A DESCRIPTIVE ANALYSIS OF COMPUTERIZED ACCOUNTING INFORMATION SYSTEM: THE CASE OF SME IN SOMALIA

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Research Highlights
This study attempts to understand the usage of computerized accounting information system (CAIS) and its impact on the performance of SMEs in Somalia. Survey questionnaire is designed and distributed to selected SMEs in the capital city of Mogadishu, Somalia. The results of CAIS’s impact are discussed from four components of balanced scorecard and internal control perspectives. The results of this study may provide knowledge about the impact of usage CAIS for SMEs performance in Somalia and also provide some suggestions to the Somalian government on assistance needed for accounting reporting to improve further SMEs in Somalia. Based on finding, internal business process recorded the highest score i.e mean of 4.13 out of 5.00. It is implied that SMEs responded with challenging ICT business environment with adopting CAIS to improve its bottom line which is business processes.

Research Objectives
Research related to SMEs and information technology received some interest from researchers worldwide (Clark et al., 2015, Zulkiflee, 2013 and Olatunji, 2013). With constraint on well trained manpower, SMEs are associated with inefficiency in its administration and eventually affected the company’s performance. Ismail, 2009 pointed that if business facts in the accounting system does not comply with accounting systems requirement, the process of analyzing and identifying key causes of business problem would be difficult. This is because most owners with small businesses are ignorance at side of accounting system (Noor Azizi Ismail, 2009). In view of this, accounting can be the key to successful SMEs. Hence CAS adoption may be decisive factor for an organization to be success and survive. Therefore, this study attempts to:

- To understand the current level of usage and challenges of computerized accounting Information systems (CAIS) of SMEs in Somalia.
- To descriptively analyze CAIS impact on the organizational performance in term of four perspectives of balanced scorecard as well as internal control.

Theoretically, this study will contribute to an-going literature on the computerized accounting information systems and its impact to organization in developing countries particularly in Somalia. Practically, this study will contribute to an understanding of current practices of computerized accounting in SME in Somalia.

Methodology
The area of the study is Mogadishu city whereby small medium enterprise in Mogadishu City were surveyed. The study makes use of descriptive survey research design. This study comprised the Small medium enterprises in Mogadishu City. The target population for this study was the SMEs in Somalia. The population, Approximately 11,569 enterprises in Somalia (Smoci, 2018). The sample size in this study is determined from the Krejcie and Morgan, (1970) table. When the population reaches between 10,000 and 25,000, the minimum sample is 370. Therefore, the study selects and collect data from 372 enterprises in Mogadishu, Somalia using purposive sampling technique. So, the method was suitable since it was flexible and adequately met the objectives of study. This study collected primary data using questionnaires. The data were collected through an electronic survey via Google Form questionnaire. The questionnaire was divided into three sections. Section “A” Background of the study, Section “B” about Challenges of computerized accounting information system and section “C” dealt with Organizational performance. The score scale used is from 1 to 5.
Results
Financial perspective is measured using five items. The highest mean score (4.16) is “Using CAIS reduces documentation cost” and the lowest score is “CAIS increases the frequency of revenue collection”, with a mean score of 4.04. In term of customer perspective, mostly of respondents agree “CAIS improves service quality through customer direct feedback” with mean score 3.94, followed by “Using CAIS provides a platform for more interactive customer service” with mean score 3.85. For Internal business perspective consists of five measurement items, “Using CAIS helps to increase integration of applications and facilitates in realigning goal for all units/sections or departments” received the mean score 4.19 and this is most impacted by CAIS under internal business perspective. Next, Innovation and learning perspective is measured by five items and the highest score is “Using CAIS supports organizational growth to be more efficient and effective in delivering services” with mean score 4.12 while the lowest impacted by CAIS is “Using CAIS helps staff to create new ideas in the job” with mean score 3.74. Finally, Internal control perspective is measured by five items and the highest score is “Using CAIS supports internal control improvement” with mean score 3.99.

Findings
Overall, among these five perspectives, the most reported impact is internal business process improvement (average mean is 4.13), then follows closely by financial perspective (4.12), Innovation, learning & growth scored 3.91, whereas internal controls improvement recorded 3.87. The impact to customer perspective received the lowest score of impact, which is recorded overall 3.76. For SMEs, being cost effective is very crucial since they do have much resources. Improving internal process means less resources utilized while existing ones are used as maximum as possible. These two might explain why they are ranked almost similar results, 4.13 and 4.12 respectively. For customer perspective (the lowest score, 3.76), there are several reasons which might explain this result. As developing country, Somalia is a poor country where internet penetration still low and cost very high as well as logistic and infrastructure issues. Further, most of SMEs customers are usually poor people who culturally prefer traditional ways of getting transactions i.e. face to face. On top of that, e-commerce in still a big issue in Somalia which bread and butter issue are more important. Nevertheless, as far as ICT is concerned, the government of Somalia must put more efforts, financial aid, better ICT policy, and encouragement to spur ICT penetration in Somalia.

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