(47%)
Consolidation of financial reporting systems is not supported by the management of supermarkets in Mombasa county	2(3%)	4(7%)	11(19%)	21(36%)	20(34%)

Fleischmann, Zanetti, & Beier (2009) reviewed the internal control systems ICS of numerous groups within the IT-based group financial reporting. The review showed that when software solutions are used for group accounting the IC was often insufficient or not effective enough

and compliance with the basic principles of proper accounting was not always ensured to the extent required. The accounting rules built into the software that automatically generated entries for consolidated statements were also not sufficiently documented and cannot be interpreted by a competent reader within a reasonable amount of time. They also discovered that the rules were sometimes set incorrectly and/or incompletely in a number of applications assessed thus leading to erroneous or incomplete entries in the consolidated statements.). On the Table 4.4 above show that, the selection policy for the company is free and fair at 53%, Supermarkets in Mombasa county have consolidated their financial reporting systems rated 35%, Consolidation of financial reporting systems have enhanced performance and service delivery by Supermarkets in Mombasa county at 60%, Lack of modern technology in supermarkets in Mombasa county makes difficult to consolidated financial systems at 47%. And Consolidation of financial reporting systems is not supported by the management of supermarkets in Mombasa County at 34%. It takes a long time to replicate figures calculated by software in the consolidated reports resulting in partial compliance with the basic principles of proper accounting especially to the consolidated figures in the cash flow statement, translation reserves, and the statement of changes in equity. This research will seek to validate whether the Consolidated Financial Reporting Transactions in a computerized environment weaken the IC as alleged by their report (Fleischmann, Zanetti, & Beier 2009).

4.7 Summary of Data Analysis

Out of 86 questionnaires distributed 58 were returned that were 67% of the total population and only 28 which was 33% not returned. Analysis from the above table and figure shows that 67% of the respondents were male while 33% were female. This can be interpreted that majority of the respondents were male. 47%. Majority of the respondents were graduates 27% were post graduates, while 28% had diploma education. This can be concluded that

majority of the respondents were graduates. 7 of the employees had Less than 2 years in the service, 3-5 years were 9 which was 17%, 6-8years were 21 which as 34%, 9-11years were 10 which was 21% while above 12years were 13 which was 28%. On Respondent category 3% were senior management, 16% middle management and 81% support staff.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, answers to research questions, conclusion, recommendations, and suggestion for further studies. The study majored on issues that revolved the effects internal control systems used by supermarkets in Mombasa County.

5.2 Discussion of Findings of Research Study

5.2.1 Integrated Operations on the internal control systems used by supermarkets in Mombasa County.

The study is based on evaluating the effect of integrated operations on the internal control systems used by supermarkets in Mombasa County. The first objective of the study sought to find out the effect of Integrated Operations on the internal control systems used by supermarkets in Mombasa County. Integrated Operations in the company increases efficiency. This was confirmed by the majority that 58% were in agreement Integrated Operations on the internal control systems used by supermarkets in Mombasa County. From the findings it as agreed that Integrated Operations on the internal control systems used by supermarkets in Mombasa County.

5.2.2 Segment Information on Internal Control Systems Used By Supermarkets in Mombasa County

The second objective of the study sought to determine the effect of Segment Information on Internal Control Systems Used By Supermarkets in Mombasa County where it was found that, segment information is the major factor considered the supermarkets in Mombasa. This was confirmed by the majority that 55% were in agreement that Segment Information on Internal Control Systems used by Supermarkets in Mombasa County. From the findings it is agreed that Segment Information affect Internal Control Systems Used by Supermarkets in Mombasa County.

5.2.3 Computerized Integrated accounting on the internal control systems used by Supermarkets in Mombasa County.

The third objective of the study sought to establish the effect of Computerized Integrated accounting on the internal control systems used by supermarkets in Mombasa County A survey on the opinion of the users of off the shelf accounting software on the integration of financial accounting, management accounting and cash flow accounting in Paris France was conducted by Touron and Stolowy (2019). The study found that integrated accounting has dual impact in terms of information and changes in the accounting business processes. Unity of data source and availability of the source made information more reliable, timely and relevant (Touron & Stolowy, 2019). This was confirmed by the majority that 50% were in agreement that Computerized Integrated accounting affect the internal control systems used by supermarkets in Mombasa County.

5.2.4 Consolidated Financial Reporting Systems on the internal control systems used by supermarkets in Mombasa County.

The accounting rules built into the software that automatically generated entries for consolidated statements were also not sufficiently documented and cannot be interpreted by a

competent reader within a reasonable amount of time. They also discovered that the rules were sometimes set incorrectly and/or incompletely in a number of applications assessed thus leading to erroneous or incomplete entries in the consolidated statements. This was confirmed by the majority that 60% were in agreement that Financial Reporting Systems affect the internal control systems used by supermarkets in Mombasa County.

5.3 Conclusions of Research Study

The most striking part of IO has been the use of always-on videoconference rooms between offshore platforms and land-based offices. This includes broadband connections for sharing of data and video-surveillance of the platform. This has made it possible to move some personnel onshore and use the existing human resources more efficiently. Instead of having e.g. an expert in geology on duty at every platform, the expert may be stationed on land and be available for consultation for several offshore platforms. It is also possible for a team at an office in a different time zone to be consulting the night-shift of the platform, so that no land-based workers need work at night.

Segment information is intended to give information to investors and stakeholders regarding the financial results and financial position of the entity that are used by the entity's chief operating decision maker (CODM). Given this, IFRS 8 'Operating Segments' provides the guidance to preparers on this area.

An accounting system is a set of procedures and record-keeping systems for managing the financial and operational activities of an organization. Basically, it's a method for tracking and managing the business's finances.

5.4 Recommendations of Research Study

Integrated operations are methods of utilizing new processes, technology, and information to facilitate efficient exploration and production within the supermarket. It provides members of a team with the ability to work together, even when far apart, to combine different disciplines, increase production, and save money on costs. Members of an integrated operations team can include engineers, scientists, oil executives, and environmentalists. As technology changes, integrated operations change as well to include the newest research techniques and methods within the industry.

Segment reporting is the reporting of the operating segments of a company in the disclosures accompanying its financial statements. Segment reporting is required for publicly-held entities, and is not required for privately held ones. Segment reporting is intended to give information to investors and creditors regarding the financial results and position of the most important operating units of a company, which they can use as the basis for decisions related to the company.

A company's accounting system is the core of its financial management, as it processes all transactions within the organization. A computerized accounting system is a software application that automates financial records and reporting processes to make them faster, more accurate, and easier to manage. It reduces the manual entry of data, eliminates redundant operations, and reduces accounting error risk with built-in controls

A computerized accounting system is a software application that automates financial records and reporting processes to make them faster, more accurate, and easier to manage. It reduces

the manual entry of data, eliminates redundant operations, and reduces accounting error risk with built-in controls

Organizations must create consolidated financial statements that include a consolidated balance sheet, a consolidated statement of comprehensive income, a consolidated statement of changes in equity, a consolidated statement of cash flows, and notes to the financial statements (IASB, 2014d). An organization is required to prepare and present consolidated financial statements for itself and the companies it controls under IFRS 10, "Consolidated Financial Statements

5.6 Suggestion for Further Study

The researchers suggest that, similar study should be carried in other companies in Kenya and on the same subject. Further the accounting system should be installed with sufficient security mechanism that can protect the documents and information and prevent fraud.

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APPENDIX 1: LETTER OF INTRODUCTION

TO WHOM IT MAY CONCERN

Dear Respondent,

RE: REQUEST FOR ACADEMIC RESEARCH DATA

I am a post graduate Student of Mount Kenya University pursuing a Master Of Business Administration Degree. In partial fulfillment of the requirements of the stated degree course; I am undertaking a research project “**EFFECT OF INTEGRATED COMPUTERIZED ACCOUNTING SYSTEMS ON INTERNAL CONTROL SYSTEMS OF SUPERMARKETS IN MOMBASA COUNTY, KENYA**”

To achieve this, you have been randomly selected to participate in this study. I kindly request you to fill the attached questionnaire so as to generate the necessary data required for the success of this Academic Research study. You do not have to answer any question you do not want to and return of an answered survey will indicate your consent in the survey. This information will be used purely for academic purposes and confidentiality will be upheld while doing my report.

Yours faithfully,

YUSUF KUNO

**APPENDIX II: CONSENT FORM FOR PARTICIPATION IN RESEARCH
EFFECT OF INTEGRATED COMPUTERIZED ACCOUNTING SYSTEMS ON
INTERNAL CONTROL SYSTEMS OF SUPERMARKETS IN MOMBASA COUNTY,
KENYA**

Dear Participant,

I invite you to participate in a research study entitled “Effectiveness of Integrated Computerized Accounting Systems on Internal Control Systems of Supermarkets in Mombasa County, Kenya. I am currently enrolled in the Master Degree in Public Administration and Management program at Mount Kenya University and am in the process of writing my Master’s project. The purpose of the research is to evaluate the Effectiveness of Integrated computerized accounting Systems on Internal control systems of Supermarkets in Mombasa County, Kenya

The enclosed questionnaire has been designed to collect information on strategy implementation, organizational leadership, culture, resources and politics. Your participation in this research project is completely voluntary. You may decline altogether, or leave blank any questions you don’t wish to answer. There are no known risks to participation beyond those encountered in everyday life. Your responses will remain confidential and anonymous. Data from this research will be kept under lock and key and reported only as a collective combined total. No one other than the researchers will know your individual answers to this questionnaire. There are no direct benefits to you for participating in this research. However, you may find it interesting to talk about the issues addressed in the research and it may be

beneficial to the field and to future clients or individuals who have experienced similar concerns.

If you agree to participate in this project, please answer the questions on the questionnaire as best you can. It should take approximately 10 minutes to complete. Please return the questionnaire as soon as possible to enable me to complete the project report. If you have any questions about this project, feel free to contact Yusuf Kunoor Dr, Andrew Nyangau on anyangau@mku.ac.ke. If you have questions about your rights as a research participant, please be in touch with the Chairman, Mount Kenya University, Ethical Review Committee, P.O Box 342-01000, Thika.

Thank you for your assistance in this important endeavor.

CONSENT

I have read and I understood the provided information and have had the opportunity to ask questions. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and without cost. I understand that I will be given a copy of this consent form. I voluntarily agree to take part in this study.

Participant's signature _____ Date _____

Investigator's signature _____ Date _____

APPENDIX III: RESEARCH QUESTIONNAIRE

Kindly answer the questions by putting a tick in the appropriate box or by writing in the space provided.

SECTION A: GENERAL INFORMATION

1. **Gender:**

Male { }

Female { }

2. **Number of Years in Service**

Between 3-5 { }

Between 6-8 { }

Between 9-11 { }

Above 12 { }

3. **Highest Level of Education:**

Certificate { }

Diploma { }

Degree { }

Master (s) { }

PHD { }

SECTION B: INTEGRATED OPERATIONS

4. Does Integrated Operations affect the Internal Control Systems Used by Supermarkets in Mombasa County?

Yes { }

No { }

(b) Briefly explain

.....

The table below shows how Integrated Operations affect the Internal Control Systems Used by Supermarkets in Mombasa County. Kindly indicate the extent to which you agree with each of the following statements Kindly use a scale of 1-5 where: 1- Strongly disagree, 2- Disagree, 3- not sure, 4- Agree, 5- Strongly agree

Integrated Operations	1	2	3	4	5
Supermarkets in Mombasa county have integrated their operations to enhance efficiency					
Number of source documents from branches have been integrated					
Integration of systems enhances services delivery of Supermarkets in Mombasa county					
The Integration of operation in Supermarkets in Mombasa county has increased efficiency and effectiveness and hence, profitability					
Cost of integrating of operation in Supermarkets in Mombasa county limits its applications					

SECTION C: SEGMENT INFORMATION

5. Does Segment Information affect Internal Control Systems Used By Supermarkets in Mombasa County?

- Yes { }
- No { }

(b) Briefly explain

.....

.....

.....

The table below shows how Segment Information affects Internal Control Systems Used by Supermarkets in Mombasa County. Kindly indicate the extent to which you agree with each of the following statements Kindly use a scale of 1-5 where: 1- Strongly disagree, 2- Disagree, 3- not sure, 4- Agree, 5- Strongly agree

Segment Information	1	2	3	4	5
Many segment information makes decision making difficult					
Good management of information segments enhance performance and service offered by supermarkets in Mombasa county					
Lack of modern technology makes collation of information segments difficult					
Many segment information creates confusion leading poor decision making					
Manual handling of segment information declines performance of supermarkets in Mombasa county					

SECTION D: COMPUTERIZED INTEGRATED

6. Does Computerized Integrated accounting affect the internal control systems used by supermarkets in Mombasa County?

Yes { }

No { }

Briefly explain.....

The table below shows how Computerized Integrated accounting affects the internal control systems used by supermarkets in Mombasa County. Kindly indicate the extent to which you agree with each of the following statements Kindly use a scale of 1-5 where: 1- Strongly disagree, 2- Disagree, 3- not sure, 4- Agree, 5- Strongly agree

Computerized Integrated accounting	1	2	3	4	5
Computerizing of accounting functions is common in all supermarkets in Mombasa county					
Integrating accounting services in Mombasa county supermarket enhances performances and delivery services					
Integration of accounting systems has led to decline in administration costs in supermarkets in Mombasa county					
Lack of top management support has made adoption integrated accounting systems difficult for many supermarkets in Mombasa county					

SECTION C: CONSOLIDATED FINANCIAL REPORTING SYSTEMS

7. Does Consolidated Financial Reporting Systems affect the internal control systems used by supermarkets in Mombasa County?

Yes { }
No { }

(b) Briefly explain

.....
.....
.....

The table below shows how Consolidated Financial Reporting Systems affect the internal control systems used by supermarkets in Mombasa County. Kindly indicate the extent to

which you agree with each of the following statements Kindly use a scale of 1-5 where: 1- Strongly disagree, 2- Disagree, 3- not sure, 4- Agree, 5- Strongly agree

Consolidated Financial Reporting Systems **1** **2** **3** **4** **5**
 Supermarkets in Mombasa county have consolidated their financial reporting systems.

Consolidation of financial reporting systems have enhanced performance and service delivery by Supermarkets in Mombasa county
 Lack of modern technology in supermarkets in Mombasa county makes difficult to consolidated financial systems
 Consolidation of financial reporting systems is not supported by the management of supermarkets in Mombasa county

Thank you for your cooperation



APPENDIX II: BUDGET

Item/Activity	Budgeted Cost	Actual Cost
Printing , Photocopying & Binding	17,000	
Telephone & Postage	4,000	
Transport & Subsistence	8,000	
Research Permit	1,000	
Miscellaneous	5,000	
Totals	35,000	

APPENDIX III: WORK PLAN

Activity	Start Date	Completion Date	Milestone
Proposal Writing	March 2023	May 2023	Research Proposal
Proposal Defense	June 2023	June 2023	Minutes of Research Proposal Defense Minutes of defense
Correction of Research Proposal	June 2023	June 2023	Certificate of Correction
Application for Research permit at NACOSTI	July 2023	July 2023	Research Permit
Data collection	August 2023	August 2023	Filled Questionnaires
Data Analysis and Report Writing	August 2019	August 2023	Research Project Report
Correction of Research Report	September 2023	September 2023	Final Research Project Report