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THE IMPACT OF ACCOUNTING INFORMATION SYSTEM AND PERFORMANCE OF FINANCIAL INSTITUTIONS IN RWANDA

CASE STUDY OF BANK OF KIGALI GROUP PLC (MAIN BRANCH)

PERIOD OF 2020-2023

A Dissertation Submitted to the school of Economics and Business Studies in partial fulfillment of the Academic Requirement for the Award of Bachelor's Degree in Accounting.

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Kigali, October, 2024

DECLARATION

I, hereby declare that the work presented in this dissertation entitled: "**The Impact of Accounting Information System and Performance of Financial Institutions in Rwanda, case study of bank of Kigali plc (main branch) period of 2020 – 2023"**, is an original work, to the best of my knowledge, no work of the same kind has ever been presented before, in any university or institute of higher education.

TUYISHIME Belyse

Signature……………………………………………

Date………/……./2024

APPROVAL

This dissertation entitled "The Impact of Accounting Information System and Performance of Financial Institutions in Rwanda, case study of bank of Kigali plc (main branch) period of 2020 – 2023**"** is work of **TUYISHIME Belyse** submitted under my supervision **.**

Supervisor: MUKOBANYA Willy

Signature ……….........................

Date.............................

DEDICATION

To my families

To my friends

ACKNOWLEDGEMENT

First and foremost, i want to thank very grateful to the Almighty God, for his love, kindness, endless support and protection throughout my life. we will praise you forever Amen

My feelings deep gratitude goes to the **Prof.Dr RWIGAMBA Balinda** whose thought of constructed up beautiful Kigali independent university come at the right moment. I am greatly indebted to him and entire staffs of ULK, whose efforts, has enables us to reach this stage. More importantly, my gratitude goes to **Supervisor MUKOBANYA Willy** for his sacrifice in supervising this entire work. We will never forget his endeavors, advices, enthusiasm by the time this work was in process.

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May God bless you all!

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LIST OF ABBREVIATION ACRONYMS AND SYMBOLS

% : Percentage

AIS **:** Association for Information Systems

ATM **:** Automated Teller Machine

BK : Bank of Kigali

CITP : Information Technology Professional

CPA : Certified Public Accounting

CPAs : Centre for Professional and Advanced Studies

CVP : Cost-volume-profit

Dr : Doctor

GAAP : Generally accepted accounting principles

IFRS **:** International Financial Reporting Standards

MIS **:** Management Information Systems

Plc : Public limited Company

POS : Point of Sale

Prof : Professor

RFP **:** request for proposal

ROA : Return on Assets

ROE : Return on Equity

RWF : Rwandan Francs

US **:** United State

WWW : Word Wide Web

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CHAPTER I: GENERAL INTRODUCTION

Introduction

In this chapter, the current researcher introduce the work in general, discuss about the problem statement, and outline the objectives of the study, research questions and the study hypotheses. The researcher also clarifies the significance of the study, the scope of the study and the organization of the study.

1.1. Background of the Study

The goal of all financial institutions worldwide is to maximize profits and revenues by utilizing available resources and making prompt decisions based on timely and accurate information. As a result, the significance of management information systems has increased.

The use of accounting information systems and the awareness of their significance differ between these businesses. Accounting information systems, as a component of management information systems, represent one of the most essential systems in the economic unity. User satisfaction is used as a proxy measure to gauge how well accounting information systems are performing. The characteristics of accounting information systems are described in terms of their availability. Accounting is a system that gives a range of interested parties access to information about the entity. The goal of accounting data is to empower users to make knowledgeable decisions. Since there are multiple options for every decision. Accounting data should help the user make decisions about how to proceed. Accounting is a procedure that generates financial statements using accounting records.(D. Mancini, 2012)

Africa the Accounting Information System is considered to be one of the most important systems of any organization. Its objective is to provide necessary information to the managers at different levels. This information helps them in discharging their responsibilities in an effective and efficient manner in the areas of planning, resource control, performance evaluation and decision making. (Amy fontinelle 2021)

Performance is defined like being the degree of achievement of objective, goals of the plan or programs that are fixed by organization’s administration. Every business practices are to create the highest level of efficiency possible within an organization. It is concerned with converting materials and labor into goods and services as efficiently as possible to maximize the profit of an organization. In order to increase performance management staffs attempt to balance costs with revenue to achieve the highest net operating profit possible (Will, Operations Management, 2020). The way management personnel approach the task of planning, directing, and reorganizing production processes and business operations in the manufacturing of goods and services determines how well commercial banks perform. In the banking sector, the management committee is responsible for a variety of tasks, including quality assurance, customer care, and service delivery. etc. (John, 2019)

According to Soyode (2014), Accounting is the act of measuring, communicating and interpretation of financial activities. It serves as a business language being practically used by nearly everybody in one former another almost on daily basis

In Rwanda, like in any other developed countries, information technology was known late compared to the industrialized countries. According to the National Information Service of the Ministry of Planning the first information technology equipment were introduced in 1978 with the first population census and settlement, but the exact use of information technology tools by the private and public enterprises started in 1985.

From then Rwandan enterprises being private or public big or small, were computerized at an increasing rate. Only the public information technology sector developed following the National Information Technology Service Policy found in the ministry of Planning, whereas the private sector has not established policy on that , Munyalibanje J.B(1990:1) so ,it can be understood that computer technology leads to effectiveness and efficiency .the poor economic performance management witnessed in Rwanda can be attributed to the inefficiency of many companies due to lack of important information technology facilities or their under utilization.but does the acquisition of computer and their application lead to improve institutional performance management in Rwanda.

In order to generate and present financial information, every organization needs an accounting system. The nature of the system depends on the types of activities carried out and the size of the organization. There are common features, once accounting procedures must be established to allow all financial transactions to be recorded. These procedures involve raising source documents such as invoices, purchase orders and credit notes; recording financial transactions in the books of prime entry and then financial reporting.

In most financial institution in Rwanda, transactions are recorded using an accounting principle known as double entry bookkeeping. This ensures that an arithmetical check on the accuracy of the record is made. Financial statements can be prepared from the records to summarize all the transactions that have been carried out during a particular period of time.

1.2. Problem Statement

The management of financial institution in Rwanda suffers from misapplication of an accounting system, and the contribution of accounting system is not clear on its role in organizational decision-making and profitability within an institution, organization or enterprise. The role of accounting is concerned with classifying and recording transactions in a monetary term. Accounting is thus mainly concerned with classifying, recording, interpreting and reporting to external and internal users of accounting data that used to evaluate the performance of any business, (Hoyle, T.2004).The business organizations to have better performance, an effective accounting information system is very critical, hence the topic of the researcher.

Effective accounting information system should have appropriate measure of control, standard implementation methods, qualified accounting personnel, updated information technology control and should comply with General Accepted Accounting Principles, and this assists in one way or another to achieve the overall objectives of the organization. The management and control of private sector organization is done by the people around the environment, (Hermanson,R. 1998)The private sector organization to be more successful and accountable for their day-to-day activities, the application of effective accounting information system should be considered in a highly position. Many of corporations manage the equity of shareholders and they tend to hide some of financial information due to lack of knowledge of application of accounting information system, and also the accountant may use manual system of accounting which take a lot of time to generate the information. Lack of the means of application of accounting information system also creates the big problem of managing the database of the bank of Kigali Plc. and delay in reporting to the bank of Kigali Plc stakeholders.

A part from those problems faced by many organizations; the researchers decided to analyze whether accounting information system contributes to the performance of bank of Kigali plc.

1.3. Objectives of Study

This study has two main objectives that are divided into general and specific objectives**.**

1.3.1. General objective

The general objective Is to know the contribution of accounting information system to the performance of Financial institutions in Rwanda, especially in BK GROUP PLC.

1.3.2. Specific objective

1. To assess the effectiveness of accounting information system implemented in BK GROUP PLC.

2. To analyze the contribution of accounting information system to the financial performance of BK GROUP PLC.

1.4. Research Questions

1. Is accounting information system is implemented in BK GROUP PLC effectively?
2. Does accounting information system contribute to the financial performance of BK GROUP PLC?

1.5. Hypotheses of study

The researchers was used the following hypothesis in order to analysis and giving answers to problem statement stated above and verify the validity of those predetermined answers during the research. Those answers are:

1. Accounting information system implemented in BK GROUP PLC effectively.

2. Accounting information system contributes to the financial performance of BK GROUP PLC.

1.6. Scope of the Study

1.6.1. Domain scope

The study aimed to examine the impact of accounting information system to the performance of financial institutions by looking on how the AIS makes management of BK GROUP PLC to perform well and successful.

1.6.2. Geographical scope

The study was conduct in BK GROUP PLC located in Nyarugenge district, Kigali, Rwanda. During the period of this study we decided to choose Bank of Kigali as our case study because we expect to easily collect data from BK GROUP PLC more than other big companies because they give their time to researchers and provide data requested and also many of them are published on their website.

1.6.3.Time Scope

The study focuses the impact of accounting information system to the performance of financial institutions in BK GROUP PLC for period of 4 years from 2020 up to 2023.

1.7. Significance of the Study

The outcomes of the study are of great important in many ways. It is important to a number of prospective users including the personal significance, scientific significance, academic significance and social significance.

1.7.1. Personal Interest

The study will be of brainstorming once that a lot will be achieved not only for academic purpose but also the intended knowledge will be useful tool.

1.7.2 Academic and scientific interest

Academically, the realization of this work complies with the academic requirements by which any student completing the provided undergraduate program of courses has to conduct research, compile and present a dissertation in order to be awarded a Bachelor's degree. This research will help the future researchers as the documentation for realizing their dissertations, having good skills about bank institutions. Students will take it as similar or related courses as reference.

1.7.3. Interest for Bank of Kigali Plc.

This study is useful to Bank of Kigali Plc. in accounting information system for sustainable growth of a bank management for the control especially in case of decision making. It can be referred to while designing new or revising existing, management investment, and credit and loan policies to respond to the needs of population who dealing with them in contribute to the development.

1.8. Structure of the study

The structure of the dissertation displays in different chapters and subchapters. Apart of the general introduction and conclusion, the structure of dissertation comprises three chapters.

The second chapter was made up Literature review.

The third chapter was identifying methodology to follow while conducting this research.

Chapter four focused on the research findings analysis and interpretation of data collected. Finding was link with objectives set.

CHAPTER II: LITERATURE REVIEW

Introduction

According to Kenneth (2012), a literature review is a methodical, explicit, and repeatable process for locating, assessing, and understanding the corpus of previously published material created by academics, researchers, and practitioners. It focuses on the opinions and works of literature that other writers and authors have written about the subject..

2. 1.Definitions of Key concepts

This section comprises of the key definitions that make up the key concepts of the study. They are related to accounting information system, and the performance.

2.1.1. Accounting

Accounting is the process by which financial information about a business is recorded classified, summarized, interpreted, and communicated to owners, managers, and other interested parties. The effects of economic changes or activities or events are known as transactions. These are in form of exchange of goods or services using money as the medium of exchange, William, (2011).

American Accounting Association defines accounting as "the process of identifying, measuring and communicating economic information to permit informed judgments and decision by users of the information, Gupta, (2011).

2.1.2. Accounting system

According to Marivic (2014), an accounting system is a plan or technique that uses computers and computer-based systems like accounting packages to record, organize, summarize, analyze, interpret, and convey financial information on business activities to stakeholders. He stressed that it's an automated procedure that facilitates the entry of financial data and automates accounting functions like database maintenance and report creation.

2.1.3. Information system

Two views have been used to characterize information systems: one pertains to their purpose, while the other addresses their structure. An information system is a technologically developed medium that is used to record, store, and distribute linguistic expressions and to facilitate the formulation of inferences. This is the functional definition of an information system. From a structural standpoint, an information system is made up of a variety of components, including people, procedures, data, models, technology, and partially codified language. These components work together to produce a coherent structure that fulfills a certain organizational role. Kenneth (2012).

2.1.4. Accounting information system

James, (2007), accounting information system is the set of formal procedures by which data are collected, stored, processed into information and distributed to users.

Accounting information system focuses attention on the information accounting provides the users of the information, and the support for financial decisions that is provided by the information. External users of accounting information are individuals and other enterprises that have a financial interest in the reporting enterprise.

The accounting as information system means; a group of systems, methods, and process, governed and controlled by following the fair principles and rules, in order to operate the data about the financial process occurred in the entity to produce financial information,(George, 2014).

2.1.5. Performance

Daff, (2016), performance is organizational ability to attain its goals by using resources in an efficient and effective manner. He further stresses that the manager’s responsibility is to coordinate resources in the most effective and efficient manner to accomplish the organization’s goals.

According to (Benton and Halloran, 2016) performance is the end result of motivation: that performance is a function of ability and motivation.

2.1.6. Financial institution

Many scholars have differently defined the concept “financial institution “however, the central concept is that the financial institution acts as an agent that provides financial services for its clients.

2.2. Theoretical Framework

This section deals with the others information related to the topic of the study. In this part is purely based on the earlier research works done by others, which give us knowledge necessary for beginning our research work with confidence.

2.2.1 Theories of accounting

Accounting's traditional role has been to collect, compile, report, and archive a company's business activity. Decisions made by people in a variety of roles are aided by this accounting data. Those who want accounting information are divided into insiders and outsiders for ease. Kenneth (2010).

2.2.1.1. Function of accounting

1. Recording

This is the basic function of accounting; it is essentially concerned with not only ensuring that all business transactions of financial nature are in fact recorded in an orderly manner. Recording is done in the book known as ‘journal’, this book may be further sub-divided into various subsidiary books such as cash journal (recording cash transactions), purchase journal (recording credit purchases of goods or services), sales journal (for recording credit sales of goods and or services). The number of subsidiary books to be maintained will be according to the nature and size of the business, Maheshwari, (2012).

2. Classifying

Classification is concerned with the systematic analysis of the recorded data, with a view to group transactions or entries of one nature at one account.

The work of classifying is done in the book termed as ‘ledger’, this book contains on different pages individual account heads under which all financial transactions of similar nature are collected, Adrian Buckley (2016).

3. Summarizing

This involves presentation of accounts which classifies data in a manner which is understood and useful to the internal as well as external end users of accounting information. This process leads to the preparation of the following statements: Trial balance, cash flow statement, income statement, balance sheet statement and notes statement, Adrian Buckley (2016).

4. Deals with Financial transactions

Accounting records only those transactions and events in terms of money, which are of the financial character, transactions that are not of financial character are not recorded in the book of account for example if the company has got a team of dedicated and trusted employees, it is of the great use to the business but since it is not of financial character and capable of being expressed in financial or monetary terms, it will not be recorded in the books of account of the business ,Adrian (2016).

5. Interpretation

This is the final function of accounting. The recorded financial data is interpreted in the manner that the end users can make a meaningful judgment about the financial conditions and profitability of the business operations. The data is also used for preparing future plans and framing of the policies for executing such plans, Adrian Buckley, (2006).

2.2.2. Theories of accounting system

An accounting system may be defined as an orderly arrangement and devices used for the systematic or organized collection, processing, and reporting of financial and other information essential to the effective conduct of the activities or transactions of a business firm. It is basically composed of James, A. (2008):

- A set of inter-related activities involving the originating, processing and reporting financial and other data;
- Written records and reports necessary to collect process store and transmit information;
- Equipment and devices used in the system to expedite the work and provide better control. Personnel directly involved in the accounting activities.

2.2.3. Theories of accounting information system

Marshall, B.R(2013)Information system is a combination of people, equipment, policies, and procedures that work together to capture data and transform it into useful information. Accounting as an information system focuses attention on the information accounting provides the users of the information, and the support for financial decisions that is provided by the information.

Accounting information is the use of modern information technology (computers, networks and communications), reconstruction of the traditional accounting model, and in the reconstruction of modern accounting model through deepening the development and widespread use of accounting information resources, the establishment of a high degree of technical and accounting integration, open modern accounting information systems to improve the accounting information useful for optimizing the allocation of resources.

The accounting as information system means; a group of systems, methods, and process, governed and controlled by following the fair principles and rules, in order to operate the data about the financial process occurred in the entity to produce financial information.

2.2.4. Accounting information system

Financial and non-financial transactions that have an immediate impact on how financial transactions are processed are processed through the accounting information system. The three main components that comprise the accounting information system are:

2.2.4.1. Transaction processing system

Laudon and J.P. Laudon (2015)The transaction processing system provides various reports, documents, and messages for users across the organization to support day-to-day business operations. By transforming economic events into financial transactions, documenting financial transactions in the accounting records (journal and ledge), and providing crucial financial information to operations staff to support their day-to-day operations, the transaction processing system plays a crucial role in the overall operation of the information system.

2.2.4.2. General ledger or financial reporting system

A general ledger system, also known as a financial reporting system, generates standard financial statements such the cash flow statement, balance sheet, income statement, tax returns, and other legally necessary reports.

2.2.4.3. Management system

The term "management system" refers to a system that gives internal management access to financial reports with specific uses and data necessary for making decisions, including budgets, variance reports, and responsibility reports.

2.2.5 Components of management information system

James R. and Ross (2016)Management Information Systems (MIS), according to Ross and James R.'s definition, are all pieces of hardware combined with the necessary application and basic software, datasets, and personnel to provide information that will help decision makers make the best choices.

In other terms, MIS is a set of five following components: Hardware, Software, Data, Procedures and People necessary to provide information, useful for decision making. This can be shown in the drawing that follows:

2.2.5.1. Objectives of accounting system

To provide means by which interested parties may be given information on the financial position and results of operations of an enterprise,(Richard, B2010)

To facilitate management in accounting information system, control and decision making;

To comply with various laws and government requirements;

To protect the business and safeguard its assets;

To accomplish different routine administrative activities like billing, paying receiving, purchasing, etc.

2.2.5.2. Developing an accounting system

Weygand, Kiesso, and Kell, (2015) good accounting systems do not just happen. They are carefully planned, designed, installed, managed and refined. Generally, developing an accounting system involves the following four phases.

1. Analysis

This involves determining the internal and external information needs. It is identifying sources of information and the needs for controls, studying alternatives. If an existing system is being analyzed, its strengths and weaknesses must be identified.

2. Design

For a new system, forms and documents must be selected from alternatives, job descriptions must be prepared and equipment must be selected. Successful system design depends to a large upon the creativity, experience and capabilities of the designer. Redesigning an existing system may involve only minor changes, a complete overhaul or replacement of a manual system by a computerized system.

3. Implementation

Whether a new system is created or an existing is revised, the plan and design have to be implemented. New or revised documents, procedures, reports and processing equipment must be hired, trained and closely supervised through a start up or transition period.

4. Follow up

After the new or revised system is operational, it must be evaluated and monitored for weaknesses and break downs. Furthermore the effectiveness and efficiency of the system must be evaluated in relation to design and operational objectives. Corrections in design or changes in implementation may be necessary. Both internal and external audit procedures provide feedback and follow up assurances in regard to the soundness of the system.

2.2.5.3. Advantages and implications of AIS

The ability of computer-based accounting information systems to automate and streamline reporting is a major benefit. Reporting is a crucial tool that helps organizations see timely, precisely summarized data that is utilized for financial reporting and decision-making. Data is extracted from the centralized database by the accounting information system, which then analyzes, transforms, and produces a summary of the data so that managers, business analysts, and other decision-makers may readily access and examine it. These systems need to make sure that reports are generated on time so that decision-makers can respond promptly and efficiently based on report findings rather than relying on outdated or irrelevant information. Consolidation is one of the hallmarks of reporting as people do not have to browse through an enormous amount of transactions. For example, a financial accountant runs a report on the system at the end of each month to combine all of the paid vouchers. The application layer of the system offers a report that shows the total amount paid to its vendors for that specific month. Even with AIS, reporting on large organizations that produce a lot of transactional data can take days or even weeks.

Strong internal controls for transaction-based systems were pushed upon public firms following the wave of corporate scandals involving big corporations like Tyco International, Enron, and WorldCom. The Sarbanes Oxley Act of 2012 put this into force by requiring businesses to produce an internal control report that details who is in charge of an organization's internal control structure and evaluates the overall efficacy of these controls. A major focus of Sarbanes Oxley was computer-based accounting information systems, given the majority of these incidents stemmed from the accounting methods of the corporations involved. These days, AIS providers promote their governance, risk management, and compliance capabilities to guarantee that business procedures are strong and safeguarded and that the company's assets, including data, are safe.On April 23, 2016, http://www.wikimediafoundation.org was consulted.

2.2.5.4 The steps necessary to implement a successful accounting information system

Boockhold, J.(2009) identified the main steps necessary to implement a successful accounting information system. Those steps are detail below:

Detailed requirements analysis

Every aspect of the current system, including its issues and full documentation of its transactions, reports, and unanswered queries, is well understood. The needs of the users that are not met by the current system are listed and recorded. Everyone uses the system, from data input to upper management. In addition to giving the developer the precise requirements, requirements analysis aids in user acceptance of change. Compared to people who remain silent and don't voice their worries, users who are given the chance to ask questions and offer feedback are far more self-assured and open to the change (Boockhold, J. 2009).

Systems Design (synthesis)

After carefully examining the analysis, a new system is developed. Frequently, the most significant system is the one that envelops the system. What information must be entered into the system, and how will this be managed? What data must be extracted from the system, and what format will it take? Knowing what must be removed allows us to know what must be added to the system, and the program we use must be able to manage the process effectively (Boockhold, J. 2009).

The system is constructed with control files, sample master records, and the ability to run procedures on a test basis. The system is made to have the right internal controls in place and to give management the data they require to make decisions. An accounting information system seeks to deliver data that is accurate, current, dependable, meaningful, and relevant. To do this, the system is built so that transactions are entered as they occur (either manually or AISally) and information is immediately available on-line for management to use(Boockhold, J.(2009).

Once the system is designed, an RFP is created detailing the requirements and fundamental design. Vendors are asked to respond to the proposal and to provide demonstrations of the product and to specifically respond to the needs of the organization. Ideally, the vendor will input control files, sample master records, and be able to show how various transactions are processed that result in the information that management needs to make decisions.

Since software often has specific infrastructure needs, choosing a software product is followed by an RFP for the information technology infrastructure. Occasionally, the same vendor is chosen to provide both the infrastructure and the software. If not, the company needs to make sure that in the event of a problem with the infrastructure or the software, both vendors will cooperate without "pointing fingers" (Boockhold, J. 2009).

Documentation

The system is documented while it is being designed. The system's vendor documentation is included in the documentation, but the procedures—detailed instructions that assist users in managing each organization-specific process—are far more significant. The majority of policies and procedures are available online, and it is beneficial if businesses can supplement the software vendor's support files. Although procedures and documentation are often neglected, they are an essential part of testing and training before a launch and serve as a safeguard. In order to ensure that the system is launched with no doubts about its functionality and that users are comfortable with the change, the documentation is tested during the training (Boockhold, J. (2009).

Testing

Prior to launch, all processes are tested from input through output, using the documentation as a tool to ensure that all processes are thoroughly documented and that users can easily follow the procedures so that you know it works and that the procedures will be followed consistently by all users.

In order to ensure that there is no garbage in, garbage out, the reports are examined and validated. All of this is carried out in a test system that lacks real data. Regrettably, most businesses deploy systems before conducting extensive testing, which exacerbates end users' annoyance when procedures malfunction. Throughout this process, the documentation and methods could change (Boockhold, J. (2009). At this stage of the procedure, every recognized transaction needs to be tested. To guarantee that transactions will be handled consistently and that the data can be trusted to influence choices, all reports and online information must be validated and tracked via the "audit trail".

Training

All users must receive training on protocols prior to launch. This implies that a trainer will use the procedures to demonstrate to each end user how to perform a procedure. During training, it is frequently necessary to update the procedures as users describe their particular situations, and the "design" is adjusted to incorporate this new information. The process is then carried out by the end user using the trainer and the documentation. The process is then carried out by the end user using only the documentation. After that, the end-user is on their own with the trainer's or another support person's help, either in person or over the phone (Boockhold, J. 2009).

Data Conversion

To transfer data from the existing system—which was detailed in the requirements analysis—to the new system, tools are being developed. Data files that are compatible with the technologies being built are created, and data is mapped from one system to another. Before the conversion is finalized, it is rigorously tested and validated. Naturally, a backup is available in case it needs to be restarted (Boockhold, J. 2009).

Launch

Only after completing the aforementioned tasks is the system put into place. The launch date is known to every member of the organization. The existing system should ideally be kept in place and frequently operated "parallel" to the new one until the latter is fully operational and judged to be functioning as intended. The "parallel" run that is required with software customized for a company is typically not completed with the existing "mass-market" software, which is utilized by thousands of businesses and has been essentially shown to function. This is only valid, though, if the procedures listed above are followed, the system is well documented, tested, and users are taught before it is made available to the public.

Tools

To help with the strategic accounting information system of accounting information systems, online tools are accessible. Financial forms and information systems help identify the unique requirements of every business and assign accountability to the relevant principles (Boockhold, J. (2009).

Support

Managers and end users always have access to ongoing support. Similar procedures are followed for system upgrades, and all users receive detailed notification of any changes, efficient upgrades, and training.

Many firms have opted to skip the lengthy and expensive stages of analysis, design, documentation, and training in favor of choosing and implementing software directly. It has been demonstrated time and again that if a thorough requirements analysis is carried out, there will be little need for ongoing support and implementation. Businesses that neglect to take the essential actions to make sure the system satisfies their requirements frequently wind up with disgruntled end users, expensive support, and inaccurate or out-of-date information. Even worse, according to Boockhold (2009), these organizations design the system three times rather than once.

2.2.5.5 How to effectively implement AIS

As stated above, accounting information systems are composed of six main components. When AIS is initially implemented or converted from an existing system, organizations sometimes make the mistake of not considering each of these six components and treating them equally in the implementation process. This results in a system being "built 3 times" rather than once because the initial system is not designed to meet the needs of the organization, the organization then tries to get the system to work, and ultimately, the organization begins again, following the appropriate process.

Using the following tried-and-true procedure leads to the quickest deployment time possible, the least amount of frustration, and overall success. The majority of businesses, even the larger ones, employ outside consultants. These consultants may come from the software publisher or be familiar with the organization and assist it choose and implement the best configuration possible while taking all factors into account. Certified Public Accountants (CPAs) with careers dedicated to information systems work with small and large companies to implement accounting information systems that follow a proven process. Many of these CPAs also hold a certificate that is awarded by the American Institute of CPAs the Certified Information Technology Professional (CITP). CITPs often serve as co-project managers with an organization's project manager representing the information technology department. In smaller organizations, a co-project manager may be an outsourced information technology specialist who manages the implementation of the information technology infrastructure, Boockholdt, J.(2009).

2.3. Techniques/Tools of Financial performance analysis

Gibson stated that, an analysis of financial performance can be possible through the use of one or more tools / techniques of financial analysis: Comparative Financial Analysis, Common-size Financial Analysis, Trend Analysis, Fund Flow Analysis, Cash Flow Analysis, CVP Analysis, Ratio Conceptual Framework Analysis, and Value Added Analysis etc. may be used for the purpose of financial analysis, Gibson, H. (2009).

Some of the important techniques which are suitable for the financial analysis are discussed hereunder:

2.3.1. Ratio Analysis

In order to evaluate financial condition and performance of a firm, the financial analyst needs certain tools to be applied on various financial aspects. One of the widely used and powerful tools is ratio or index. Ratios express the numerical relationship between two or more things. The analysis also reveals whether the company's financial position has been improving or deteriorating over time. Ratios can be classified into four broad groups on the basis of items used: (1) Liquidity Ratio, (ii) Capital Structure/Leverage Ratios, (iii) Profitability Ratios, and (iv) Activity Ratios Gibson, H.(2009).

2.3.2. Profitability ratios

The main objective of a business is to earn a satisfactory return on the funds invested in it. Financial analysis helps in ascertaining whether adequate profits are being earned on the capital invested in the business or not. It also helps in knowing the capacity to pay the interest and divided. Profitability ratios measure the efficiency with which the company uses its resources.

The most commonly used profitability ratios are gross profit margin, net profit margin, return on assets and return on stockholders' equity, Gibson.(2009).

2.3.2.1. Net profit margin

a) : Net profit margin is the percentage of profit earned on sales long run Net profit ratio should be calculated as follows:

Net profit=$\frac{\text{Net income}}{\text{Revenue}}$

2.3.2.2. Return on Total assets

This ratio measures the profit earned to the employment of asset

Return on total asset ratio should be calculated as follows:

Return on Total Assets=$\frac{\text{Net income}}{\text{Total Assets}}$

2.3.2.3. Return on stockholder's equity

This ratio measures the percentages of profit earned on common stockholders' investment in the company. In theory a company attempting to maximize the wealth of its stockholders should be trying to maximize this ratio

Return on stockholder's equity should be calculated as follows:

Return on Stockholders' Equity$\frac{\textbf{NetIncomeAvailabletoCommonStocholder}}{\text{stockholders'equity}}$

2.3.3. Liquidity Ratios

Liquidity ratios measure the short term solvency of financial position of a firm. These ratios are calculated to comment upon the short term paying of a concern or the firm's ability to meet its current obligations. Following are most important liquidity ratios.

2.3.3.1. Current ratios

The current ratio measures the extent to which the claims of short term creditors are covered by assets that can be quickly converted into cash most companies should have a ratio of at least one because of failure to meet commitments can lead to bankruptcy, John, W & Sons,(2012).

The current ratio is calculated as follows:

Current ratio=$\frac{\textbf{CurrentAsset}}{\textbf{Currentliability}}$

2.3.4. Leverage Ratio

A company is said to be highly leveraged if it uses more debt than equity, including stock and retained earnings. The balance between debt and equity is called the capital structure. The optimal capital structure is determined by individual company. Debt has lower cost because creditors take less risk, they will get their interest and principal payment. However, debt can be risky to the firm because if enough profit is not made to cover the interest principal payment bankruptcy can occur, John, Inc,(2012).Three commonly used leverage ratios are debt assets ratio, debt equity ratio, and times covered ratio.

2.3.4.1.Debt Assets Ratio

The Debt Asset Ratio is the most direct measure of extent to which borrower funds have been used to finance a company's investment, John, Sons(2012).

Debt Asset Ratio is calculated as follows:

Debit Asset Ratio=$\frac{\text{Total debt}}{\text{Total Assets}}$

Total debt is the sum of a company's current liability and long-term debt whereas total assets are the sum of fixed assets and current assets.

2.3.4.2. Debt Equity Ratio

The Debt-to-Equity Ratio indicates the balance between debt and equity in a company's capital structure this is perhaps the most widely used measured of company leverage.

Debt Equity Ratio=$\frac{\text{Total debt}}{\text{TotalAsset}}$

2.3.4.3.Times-covered Ratio

The Times-Covered Ratio measures the extent to which a company's gross profit covers its annual interest payments. If the times-covered ratio declines to less than 1, then the company is unable to meet its interest costs and is technically insolvent, John, Sons,(2002).

This ratio is calculated as follows:

Times covered ratio=$\frac{\text{Profit Before Interest and Tax}}{\text{Total Interest Charges}}$

2.3.5.Common-Size Financial Analysis

Gibson (2009:57), common-size statement is also known as component percentage statement or vertical statement. In this technique net revenue, total assets or total liabilities is taken as 100 per cent and the percentage of individual items are calculated likewise. It highlights the relative change in each group of expenses, assets and liabilities.

2.3.5.1.Trend Analysis

Trend analysis indicates changes in an item or a group of items over a period of time and helps to draw the conclusion regarding the changes in data. In this technique, a base year is chosen and the amount of item for that year is conceptual framework taken as one hundred for that year. On the basis of that the index numbers for other years are calculated. It shows the direction in which concern is going, Charles. H, (2005)

2.3.5.2. Funds flow statements

Charles H. (2005) suggestion that funds flow statements are tools of analysis, which supplement the financial statement (Balance sheet and income statement) and cover the same period.

They portray a summary of firm's changes in financial position from one period to another. They give analyst insight into the use of funds and how these uses are financed over a specific period of time. Funds flow analysis is valuable in analyzing the commitments of funds to assets and accounting information system the firm's intermediate and long term financing.

2.3.5.3 Cash flow forecasting analysis

This analysis reveals the timing and amount of expected cash inflows and outflows over a specific period. With this information, the financial manager is able to determine the future cash needs of the firm plan for financing those needs and exercise control over the cash and liquidityGibson.(2009).

2.4 The Relationship between accounting information system and performance of Financial institution

High performance of commercial units depends on a variety of accounting information systems, as demonstrated by an appropriate examination of the relationship between AIS and performance of commercial units through strategy analysis.Boulianne (2007). Given that AIS have the potential to improve organizational performance and assist strategy management, numerous research have started to investigate whether businesses systematically alter the AIS design to support the strategy they have chosen. Greve and Gerdin (2004).

The literature currently in publication provides little proof of a connection between these AIS and financial performance; however, the work by Elena Urquia Grande, Raquel Perez Estebanez, and Clara Munoz Colomina (2010), which found a positive correlation between AIS design and organizational strategy and performance, deserves special attention. A successful AIS installation could result in time and cost savings for shareholders. When making investment decisions, stakeholders and stockholders can benefit from the information supplied by AIS (Madsori, 2009).

In order to assess the company's historical performance and create future strategies, financial managers require the accounting and financial data that AIS provides. As a result, the financial performance measurement ratios ROA (Return on Assets) and ROE (Return on Equity) are used to assess the performance of the firm (SadiaMajeed, 2011).The general manager must work to improve financial performance, and return on equity is a crucial tool for providing relevant information on the performance of debt in the capital structure (Alan Miller, Michael Boehlje, and Craig Dobbins, 2011).

We can argue that AIS should be expected to have beneficial effects on organizational performance through ROA and ROE if AIS design is linked to financial performance and financial performance is linked to organizational performance.

2.5. Gap identification

Studies were carried out on the accounting information system to the performance of the institutions around the world but in developing countries like Rwanda where accounting sfotwares used in banking institutions are new, the researches on this matter are still few. Further examination of these studies reveals that there is little empirical evidence of the contribution of accounting information system to the performance of the institutions. Therefore, the present study is an attempt to fill this gap and to estimate the relationship between the accounting information system and the performance of the institutionsin Rwanda.

2.6. Conceptual Framework

A conceptual framework is a flexible analytical tool that can be used in a variety of situations. It is employed to arrange concepts and draw conceptual distinctions. Robust conceptual frameworks effectively represent something actual in a way that is simple to recall and implement.

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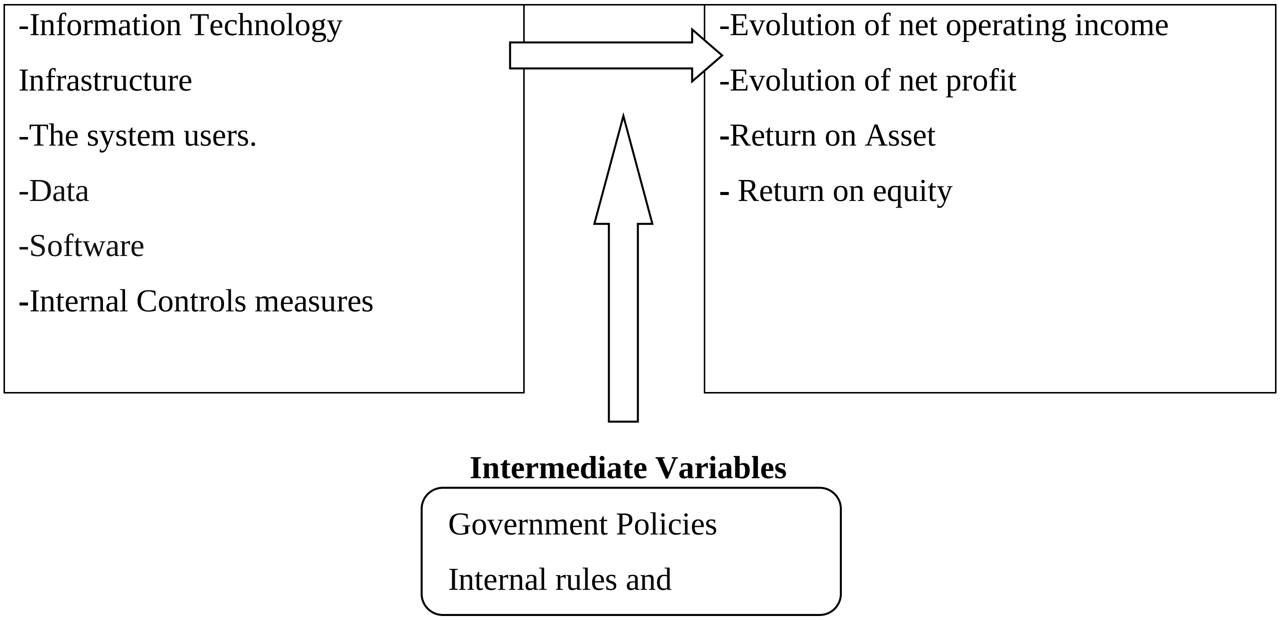
Figure 1: Conceptual Framework

Independent Variables		**Dependent variables**
Accounting Information System		**Performance of Financial institution**



Source : Researcher, design2024

CHAPTER III: RESEARCH METHODOLOGY

3.1. Introduction

A method comprises of all intellectual process, an orderly system or arrangement that enables a researcher to reach on aspect of knowledge by using various techniques. This chapter intends primarily to highlight the methods and techniques that were used in order to collect data for the purpose of carrying out this study.

This chapter gives a detailed presentation of the tools and techniques used to investigate the research issues in the field. It includes spelling out the area of the study and study population. It further describes the methods and techniques were used in the choosing the sample size and selection instruments like questionnaire, interviews and documentation were used. It also includes data processing, analysis and problems encountered in this research, finally this chapter provides the back ground against which the findings and conclusions of the study shall examined and appreciated regarding their reliability and validity.

3.2. Research design

A research design is a plan and strategy of investigation conceived in order to obtain answers to research questions or problems. It is the complete scheme or program of the research (Kothari, 2004). For the present study, the research design was a qualitative case study but supplemented with quantitative methods. Again, the design of the study is analytic in nature; the analytic research design is continuation of the descriptive research.

3.3. Target Population

The study population refers to the large groups of people or things (Ruane 2005). The study population for this research comprised 15 employees in Bank of Kigali head quarter in department of Information Technology.

3.4. Purposive sampling

Purposive sampling was used by the researchers as the basic sampling technique where she selects a group of subjects (a sample) for study from a larger group (population). Each variable is chosen by the researcher entirely by aim economic reason and each variable of the population has an equal chance of being included in the sample. Every possible sample of a given size has the same chance of selection; i.e. each member of the population is equally likely to be chosen at any stage in the sampling process. Research will consider 15 employees of Information Technology departments and finance administration of Bank of Kigali.

3.5. Data collection Technique

To implement the general plan of the research, methods of data collection must be defined. The instrument that was used self-administered questionnaires, interviews and documentary review.

The questionnaires and interviews was used for the purpose of obtaining primary data; reports of Bank of Kigali, websites, journals and magazines used for secondary data. All these instruments are complementary to each other in collecting information in order to achieve the objectives of the study.

3.5.1. Questionnaires Technique

A questionnaire is set of questions, which answered by respondents in order to get he needed information. According to the Grinnell and William (2016), a questionnaire is a method used for collecting data. In this case, in order to collect more and relevant information, questionnaires were printed and distributed to relevant respondents (those who can read, write and understand questions).

A questionnaire is an information gathering technique that gathers information about the attitude, beliefs, behaviors and characteristics from several respondents in the organization who may be affected by a given phenomenon (Kendal, 2019).

In this research, self-administered questionnaires was prepared and distributed to the staff of Bank of Kigali Main branch. They were presented to the supervisor before their submission to the selected respondents. This technique was preferred because targeted respondents knew to read and to write. Every respondent is free to answer the question according to his or her own time considered to be convenient, time and money were also saved for the side of the researcher. The researcher could fix a time with respondents about collecting questionnaires after they have been answered. Hence questionnaire technique is cheap, given the problem of limited resources.

3.5.2. Documentary Technique

Documentary technique is a technique which focuses on systematic searching from any written documents which are relevant to the field of research. This type of technique helps the researcher during her research in one way to another, Kaoul, (2017).

This includes getting data from library files, various research reports from annual report and other sources like internet websites.

The documentary technique enabled the researcher to collect data and information while comparing and reviewing what others have already done relating to the topic under study.

Bailey (2018), analysis of documentation is another major aspect in data collection which concerns with the written records in order to relate with the study of the topic. During this research, books, reports, magazines, journals on effective accounting information system and dissertation related to the topic were consulted. These documents help the researchers to have different opinions and different data that have been collected by previous researchers.

3.5.3. Interview Technique

Babble (2019), interview provides a guard to confusing questionnaire items. If the respondents clearly indicate that he or she does not understand the essence of the question, the interviewer can clarify matters there by obtaining relevant information.

In addition to questionnaires, this method of data collection was used to gather information related to the study from the field. Conversation is preferred by most respondents than filling questionnaires and it enriched information collected by means of questionnaires.

3.6. Validity and reliability of data collection tools

Validity is the extent to which a test measures what it is supposed to measure. The question of validity is raised in the context of the three points made above, the form of the test, the purpose of the test and the population for whom it is intended; (Cronbach, 2010). The validity of instruments was used to test validity of the instruments to be used. This included the item analysis that is carried out with the aid of the supervisor, research experts knowledgeable about the themes of the study. The process involved in examining and assessing each item in each of the instruments to establish whether the item brings out what it is expected to do.

3.7. Data processing and analysis

This means the classification of answers into meaningful categories in order to bring out their main patterns. It has been useful to show various tools to process data in more meaningful styles and those are here under described. Questionnaires were constructed on the computer then quantitative data to be collected by the questionnaire were summarized, edited, coded, tabulated and analyzed. Editing was done to improve the quality of data for coding. In the coding process, a coding sheet has to be constructed. Descriptive statistics were used where distribution frequencies and percentages.

3.8. Data analysis methods

Kenneth A. Bailey (2012) argued that “not all data will present in their entirety” The variables which were present would be those most central to the goal of the study. He argue that, the data once edited and tabulated are together in some forms of tables and may also be put in some other forms for statistical analysis. In this study, the qualitative analysis was used. This required making observation on the views of the respondents on some phenomena.

A method means the philosophy of research process. This includes the assumptions and values that serve as rational for research and standards of criteria the research uses for interpreting data and reaching conclusion.

A method is an intellectual approach which consists at analyzing, understanding, interpreting data and information corrected by researcher (Certo, 2002:201). A method comprises of an intellectual process and an orderly system of arrangement that enables one to reach the aspect of knowledge. It is a conceptual process that coordinates asset of investigation, operation and techniques.

3.8.1. Analytical method

Grawitz, M. (2007) a method will concentrate operations implemented in order to reach one or many objectives, a body of principles leading all organized research; they help in interpretation of the collected data.

This method was useful to the researchers in order to make a deeper analysis of any information relating to the effective accounting information system in showing financial performance of Bank of Kigali .

3.8.2. Historical method

The historical method consists of helping to know the past and present events as noted by Sachdeva, K.J (2011). It is about to describe the history of a phenomena in order to show its evolution.

This method was helped in getting and interpreting the past events such as evolution of accounting information system and performance for the period 2020-2023.The method was helped to follow the development of those facts for the period understudy, to know the challenges of the past and to know how to overcome them.

3.8.3. Statistiques or quantitative method

Statistic is a set of mathematical methods which, from the collection and analysis of real data, can develop probabilistic models allowing predictions, the statistical method offers the opportunity to measure and quantify the results of research as noted by Grawitz, (2003).Moser and Kalton (2001) asserts that, after data has been edited and coded, it is then combined together in some form tables, bar graphs and pie charts for statistical analysis.

This method was used to quantify and to count the results of the study. By this method, quantitative data were interpreted and presented in tables by the formula of tallying frequencies and percentages.

3.8.4. Synthetic method

The synthetic method is a method that consists in synthesizing collected data on field in order to give them a meaningful and concise sense Laberere, (2014).

The synthetic method was helped to globalize elements in a coherent way Kaoul, (2007). This method helped to make a synthesis of findings and allowed formulating suggestions to Bank of Kigali Main branch.

3.9. Limitations of the Study

For this research, the following challenges were met as respondents were mistrustful of seeking information for other purposes under the cover of academic research and might therefore doubt the purpose thinking that it is not academic. However, the explanation and academic documents were provided and then respondents convinced beyond doubt that the research is purely academic until they gave the required data. Also, the study met a situation where some respondents were busy; there was no need to rush, simply to wait until they are ready to respond.

3.10. Ethical considerations

Research ethics is about the responsibility of researcher for being honest and respectful to all individuals who may be affected by the research study results.

The primary data will be collected from field and only was used for academic purpose. Besides, as effective book keeping is considered as a competitive edge by various institutions, the secondary information gathered was sensitive. The researchers were ensured that all the information gathered was solely used for the intended purpose and that it was treated with confidentiality. In data processing and analysis, there was no data manipulation and the interpretation was impartially in order to reflect to the reality. The information provided in this research was kept confidential and results of research was used for the objective of this research study as mentioned in introduction

CHAPTER IV : DATA ANALYSIS & INTERPRETATIONS

Introduction

This chapter emphasizes on the analysis of the results from the collected data in relation objectives. These data are presented in form of descriptive statistics tables summarized in frequencies and percents. Based on objective of the study and research questions, information was gathered from 15respondents taken from Bank of Kigali main branch Plc.

4.1 Profile of Bank of Kigali

On December 22, 1966, the Government of Rwanda and Belgolaise, a Fortis Bank affiliate, formed Bank of Kigali as a joint venture within the Republic of Rwanda. 50% of the capital of the common shares was owned by the public-private partnership. When the bank first opened for business in 1967, it was among the market leaders in the banking industry.

The Rwandan government purchased the Belgolaise stake in 2007, bringing its direct and indirect stake in the bank to 100%, in accordance with Fortis Bank's 2005 goal of ceasing operations in Africa. In accordance with updated private company legislation in Rwanda the bank renamed itself as BK Group PLC in 2017 after changing from Bank of Kigali S.A. in 2011 to Bank of Kigali Limited, which includes three subsidiary companies: BK General Insurance, BK TechHouse, and BK Capital.

The bank will float 45% of its shares and list its shares on the Rwanda Stock Exchange (RSE), becoming the second domestic company to list on the RSE in an IIPO worth US$62.5 million, after plans were authorized by the Rwandan Capital Market Advisory Council on June 21, 2011. Trading in the bank's shares started on June 30, 2011.

According to allegations in the regional media in December 2012, the bank was expanding into Uganda, a neighboring country. The bank was given regulatory clearance to build an office in Kenya in February 2013. The bank's shareholders accepted plans to cross-list its stock on the Nairobi Stock Exchange (NSE), the biggest in the East African community, during the bank's Annual General Meeting in May 2018.

Presently, the Bank takes pride in its extensive network of 79 branches, which are bolstered by an expanding team of agents and mobile vans. Our extensive and expanding network enables us to connect with a greater proportion of Rwandans and supports BK in fulfilling its mission to improve lives financially and promote financial inclusion in the country. (Annual report for BK, 2017).

4.1.1 Location

The bank's main branch and headquarters are situated at 6112 KN4 Avenue in the Nyarugenge District of Kigali, Rwanda's capital and largest city. The bank's main office is located at 01°56'54.0"S, 30°03'35.0"E (latitude: -1.948333; longitude: 30.059722).

4.1.2. Important Milestones on the Bank’s History are Summarized Below:

2000: Began providing international money transfers via Western Union

2005 saw the introduction of online banking.

2007: Belgolaise sold the Bank's 50% share interest to the Rwandan government.

2008 saw the completion of the Bank's contemporary headquarters in Kigali's downtown.

2009: The Bank established a new strategy calling for the Bank to pursue branch ubiquity and universal banking; it received awards for Bank of the Year (Rwanda) from The Banker magazine and Best Bank in Rwanda from emea finance magazine; it signed a €5 million credit line agreement with European Investment Bank for lending to private sector SME.

2010: Opened 12 new branches and service centers, The Bank became the first Company and Bank to be rated by a credit rating agency in Rwanda and received a rating of A+/A1/ by Global Credit Rating Company (South Africa), Received the Bank of the Year (Rwanda) and Best bank in Rwanda awards from The Banker and emea-finance, respectively, for the second consecutive years.

2011 saw the opening of 12 new branches and the signing of a €6 million sub-risk participation fund and a US$20 million credit line with the French Development Agency. A second domestic company listed for US$62.5 million in an initial public offering of 45% of its shares on the Rwanda Stock Exchange. signed a credit line with the African Development Bank for a Technical Assistance Grant between $542,000 and $12 million USD. kept the South African Global Credit Rating Agency's A+/A1 credit rating intact. Awarded the title of Bank of the Year by The Banker, Best Bank in Rwanda by emea finance, and Company of the Year by the Kenya Institute of Management Rwanda for three consecutive years.

2012 saw the opening of eleven new branches, the relocation of two, and recognition as the best East African bank at the 6th Annual African Banker Awards. It was also named the best financial reporting company in Rwanda at the Nairobi Stock Exchange's FIRE Awards, the best bank in Rwanda by emea finance, and the bank of the year in Rwanda by The Banker for four years running. Finally, Express Money Service was launched.

4.1.3. Goals of the Bank of Kigali

Our goal is to maintain our number one position in the market by growing our customer base through branch network expansion and enhanced customer loyalty in the years ahead.

4.1.4. Vision

BK Group PLC wants to be the area's top supplier of cutting-edge financial solutions.

4.1.5. Mission

Our goal is to lead the industry in adding value for our stakeholders by offering organizations and individual clients the best financial services possible through knowledgeable and well-motivated employees.

4.1.6. Values

The values of bank of Kigali are as follows:

Customer focus, Integrity, Quality, Excellence

4.2. Identification of the respondents

This section presents the profiles of the respondents asked during the study. The issues focused in this section include; gender, age, and qualifications as well as the occupation of the respondents. The rationale for the information collected is to establish relationship and appreciate the rightfulness of the sample used for the study.

4.2.1. Gender of the respondents

Gender refers to the socially accepted features that distinguish females from males. Gender issues influence the pace of development of any particular society as well as redirecting the observance and respect for human dignity and rights

Table 4.1: Respondents' gender identification

Gender	Frequency	Percent
Male	10	66.7
Female	5	33.3
Total	**15**	**100.0**

Source: Primary data, June (2024)

The majority of respondents were male with a percentage of 66.7% as opposed to 33.3% of the respondents who were female because most of departments in Bank of Kigali Plc were composed of male staff members. The data implies that the researchers balanced the sample between males and females. This also implies that Bank of Kigali Plc minds of gender balance in its recruitment strategies.

It means that the perceptions regarding the role of financial accounting system are not gender biased. Both males and females have equal roles in the economy and hence their views are equally valuable towards understanding a particular phenomenon in research.

4.2.2. Age group of the respondents

The duration of someone's or something's existence, usually measured in years, can be used to define age. It's a time in a person's life that is measured in years from the moment of birth, typically associated with a certain stage or level of mental or physical development as well as capacity and legal duty.

Table 4.2: Identification of respondent according to their age group

Age Group	Frequency	Percent
Less than 25	1	6.7
Between 26-30	6	40
Between 31-45	5	33.3
Above 45	3	20
Total	**15**	**100.0**

Source: Primary data, June (2024)

According to the table4.2, shows the percentage of respondents according to their age,6.7% of respondents is less than 25 years, 40% of respondents are aged between 26-30 years,
33.3% of these respondents are between 31-45 and 20% are above forty five years. The data implies that majority of the respondents were matured and experienced people at both work place and business whichever occupation could be. This seems that researchers' technique to ensure informed data on the role of financial accounting system is collected. Therefore, it's strategically advised that for researchers to achieve best results, they must strict their sample in such a way that informed data is collected. It makes little sense if data is collected from youngsters who do not have any exposure in regard to the subject matter and yet you appreciated the same as study findings.

4.2.3. Education level of the respondents

Education refers to the process of imparting knowledge from one generation to another either formally or informally.

Currently, people get education from various sources including, web based sources (internet). Education is a significant determinant of one's efficiency in any particular activity, be it in office or in business. It does occupy and it takes important place in many accountants, financial manager and contributes to the performance of financial institution. This section investigates levels of education of the staff employees of Bank of Kigali Plc (respondents) involved in the study

Table4.3: Education level of the respondents

	Frequency	Percent
Secondary school	2	13.3
Bachelors' degree	7	46.7
Masters' degree	6	40.0
Total	**15**	**100.0**

Source: Primary data, June (2024)

According to the table4.3, it is clearly observed that 46.7% of Bank of Kigali Plc staff respondents are holders of bachelor's degree , 40.0% of respondents are holders a master degree ,where 13.3% of respondents are holders of secondary school education certificate this is shows that most BK Plc staff has a university degree this will help the researchers to get good information about how BK Plc prepares financial accounting system and how is the accounting information system used in BK Plc /main branch and at which use it

Therefore it can be concluded that researchers have asked questions to well informed respondents.

4.2.4. Position of the respondents

The position held by the respondents can help him/her to provide information on the question asked or cannot because he/she doesn't have access to the needed information. In this study the position held by the respondent is very important as it enables him or her to have relevant information on financial accounting system and performance of Bank of Kigali Plc.

Table 4.4: Position held by the respondents

Position	Frequency	Percent
Financial analyst	2	13.3
IT Staffs	8	53.3
Finance Manager	5	33.3
Total	**15**	**100.0**

Source: Primary data, June (2024)

In this sample,. Financial analysts represent 13.3%, IT staffs are represented 53.3% and other managers (like financial planners, budget officers and sales officers) are represented by 33.3% of respondents. This implies that the respondents of this study are employees from departments which deal with both preparation and analysis of financial accounting system and performance of Bank of Kigali Plc. Therefore the respondents are more informed about the research objectives.

4.2.5. Length of service at Bank of Kigali Plc/main branch

The study also considered experience that respondents had working with BK Plc because the more employees are retained in the financial institution, the more they get more information on that institution. The table below presents the period in service for the respondents:

Table 4.5: Length of service at Bank of Kigali Plc

Length of Service	Frequency	Percent
Less than 1 year	4	26.7
1-3 years	6	40.0
3-6 years	3	20.0
Above 6 years	2	13.3.0
Total	**15**	**100.0**

Source: Primary data, June (2024)

From the table 4.5, the results show that 26.7% of the respondents have an experience of less than 1 year working in BK Plc, between 1-3 years represent 40.0%, 3-6 years represents 20.0% while those with above 6 years of experience represent 13.3%.

More the employees have an experience and are integrated in Bank of Kigali Plc; this is shown by employees of BK Plc where those with high experience represent high percentage than others. This indicates that the respondents asked by researcher were very familiar with the preparation of financial accounting system and it’s contribute to the performance; they are able to provide their ideas/ opinions on questions asked by researcher

4.3. Analysis of System of implemented in Bank of Kigali Plc

Financial statements are meant to present the financial information of BK Plc as clearly and concisely as possible for both the entity and for readers. Financial accounting system for organisation usually include: income statements, balance sheet, statements of retained earnings and cash flows, as well as other possible statements. The balance sheet reports information as of a date (a point in time). The income statement, statement of cash flows, statement of retained earnings, and the statement of stockholders' equity report information

4.3.1. Importance of preparing Financial statements in Bank of Kigali Plc

Researcher have asked the respondents the reason why there is a need/importance for preparing financial statements. The following table shows the views of respondents on importance of each financial statement prepared by Bank of Kigali Plc.

Table 4.6: Importance of financial statements in Bank of Kigali Plc

What are the Importance of financial statement?	Frequency	Percent
Enable to make decisions on assets and obligations	14	93.3
Enables to make decisions on revenues, expenses and costs	14	3.3
Enable to make decisions on cash position	12	80.0
Shows the interest of shareholders	13	86.7

Source: Primary data, June (2024)

The table4.6 indicates that financial statements are prepared by Bank of Kigali Plc in order to be able to make decisions on what a Bank of Kigali Plc owns (assets) and what it owes (liabilities) at a fixed point in time as confirmed by 93.3%. The 93.3% of respondents said that the financial statement enables Bank of Kigali Plc to make decisions on how much money the company made as revenues and how much spent as costs and expenses over a period of time. Other respondents have said that financial statements are prepared to show exchange of money between a Bank of Kigali Plc and the external users also over a period of time in order to maintain enough liquidity within the company as well as the statement of shareholders' equity," shows changes in the interests of the company's shareholders over time as confirmed by 80% and 100.0% respectively. According to the result employees of bank of Kigali increasing their confidential dues to the result found at the end of the year.

4.3.2. Basis for Preparation of Financial Accounting in Bank of Kigali Plc

Researchers have also asked on what standards, principles, requirements or elements of ethical code for accountants used when preparing financial accounting in order to ensure that there is a true and fair view of financial accounting system in Bank of Kigali Plc.

Table 4.7: Basis for effective preparation of financial accounting in Bank of Kigali Plc

What are the Effectiveness of preparation of financial accounting in BK?	**Frequency**	**Percent**
Statement of compliance	14	93.3

Basis of measurement	13	86.7
Functional and presentation currency	14	93.3
Use of estimates and judgment	15	100

Source: Primary data, June (2024)

From the table 4.7, the study indicated that 93.3% of respondents agreed that financial accounting within Bank of Kigali Plc are prepared in respect of the statement of compliance where the financial accounting have been prepared in accordance with International Financial Reporting Standards (IFRS's). 46.7% of respondents have agreed that the basis of measurements is also respected while preparing financial accounting of Bank of Kigali Plc; the measurement basis applied is the historical cost basis. 86.7% of the respondents agreed that financial statements are prepared on the basis of functional and presentation currency; the financial statements of Bank of Kigali Plc are presented in Rwanda Francs (Rwf), which is the Company's functional currency. All financial information presented in Rwanda Francs has been rounded to the nearest thousand. 93.3% of the respondents agreed that the preparation of the financial accounting in conformity with IFRS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Table 4.8: Goals of application of accounting standards in preparation of financial statements in Bank of Kigali Plc.

How BK Applied accounting standard in preparation of financial statement in BK?	**Frequency**	**Percent**
To provide a basic framework for financial reporting	12	80.0
To guide accountants in recording and reporting financial information.	14	93.3
To serve as a common language among accounting and finance professionals	13	86.7
To provide external stakeholders secured information	15	100.0

Source: Primary data, June (2024)

As represented in the table 4.8, it is revealed that the goals of accounting standards while preparing financial statements are: to provide a basic framework for financial reporting as agreed by 80% respondents, to guide accountants in recording and reporting financial information as agreed by 93.3% respondents, to serve as a common language among accounting and finance professionals as agreed by 86.7% respondents and to provide external stakeholders secured information as confirmed by 100.0% respondents.

In line with the findings, financial reporting provides information that is useful to present and potential investors and creditors and other users in making rational investment, credit, and similar decisions. Through financial statements, the information should be comprehensible to those who have a reasonable understanding of business and economic activities and are willing to study the information with reasonable diligence.

4.3.3. Responsible bodies for the approval of financial accounting system in Bank of Kigali Plc

In order to have true and fair financial accounting system prepared by accountants within Bank of Kigali Plc, there are different bodies involved in the approval of final financial accounting system. The following table illustrates different bodies involved:

Table4.9: Bodies involved in the approval of financial accounting system within Bank of Kigali Plc

what are the Bodies involved in financial accounting system?	**Frequency**	**Percent**
financial analyst	8	53.3
IT Staffs	5	33.3
finance Manager	2	13.3
Total	**15**	**100.0**

Source: Primary data, June (2024)

From the table 4.9, 53.3% of respondents revealed that managers of Bank of Kigali Plc is responsible for the preparation, presentation and integrity of the financial accounting system and other financial information. They verify whether financial accounting system have been prepared in accordance with generally accepted accounting principles, and include estimates and judgments made by management that were necessary to prepare the statements in accordance with such accounting principles. It is among the responsibilities of the management of Bank of Kigali Plc to maintain a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded from loss and that transactions are executed and recorded in accordance with established procedures.

It was confirmed by 33.3% of respondents that the auditors are very responsible for the approval of financial accounting as their responsibility is to express an opinion on the financial accounting based on the audit. Auditors conduct the audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

Auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of Bank of Kigali Plc, as well as evaluating the overall presentation of the financial accounting.
About 13.3% said that the board of directors is responsible for the approval of financial statements in Bank of Kigali Plc, as the board of directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and the requirements of the Rwanda Companies Act, and for such Accounting system as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Table4.10. Main considerations while choosing accounting software

What is the main consideration while choosing accounting software in BK?	**Frequency**	**Percent**
Effectiveness	5	33.3
Efficiency	2	13.3
Easy manipulation	5	33.3
Quick report preparation	3	20

Total	15	100.0

Source: Primary data, June (2024)

Table4,10.shows that the financial institution has main considerations while choosing the accounting software to adopt within its accounting system. the respondents 33.3% said that the main consideration is effectiveness; 13.3% said that the main consideration is efficiency; 20% said that the main consideration is quick report preparation; 33.3% said that the main consideration is easy manipulation, the study revealed that accounting software is only used when the company's accounting system is computerized.

This is important because it improves the effectiveness of the accounting system in the company in that it helps the company to achieve its set objectives. Another fact is that it allows the users of accounting system to execute many transactions in the short period of time at a minimum cost. It also allows users of accounting information to get information on time and make necessary decisions.

4.4. Analysis of contribution of information system Performance of Bank of Kigali

To analyze the performance of Bank of Kigali Plc these indicators have been used: Net income, the trend of customers and the trend of deposit and ratio analysis method has been used in this study

4..4.1.Evolution of net operating income in Bank of Kigali Plc

Net operating income is very important factor as well as performance indicators, since it became in Rwanda market. Bank of Kigali Plc has come up with various innovations these were helping a company to achieve its targets, vision, mission, vision, this show how Bank of Kigali Plc gets net operating income from its normal business activities which are to sale Products and services to the customers.

Table4.11: Evolution on net operating income in Bank of Kigali Plc

Year	Net operating income in (000Rwf)	Evolution (%)
2020	102,468,483	-
2021	140,098,086	36.7
2022	171,525,519	22.4
2023	205,755,425	19.9

Source: Bank of Kigali Plc, annual report and financial statement (2020-2023)

As it is shown by the table 4.11, Bank of Kigali Plc/main branch had made increment net operating income which varied in year 2020, the evolution of net operating income was36.7% in in 2021 , 22.4%in the year 2022 and 19.9%in 2023, where net operating income has increased by (36.7)% As the head of accounting department in BK main Branch said that the bank is always striving to control and motivate its employees with direct supervision in 2021 so that it achieves its objectives so the increase in turnover is linked with direct supervision of the performance of financial institution while in 2021 because of covid 19 the net operating income was decreased

4.4.2. Trend of deposits

The customers deposit means that the money transferred into a customer's account in a financial accounting system. Those amounts of deposit constitute the financial means of financial institutions. A deposit account is a savings account, current account, or other type of bank account, at a banking institution that allows money to be deposited and withdrawn by the account holder. These transactions are recorded on the bank's books, and the resulting balance is recorded as a liability for the bank and represents the amount owed by the bank to the customer. Some banks may charge a fee for this service, while others may pay the customer interest on the funds deposited.

The deposits consist of money a customer provides the bank timely or credit by the bank in favor of this client; the deposit is a major resource of banking. The table below shows the evolution of deposits within Bank of Kigali Plc for the period under the study.

Evolution of deposit may show how the bank stands; because sufficient deposit allows the bank to perform well.

Table 4.12.Evolution of deposits in Bank of Kigali Plc

Year	Deposit in (000Rwf)	Evolution (%)
2020	790,811,261	-
2021	974,494626	23,2%
2022	1,075,188,572	10.3%
2023	1,374,342,881	27.8%

Source: Bank of Kigali Plc, annual report and financial statement (2020-2023)

The above table shows that from 2020 to 2023 deposit have been increase to correspondent of 23.2%in 2021 ,10.3%in 2022 and 2023 there has been an increase of deposits of 27.8%. The increases of that deposit come from to the good service which is delivered by well supervised and advised employees by the internal auditors as the internal auditors and employees themselves in BK have confirmed. The clients increase during covered period. According to respondents' views, the quality of services cannot be attained without the help of well accounting department that helps employees to be quick in responding customers as the main factors that influence the increase of the clients, because then the clients are satisfied, are very interested on the services offered by the bank and all will be achieved .

4.4.3 Evolution of Net profit in Bank of Kigali Plc

The net profit is defined as the turn over minus the cost of return purchasing of sells product. Or sells prices minus the net profit of return to find the net profit of company in brief, He must subtract the turnover some changes which realized .As all other factors which complete for the performance of Bank of Kigali Plc/main branch. Researchers analyzed the evaluation of Bank of Kigali Plc/main branch' net profit from 2020-2023 in the following table:

Table 4.13: Evolution of net profit in Bank of Kigali Plc (amount in 000 Rwf)

Year	Net result	Variation
2020	38,533,134	-
2021	51,894,970	34.6%
2022	59,855,802	13.3%
2023	74,817,679	19.9%

Source: Bank of Kigali Plc, annual report and financial statement (2020-2023)

The table 4.13 shows the evolution of net profit of Bank of Kigali Plc/main branch 2020to 2023 the result increase of 34.6%, in 2020 to 2021 the bank realized the result was 13.3% in 2021to2022 and the result was 19.9% in 2022 to 2023 Because the net profit of company necessitate the level of cost incurred. But all come from to the how the employees are well advised and supervised by the bank accounting system because they help employees in achieving personal and organizational objectives. Through the interview administered with the chief account of that bank the main profit is the result of the efforts the accounting system made to encourage or motivate and try to reduce fraud, also are involved in implementation of the bank activities.

4.4.4 Net Profit Margin

The net profit margin looks at net profit as a percentage of sales. This ratio looks at how well a company controls the cost of its inventory and the manufacturing of its products and subsequently passes on the costs to its customers.

Net profit margin: Net profit margin is the percentage of profit earned on sales long run. The following table shows the net profit margin Bank of Kigali Plc during the period of study.

The formula:

Net profit margin= $\frac{\boldsymbol{NetIncome}}{\boldsymbol{operating\ income}}$*100

Table 4.14: Net Profit Margin ratio

Year	2020 (Rwfr 000)	2021(Rwfr 000)	2022(Rwfr 000)	2023((Rwfr 000)
Net Profit	38,433,289	51,894,970	59,855,802	74,817,679
Net operating income	102,468,483	140,098,086	171,525,519	205,755,425
Net Profit ratio	37.5%	37%	34,8%	36.3%

Source: Bank of Kigali Plc, annual report and financial statement (2020-2023)

In the table 4.14, shows that the Net Profit Margin ratio of Bank of Kigali Plc/main branch was 37.5%.,37%,34.8%, 36.3% respectively in 2020 2021,2022 and2023. The net profit margin indicates how the bank will be able to survive, and the head of accountant system together with the head of Finance in Bank of Kigali Plc/Main branch have said that all this increase in net profit margin is resulted mostly from the support of accountant as the best factor influencing the level of performance for any kind of financial system handling huge amount of money.

4.4.5. Return on Assets (ROA)

Return on assets ratio measures the overall profitability of assets in terms of the income earned on dollar invested in asset. A measure of a company's profitability, equal to fiscal year's earnings divided by its total assets (John Wiley, 2012)

Table 4.15: Return on Assets (000Rwf)

Year	2020	2021	2022	2023
Net Profit	37,220,588	51,894,970	59,855,802	74,817,679
Total asset	1,304,004,486	1,590,372,983	1,853,507,516	2,120,116,142
ROA	2.8%	3.2%	3.2%	3.5%

Source: BK PLC, Annual reports and financial statements 2020-2023

The table4.15 represents in 2020,ROA was 3.2% in 2020 in 2021 ROA ratios were 3.2%,in 2022 ROA Ratios was 3.2% and in 2023 ratios was 3.2% respectively it means that within rwf100 invested in Assets,the bank of Kigali generated profit of 3.2%. Thus, ROA ratios were appreciable during the period of study. The accounting system contributed to the performance of BK Plc, as explained by the financial manager, the accounting system was used by providing relevant, reliable, complete and understandable accounting information, and on timely basis, so the decisions regarding efficiency use of investment assets were timely taken in order to achieve greater profitability.

4.4.6. Return on Equity (ROE)

Return on equity a measure of how well a company used reinvested earning to generate additional earnings; equal to a fiscal year's after-tax, that below table shows the ratio of Return on Equity during ours period of study.

Return on equity (ROE) measures the rate of return on the ownership interest (shareholder's equity) of the common stock owners. It measures a firm's efficiency at generating profits from every unit of shareholder's equity (also known as net assets or assets minus liabilities).ROE shows how well a company uses investment funds to generate earning growth (John Wiley & sons, 2012).The formula:

Return on Equity $= \frac{\text{Net Profit}}{\text{Equity Shareholder's}} * 100$

Table 4.16: Return on equity ratio for Bank of Kigali Plc (Rwfr 000)

Formula	**2020**	**2021**	**2022**	**2023**
Net income	37,220,588	51,894,970	59,855,802	74,817,679
Total Equity	259,344,020	285,700,114	319,242,337	**366,357,418**
ROE	14.3	18.1	18.7	20.4

Source: Bank of Kigali Plc, annual report and financial statement (2020-2023)

According to this table 4.16, the 100Rwf owner's Bank of Kigali Plc invested in 14.3 in 2020, 18.1 in 2021, 18.7in 2022 and 20.4on 2023,. The best return on equity ratio did bear a satisfactory position was realized in 2020, 2021,2022 and 2023 where 100RWF invested in equity has generated 14.3in 2020, 18.1 Rwf in 2021 , 18.7 RWF in 2022 and 20.4 as profit in 2023. The accounting system has enabled the Bank of Kigali Plc to react on the net profits and the increase of equity by shareholders, Bank of Kigali Plc has greatly improved its profits and performance through the retention of customers and attracting new customers, the information obtained with the help of accounting system has contributed to the performance of the Bank.

Table 4.17: Correlation between contribution of accounting system and Performance of financial institution

	contribution accounting system	Performance of Financial institution
Contribution of accounting system Pearson correlation	1.000	.806**
Sig. (2-tailed)	.	.000
N	15	0.00
Performance of financial institution Pearson correlation	.806**	1.000
Sig. (2-tailed)	.000	.
N	15	15

**. Correlation is significant at the 0.01 level (2-tailed).

Legend:

[-1.00 - 0.00[: Negative correlation;

[0.00 - 0.25 [: Positive and very low correlation;

[0.25 - 0.50 [: Positive and low correlation; [0.50 - 0.75] Positive and high correlation and [0.75 - 1.00] Positive and very high correlation.

The researcher sought to determine the correlation coefficients of financial accounting system versus performance of financial institution. A table4.17 show that there was positive relationship since the coefficient of financial accounting system was 0.806 which is significantly greater than zero. This demonstrated that the financial accounting system analysis had a positive influence on performance of Bank of Kigali Plc /Main Branch.

GENERAL CONCLUSION

The general conclusion is based on the major findings on the study objectives and the recommendations are based on the discussion of the findings and analysis as well as interpretation of findings.

In this research, the general objective was to investigate the accounting information system to the performance of financial institutions in Rwanda.

For achieving the above objective, the researchers tried to answer the following questions which helped a researcher to test the hypothesis:

1. Is accounting information system implemented in BK GROUP PLC effective?
2. Does accounting information system contribute to the financial performance of BK GROUP PLC?

In order to respond to those statement problems, the researchers were formulating the following hypothesis:

1. Accounting information system implemented in BK GROUP PLC effectively.

2. Accounting information system contributes to the financial performance of BK GROUP PLC.

Referring to these hypotheses i have organized this study into four chapters with the general introduction at first chapter in which i have presented the significance of the study, scope, problem statement, and hypothesis and research objectives to attend which are:

The General objective of this study was to know the contribution of accounting information system to the performance of financial institutions in Rwanda, especially in BK GROUP PLC.

The Specific objective was To assess the effectiveness of accounting information system implemented in BK GROUP PLC.
To analyze the contribution of accounting information system on the financial performance of BK GROUP PLC.
To give suggestions for improving the accounting information system in a BK GROUP PLC.
The reach was classified into following four chapters:

The second chapter is literature review which presents a full description the research topic related terms and concepts.

The third chapter presents research methodology which contains research design; Data Collection Methods; Validity and reliability tests, Data processing; Data analysis; Limitation of the study and Ethical considerations.

In chapter three the resercher consider the analysis of the results from the collected data in relation objectives. These data are presented in form of descriptive statistics tables summarized in frequencies and percents. Based on objective of the study and research questions, information was gathered from 15 respondents taken from Bank of Kigali Plc

The issues focused in this section include; gender, age, and qualifications as well as the occupation of the respondents

Analysis of System of reparation in Bank of Kigali Plc are based on Financial statements that meant to present the financial information of BK Plc as clearly and concisely as possible for both the entity and for readers. Financial accounting system for organisation usually include: income statements, balance sheet, statements of retained earnings and cash flows, as well as other possible statements. The balance sheet reports information as of a date (a point in time). The income statement, statement of cash flows, statement of retained earnings, and the statement of stockholders' equity report information

The table4.7 indicates that financial statements are prepared by Bank of Kigali Plc in order to be able to make decisions on what a Bank of Kigali Plc owns (assets) and what it owes (liabilities) at a fixed point in time as confirmed by 40.0%. The 26.7% of respondents said that the financial statement enables Bank of Kigali Plc to make decisions on how much money the company made as revenues and how much spent as costs and expenses over a period of time. Other respondents have said that financial statements are prepared to show exchange of money between a Bank of Kigali Plc and the external users also over a period of time in order to maintain enough liquidity within the company as well as the statement of shareholders' equity," shows changes in the interests of the company's shareholders over time as confirmed by 13.3% and 20.0% respectively. According to the result employees of bank of Kigali increasing their confidential dues to the result found at the end of the year. As represented in the table 4.9, it is revealed that the goals of accounting standards while preparing financial statements are: to provide a basic framework for financial reporting as agreed by 20% respondents, to guide accountants in recording and reporting financial information as agreed by 53.3% respondents, to serve as a common language among accounting and finance professionals as agreed by 6.7% respondents and to provide external stakeholders secured information as confirmed by 20.0% respondents.In line with the findings, financial reporting provides information that is useful to present and potential investors and creditors and other users in making rational investment, credit, and similar decisions. Through financial statements, the information should be comprehensible to those who have a reasonable understanding of business and economic activities and are willing to study the information with reasonable diligence.

The table 4.14 shows the evolution of net profit of Bank of Kigali Plc/main branch 2020to 2023 the result increase of 34.6%, in 2020 to 2021 the bank realized the result was 13.3% in 2021to2022 and the result was 19.9% in 2022 to 2023 Because the net profit of company necessitate the level of cost incurred. But all come from to the how the employees are well advised and supervised by the bank accounting system because they help employees in achieving personal and organizational objectives. Through the interview administered with the chief account of that bank the main profit is the result of the efforts the accounting system made to encourage or motivate and try to reduce fraud, also are involved in implementation of the bank activities.These indicators have been used to analyze the performance of Bank of Kigali Plc: Trends of Turnover, Net income, the trend of customers and the trend of deposit and ratio analysis method has been used in this study

The general distinction between a customer and a client is that a customer purchases products, whereas a client purchases services.

The researcher sought to determine the correlation coefficients of financial accounting system versus performance of financial institution. A table 3.20 show that there was positive relationship since the coefficient of financial accounting system was 0.806 which is significantly greater than zero. This demonstrated that the financial accounting system analysis had a positive influence on performance of Bank of Kigali Plc /Main Branch. According to the above result the first and second hypothesis was confirmed through indicators.

Suggestions

Despite the affect of the applying of accounting information systems to the performance of financial institution especial in Bank of Kigali, there are some Suggestions which, if introduced could increase the better the performance of financial institution in Bank of Kigali Ltd as follows:

Should be provided staff and cadres trained and fully aware of the accounting information systems.That the departments in the banks to keep pace with developments and the introduction of technology and computing for all works and services required by the customer service representative. To achieve the lowest possible level of cost this will inevitably lead to maximize performance of financial institution.

Taking into consideration the culture of the client bank, which in turn leads to increased competition and attract clients and thus speeding up the implementation of the service (s) and non-banking loss of time and thus reduce cost.

Further studies and research in the field of accounting information systems and their affect on the profitability of banks, through the study of the obstacles that may limit its role as well as the most important study of the principles and procedures that must be taken out as well as accounting information systems.

- Train its employees about used software;
- Hire employees who know well accounting principles;
- Increase the number of employees.

Otherwise, we let the opportunities to the future researchers to continue in the same sense like us in order to complete us.

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APPENDICES

QUESTIONNAIRES DESIGNED TO BANK OF KIGALI ‘S STAFF AND EMPLOYEES

I. Introduction word

I at Kigali independent University Ulk School of Economics, and Business studies, Department of accounting.

In case of my work to end the academic studies, I am proposed to carry out the study about “**Contribution of accounting Information system to the performance of financial institution (2020-2023)**.

It is on this regard that, I would like to ask you some questions and it will be grateful if you provide me the answers requested. I promise that your answers will be strictly confidential and used only for academic purposes.

NB. Tick the correct answer or answers in multiple choices provided

II. Personal information

1. Gender

- Male ☐

- Female ☐

2. Age group

Below 20 ☐

21-30 ☐

31-40 ☐

41-50 ☐

51-60 ☐

Above 60 ☐

3. Marital status

Single ☐

Widow ☐

Married ☐

Divorced ☐

4. Level of education

Primary level ☐

Secondary level ☐

University level ☐

None of those ☐

III. Questions

1. Is the bank of Kigali system computerized?

Yes ☐

No ☐

2. What are computerized accounting packages are used in Bank of Kigali Plc?

Sage ☐

Quick books ☐

Tally ☐

Navision ☐

Others specify ☐

3. What is the main consideration while choosing accounting software in Bank of Kigali Plc?

Effectiveness ☐

Efficiency ☐

Easy manipulation ☐

Quick report preparation ☐

4. on what basic point while designing accounting information system in Bank of Kigali Plc?

Number of transaction ☐

Nature of business ☐

Size of the business ☐

Others ☐

5. What is the impact of designing accounting information system in Bank of Kigali Plc?

Preparation of financial statement ☐

Preparation of books of accounts ☐

Preparation the budge ☐

Others ☐

6. Which method used to record the financial transaction in Bank of Kigali Plc?

Double entry

Single entry

Others

7. In which accounting standard bank of Kigali followed when preparing financial statements and books of accounts

International standard

Regional standard

None of them

8. In our view, do you think computerization of the accounting information system has impact to the Bank of Kigali profitability?

Yes
No
Not sure

INTERVIEW GUIDE IN BANK OF KIGALI STAFF

1. What kind of accounting information systems components Bank of Kigali Plc Used?

2. Based on which to select accounting information system in Bank of Kigali Plc?

3. What are the major types of accounting information system in Bank of Kigali Plc?

4. How does accounting information system support the major activity functions of Bank of Kigali Plc?

5. Is there any benefit of using information system for customer relationship management within Bank of Kigali Plc?

6. What kind of computer processing and storage capabilities does Access bank use to handle its accounting information system and transaction?

7. Considering those 4 years ago what contribution had the accounting information system components on Bank of Kigali profitability?

THANK YOU!