

**ACCOUNTING INFORMATION SYSTEMS AND QUALITY OF FINANCIAL
REPORTING IN UGANDA, ACASE STUDY OF PALLISA DISTRICT
LOCAL GOVERNMENT**

BY

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**A RESEARCH PROPOSAL SUBMITTED IN PARTIALFULFILLMENT OF THE
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BUSITEMA UNIVERSITY**

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DECLARATION

DECLARATION

I SIKUKU DERICK OUMA, Registration No. BU/UP/2020/1295 hereby declares that the content of this research study is out of my efforts and that no other study has been conducted on the topic. To the best of my knowledge, this work has never been submitted before; in any other university or higher institution of learning for any degree or related qualification. In all cases where other people's ideas were cited, they have been duly acknowledged by complete references.

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Date: 11/01/2024

APPROVAL

APPROVAL

This is to certify that this Research Proposal by SIKUKU DERICK OUMA on the topic "Accounting information systems and the quality of financial reporting in local governments in Uganda: a case of Pallisa district local government" has been under my supervision and is now submitted for scrutiny with my approval as the University supervisor.

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DEDICATION

I dedicate this research to the lord almighty who has given me the wisdom, good health, and protection throughout my life and to my highly appreciated Mother, Tabu Beatrice, whose wisdom, commitment and unconditional love has inspired me to pursue my potentials to the highest limit. I also dedicate the report to my Academic supervisor, Mr. Wadambisha Brian and my beloved Sister Nabwire Lillian. If it was not for the support and guidance of those people, this Report would not have been completed. I pray that God Almighty may bless them abundantly

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LIST OF ACRONYMS

AG	Auditor general
AIS	Accounting information systems
CVI	Content Validity Index
DES	Double entry system
FY	Financial year
ICC	Internal control components
IFRS	International financial reporting standard
IMF	International monetary fund
LG	Local governments
LG FAR	Local Governments (Financial and Accounting) Regulations
OECD	Organisation for Economic Co-operation and Development
PAC	Public accounts committee
PDLG	Pallisa district local government
PEU	Perceived ease of use
PFA Act	Public Finance and Accountability Act
PU	Perceived usefulness
QFR	Quality of financial reporting
SPSS	Statistical Package for Social Sciences
TAM	Technology Acceptance model

ABSTRACT

This study aimed at determining the impact of accounting information systems on quality of financial reporting of Pallisa District Local Government with the study objectives; To establish the effects of internal control component on the quality of financial reporting, to investigate the influence of perceived ease of use on the quality of financial reporting, to establish the impact of perceived usefulness on the quality financial reporting in Pallisa District Local governments, Uganda. The study was anchored on the Technology Acceptance Model (TAM) from which the dimensions were adopted. In addition to that, the study applied a cross sectional research design and quantitative approach. The study had a target population of 55 employees in PDLG and collected data from a sample size of 48 respondents as guided by Krejcie and Morgan (1970). Data was collected using close ended questionnaires. Furthermore, data analysis was done using statistical package for social sciences (SPSS) version 20 from which frequency tables, descriptive statistics, reliability, validity, correlation and regression results were obtained. The study findings showed that internal control components ($r = 0.562$, $p < 0.05$), perceived ease of use ($r = 0.784$, $p < 0.05$) and perceived usefulness ($r = 0.627$, $p < 0.05$) have a positive and significant effect on quality of financial reporting. Based on the findings of the study, the researcher therefore concludes that internal control components, perceived ease of use and perceived usefulness have a positive and significant relationship with quality of financial reporting. The study also concludes that the user's perception of controllability, flexibility, and response time have a positive attitude on the quality of the financial reporting. The study therefore, recommends that Pallisa District local government should consider routine training of users in respect to the new systems introduced. this will improve the perceived ease of use of the systems and hence improve of the quality of financial reporting through timely reporting, preparation of comparable reports, predicting under stability and relevance of reports.

CHAPTER ONE

1.0 Introduction

This chapter consists of the back ground of the study, statement of the problem, purpose of the study, research objectives, research questions, and scope of the study, conceptual framework and the significance of the study.

1.1 Background of study

Following the New Public Management Perspectives and Principles, countries under Organization for Economic Cooperation and Development (OECD, 2017) have adopted reforms in the public accounting and reporting systems. The main objectives of the reforms are to improve public Sector service management and to increase the transparency and accountability of governments assets (Chione, 2006). According to International Accounting Standards Board (2009), financial reporting is intended to provide information about the financial position of an entity that is useful to various users in making economic decisions. Most countries and local governments globally have been finding difficulties in providing solutions to the problem of poor-quality financial reporting right from the introduction of Double Entry System (DES) in 1494. This trend has continued up to the present period of massive production and consumption since the system of double entry requires much accounting skills thus limiting some financial reporters in terms of preparing and presenting quality reports that meet to the standards of public sector.

Globally, research conducted by International Financial Reporting Standards (IFRS) foundation monitoring board shows that interests in financial reporting are wide spread and long standing, for instance today IFRS are required for use by over 144 territories and over 65% of the world's territories have adopted financial reporting (Eroglu, 2022). The rapid expansion and uncontrolled growth of the urban authorities have created previously unpredicted problems in the quality of financial reporting to the stake holders with differing interests and back ground, which is a crucial issue in public sector financial reporting .(Kusuma & Fitriani, 2020)

For example, according to Tarasov & Joint, (2017) on the review of donor reporting requirements across the United Nations suggested that all public Entities earned an average score of 59.7% in financial reporting quality out of 100 in 2016 less as compared to 74.2% of

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