



WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTEMENT OF ACCOUNTING AND FINANCE

**ASSESEMENT OF ACCOUNTING INFORMATION SYSTEM (AIS) AS INTERNAL
CONTROLTOOL OF COMERICAL BANK OF ETHIOPIA IN CASE OF GUBREY
branch**

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WOLKITE, ETHIOPA.

Statement of Declaration

This research paper has been accomplished through my own effort on the topic “Assessment of ACCOUNTING INFORMATION SYSTEM (AIS) AS INTERNAL CONTROL TOOL OF Commercial Bank of Ethiopia in Case of Gubrey Branch thus; I would like to assure with my signature, that it’s original; all sources have been properly acknowledge, and not submitted to any other institution.

Prepared By.....

Name.....

Signature.....

Date

Statement of Certification

This is to certify that KEDIR DELSEBO has finished senior research paper on the Assessment of ACCOUNTING INFORMATION SYSTEM (AIS) AS

INTERNAL CONTROL TOOL OF Commercial Bank of Ethiopia in Case of Gubrey Branch under my guidance.

Name of advisor

Signature.....

Date.....

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Abstract

In today's world the AIS is critical factor success or frailer of any organization.

This Studying information system as internal control tool of commercial bank gubre branch. The bank has 30 employees. The researcher contacted with 20 employee respondents by distribution by was conducted to investigate the AIS is a mechanism of internal control in commercial bank of Ethiopia Gubrey branch. The general objective of the study is assessment of accounting of questionnaires and with manager by interview questions. The data was collected from primary and secondary sources. Mixed type research design was adopted for the study. The researcher used descriptive statics to analyze data. The study showed that AIS is vital role on internal control in the commercial bank Gubrey branch with reducing risk, error and fraud for effectiveness and efficiency information to prepare financial statement.

Keywords: Accounting Information System (AIS), Internal Control, Commercial Bank, Risk Management, Fraud Prevention, Financial Reporting, Ethiopia This version improves clarity, flow, and academic tone while ensuring all key elements (objectives, methods, findings,

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CHAPTER ONE: INTRODUCTION

1.1 Back ground of the Study

Accounting Information System (AIS) is the information subsystem within an organization that accumulates information from the entity's various subsystems and communicates it to the organization's information processing subsystem (Moscove *et al.*, 1999). The accounting information system (AIS) has traditionally focused on collecting, processing, and communicating finance-oriented information to a company's external parties (such as investors, creditors and tax agencies) and internal parties (principally management). Today, however, the accounting information system (AIS) is concerned with non-financial as well as financial data and information

Accounting information system has two positive effects regarding the relation between accounting information technology relevance and production of quality information in the banking industry. First, accounting information technology can reduce banks' operational costs (the cost advantage). Second, accounting information technology can facilitate transactions among customers within the same and different network (the network effect). It cannot be denied that the advancement of information technology was a necessity of the current era. Businesses need to adopt and embrace new technologies to provide excellent business operation and services to their clients. Information, therefore, is data that have been processed into meaningful and usable form, and it contains knowledge that reduces uncertainty in particular situation.

Much information need by management to control finances and operation come from the AIS. One of managements major responsibilities is stewardship on internal control extend over a wide range of activities such as maintenance of inventories, the consumption of supplies and the payment of bills within allowed discount period.(Wilkinson, 1993)

Therefore, one could study of AIS is an important system that support and promote decision making and effective internal control (Romney.et al 2003).

Accounting information system is an important mechanism of an organization that is vital for effective management decision making, controlling and administering organization activity and vital for internal organizational control. The role of accounting information in the bank activity is extremely important in the orientation of bank. The AIS impacts management's operations to prepare financial reports that identifies and records all valid financial transaction. The role of AIS will ensure the integrity confidentiality and reliability of critical data that reduces risks and fraud. Accounting information focus on in internal control (control environment, risk assessment, information and communication, and monitoring) activities of various categories of business enterprises. The major problems in bank are lack of utilize accounting information and mismanagement of the accounting information technology. (Awe, 2002) Accordingly, the said failure may result into low productivity, loss of the accounting information technology inventory as well as loss of important and confidential data. The other problem is the experience and awareness on the importance of AIS by the employers. Therefore based on the above facts the study tries to investigate the role of AIS on internal control in commercial bank in Gubreya branch.

1.4 Research questions

1. What are the functions of AIS on internal control in commercial bank Gubrey branch?
2. What are the contributions of AIS in reducing risk of error and fraud?
3. How does AIS used to keep integrity, reliability and confidentiality of financial report s?
4. How AIS able to adherence with prescribed managerial policies in commercial bank Gubrey branch?

1.5 Objectives of the study

1.5.1 General objectives

- The main objective of the study is to assess the accounting information system as internal control tool of commercial bank, Gubrey branch.

1.5.2 Specific objectives

1. To identify the function of AIS in commercial bank, Gubrey branch.
2. To identify the way in which AIS affects operational efficiency of commercial bank, Gubrey branch.
3. To identify importance for the integrity, confidentiality, and reliability of critical data in commercial bank, Gubrey branch.

1.6 Significance of the study

The researcher has an expectation, the study will provide a clear picture about the value or importance of accounting information system in gubre bank and to identify problem concerning accounting information system as internal control tool of commercial bank, gubre branch. The study will contribute much may help to the concerned decision makers to understand the role of AIS on internal control, particularly commercial bank, gubre branch. This enables the management to reach its objectives and goals effectively and efficiently. In general the studies have the following significance for the bank and future researcher. Accordingly it might:

Initiate other researcher for further investigation and finding on the region.

Increase the status for the bank of its performing well and for managers to know where the banks stand in its performance and to take action in the future.

The study is also significance for the researcher as a base of the study or it will be use as an additional reference.

1.7 Scope of the study

This study will focus on accounting information system and its role on internal control of commercial Bank particularly, Gubrey branch. It is better to study the overall role of AIS on internal control of other banks but due to some limitation the study delimited to only commercial bank, Gubrey branch.

1.8 Limitation of the study

During the study, face lack of relevant and up-to-date published literature, time constraint and financial shortage as well as some respondents are involuntary to give available information, The employer is involuntary to tell the real information

1.9 Organization of the study

The study is organized in to five chapters, it is organized in such away that the first chapter contains the introduction part include background of the study, statement of the problem, objective of the study, significance of the study, and scope of the study. The second chapter contains the review of releated literature, while the third chapter contains methodology of the study. Finally chpeter five deal with Summary, conclusions and recommendation given by the researchers.

CHAPTER TWO:

LITERATURE REVIEW

In this section the role of accounting information system, theoretical review, and empirical review on similar study and finally summary of the section has been discussed.

2.1. Accounting information system

It is the principal way of organizing and reporting financial information. It has been called the “language of business.”

Accounting and information systems comprise the functional area of business responsible for providing information to the other areas to enable them to do their jobs and for reporting the results to interested parties.

To that end, an accounting system is used to identify, analyze, measure, record, summarize, and communicate relevant economic information to interested parties.

A System is an entity consisting of interacting parts that are coordinated to achieve one or more common objectives. Systems must possess

Elements of a system:-regardless of their origin, all systems possess some common elements.

A system is a group of two or more interrelated components or sub systems that serve a common purpose.

Lets’ analyze the general definition to gain an understanding of how it applies to business and information systems.

Multiple components:-a system must contain more than one part.

Relatedness:- A common purpose relates the multiple parts of the system. Although each part functions independently of the others, all parts serve a common objective. (Goal conflict and goal congruence

System Vs Subsystem:-the distinction b/n the terms system and subsystem is matter of perspective. For our purpose, these terms are interchangeable. a system is called a subsystem

when it is viewed in relation to the larger system of which it is part. Likewise, a sub system is called a system when it is the focus of attention.

Purpose: - a system must serve at least one purpose, but it may serve several. Whether a system provides a measure of time, electrical power, or information, serving a purpose is its fundamental justification.

When a system ceases to serve a purpose, it should be replaced.

System decomposition:- decomposition is the process of dividing the system into smaller subsystem parts. This is convenient way of representing, viewing, and understanding the relationships among subsystems. By decomposing a system, we can present the overall system as a hierarchy and view the r/ships b/n subordinates and higher level-subsystem.

Each subordinate subsystem performs one /more specific functions to achieve the overall objective of the higher level system.

Subsystem independency:-A systems ability to achieve its goals depends on the effective functioning and harmonious interaction of its subsystems.

If a vital subsystem fails or becomes defective and can no longer meet its specific objective ,the overall system will fail to meet its objective.

Reasons for Studying Accounting Information Systems

Career accountants will be users, auditors, and developers of AIS

Modern-day AIS are complex because of new technologies

Concepts studied in AIS are integrated into every other accounting course

Information-Oriented Professionals

An array of professionally trained persons from different fields of study have focused on providing information to users

These professionals include system and managerial accountants and auditors, system analysts and industrial engineers

Professional certifications are increasing. These include Certified Computing Professional, Certified Information Systems Auditor, Certified Managerial Accountant, Certified Fraud Examiner, etc.

Roles of Accountants With Respect to AIS

Financial accountants prepare financial information for external decision-making in accordance with GAAP

Managerial accountants prepare financial information for internal decision-making

Auditors - evaluate controls and attest to the fairness of the financial statements.

Accounting managers - control all accounting activities of a firm.

Tax specialists - develop information that reflects tax obligations of the firm.

Consultants- devise specifications for the AIS.

Accounting is the service functions that seek to provide the users with quantitative information. In other hand AIS information system is an organized means of collecting, entering, and processing data and storing, managing controlling and reporting information, so that organization can achieve its objective and goal, that design to make the accomplishment of accounting function possible. AIS can be manual system or a computerized system using computer regardless of the type. AIS is designed to collected, enter, process, store and report data and information. (Romneyetal P 5-6, 2003)

2.1.1. Features of accounting information system

Information system is perceived as an entirety of information processing system and resource of an enterprise meant to form and disseminate information has been established that the system of information is a set of un ominously operating people, data and procedures for the purpose of providing useful information contemporary is cannot function without computers and other technical means to measure primary information gather and register is in carries: process and transmit it to consumers. For this reason computerized information system (CIS) are designed and implemented. (Mahdisalehi P. 187-188, 2010).

The focus of AIS is all qualitative aspect of information processing then on quantitative problem solving. The accountants' jobs have changed dramatically with advances in computer technology.

2.1.2. Advantage of accounting information system

The main advantage of an optimal use of accounting information system in an organization are: better adaptation to a changing environment, better management of arm's length transaction and a high degree of competitiveness. There is also a boost to the dynamic nature of firms with a greater flow of information between different staff levels and the possibility of new business on the net work and improved external relationships for firm, mainly with foreign customers accessed through the firm's web. (Elena Urquiagrande, Et al. (2010)

Accounting information system has a lot of benefit to any company and corporation as follows: Good Corporation, to meet the need of multi- users, to control after wards, and control in advance and in current (Mahdi Salehi P. 189, 2010)

Accounting is information identification, development measurement and commGubreyryrey Gubry Gubreyn process accounting education should help students in capturing the following three essential concepts.

The use of information in decision making

The nature, design used and implementation of AIS and

Financial information reporting

To reach these goal of Gubrey students need to understand how AIS is used to gather, process, store and disclosed information (Daniel A., (2008).

AIS engage in a variety of processes, including:

Acquiring capital

Buying buildings and equipment

Hiring and training employees

Purchasing inventory

Doing advertising and marketing

Selling goods or services

Collecting payment from customers

Paying employees

Paying taxes

Paying vendors

2.1.3. AIS and decisions

An organization is a collection of decision making units that exists to pursue objectives as a system every organization accept inputs and transform them into outputs that take form of products and services. A manufacturing firm transforms raw material labor and other scarce resource in tangible outputs.

The user of accounting information falls into two broad groups:

External user and

Internal users

External users: include stock holders, investors, creditors' government agencies, customer and competitors, labor unions and the public at large. External users receive and depend on a variety of outputs from an organizations accounting information system. Many of these outputs are of routine in nature.

Internal users: comprise manager whose requirement depends on their level in an organization or on the particular function they perform.

There are different information needs and demand at different managerial level, in an organization. The AIS summarizes and filters the data available to decision makers by processing the data and AIS influences organizations decisions. The production of useful information is constrained by the environmental of AIS and the cost benefit structure inherent in user's

decision. Various government agencies, private agencies, and legislation set statutory requirement for record keeping and report. (Marshal P. 224-226, 2000)

2.2. Internal control system (ICS)

The system of internal control is the plan of the organization and all the method and procedures adopted by the management of the entity to assess in achieving managements objectives of ensuring as far as practicable, the orderly and efficient conduct of its business. In other word, internal control is defined as a process affected by entities, board of directors, management and other persons designed to provide reasonable assurance regarding the achievement of objectives in tGubrrfollowing categories.

Effectiveness and efficient of operation

Reliability of financial reporting

Compliance with applicable laws and resolution (information of auditing P.101-102)

2.3. Components of internal control

Internal control of an organization may be viewed as including five components these are: - the control environment, risk assessment, the accounting information and communication system control activities and monitoring.

2.3.1 Control environment

The control environment sets the tone of an organization by influencing the control consciousness of the people it is viewed as the foundation for the other components of the internal control. The following are the major control environment factors:-

Integrity and ethical value

Commitment to competence

Board of directors

Management's philosophy and operating style

Organizational structure

Human resource policies and procedures

Assignment of authority and responsibility

(Whittingpany. P, 246-254, 2001)

2.3.2 Risk assessment

Risk assessments are management's process of identifying and analyzing the risk that might prevent the organization from achieving its objectives. Risk arises from both external and internal factors. Risk from external factors affects the organizations as a whole they including risk from economic or technological change, government regulation and natural catastrophes. (Whittingtonpany P.255, 2001)

Risk from internal factors related specifies activities of the organization. The includes eruption of the information system. Error, due to untrained or unmotivated employees or to changes the management responsibility employees and the result of an effective board of directors or and it committee change is a source of risk for all organization. (Basu, (2010), 109-110)

An organization needs a process to identify changed condition that can significantly the organizations ability to achieve its objective management's responsibility is to identify risks to organization objectives estimates the significations of each risk, assess its likelihood and identify action that should be taken to reduce its significance or likelihood into provide risks. Management may for example identify alternatives supply sources, expand product line and obtain more relevant operating reports or improve training programs. (Whittingtonspany p.255, 2001).

2.3.3 Control activities

Control activities are policies and procedures that help ensure that management's defectiveness are carried out. These policies and procedures promote actions that address the risk that face the organization while there are many different types of control activates performed on organization

only the following types are generally elegant to an and it of the organization financial statement, these are:-

Performance review

Information processing control

Physical control

Segregation of duties

(Wgittingtonpany P, 256, 2001)

2.3.4 Information and communication

Information refers to the organization's accounting system which consist of the methods and records established to identify, assemble, analyze, classify, record and report the organizations transaction and to maintain accountability for the related asset and liabilities maintain organizations have systems that are able to process, huge number of various type of transaction.

Information systems are designed. Good communication requires effective oral communication. Adequate procedures manners policy manual and other type of documentation. (G. H. Bodnar. And W.Hopwood P.164-165-1998)

An internal audit function is common in large organization to monitor and evaluate controls on an ongoing basic. The expended span of control and the growth in the volume of transaction associated with large organization whose factors in the emergence of internal control function, the objective internal audit function is to service management by furnishing management with the results of analysis and appraisal of such activities and systems as:

The organization's information system

The organizations internal control structure

The external of compliance to operating policies, procedures and plan

The quality of performance by company personnel.

External auditor may performances in monitoring control it is common practice for external auditors to provide lists of specific recommendations for management to improve internal control. (Ibid)

2.4 Analysis of internal control process

The analysis of internal control requires an understanding of the process both as it designated and as it is actually operate. The actual process may or may not conform to expectations.

Documentation may be out dated and the structure may be operating under new procedures internal control process routinely collect information concerning fulfillment of internal of duties. Transfer of authority is approval and verification. This documentation of internal of control duties must be examined to evaluate the reliability of the system's operations. Reliability is dependent on the people who administer control processers. Designing an internal control process is only the first part of the problem it is essential that internal control duties are actually performed as prescribed. (G. H. Botnar and W Hopwood P. 194, 2000)

2.5 Banking and information system

Information systems are widely used in the banking sector. This system is particular appropriate because banking organization by their nature are information intensive. Information system plays a control role in the service sector that they are called the back bone of services organization only thing bankers manufactures is information. The use and invest the information system by banking organization are important to take two reasons. First, many customer and bank employees are using this system to manage their money, account and saving information. Secondly, banking information system is important to enhance effectiveness and efficiency by improving service delivery and reduce cost. Banking information system input includes a type of accounts, data and account of deposit and withdrawals. Their input consists of statements this shows interest paid of owned balance and other information.

Now a day people can make cash withdrawal through information system called automatic teller machines (ATM). Clients can now receive information a system over the phone and through home computer. (Harangas and Daniela P.379, 2005)

2.5.1.Importance of AIS in banking activity

Accounting information allows commercial bank to speculate up on opportunity of attractive business in placements and resource attraction, the role of accounting information of bank management towards successful strategies. By exercising the main function, constrained by law, banks generated extremely useful accounting information for both customers and bank management. The main generating sources accounting information in bank activity are client accounts, bank accounts and bank computerized program (which bank management etc). The classification of bank operations into active and passive operations underlines the importance of accounting information in the whole bank activity.

The role and importance of accounting system in the bank activity is derived from the role and function of commercial banks themselves. These function or operations traditional for the banks, confirmed by law, generators of accounting information refer mainly to:-

Accepting deposit from clients

Issue and management of payment instrument and credit

Payments

Fund transfer s

Transaction in the clients accounts

Mandate operations etc.

CHAPTER THREE:

RESEARCH METHODOLOGY

This section presents research methodology, the researcher used to conduct the research. It contains the design, sources and types of data, sampling procedure, and method of data collection, method of data analysis and of data presentation.

3.1 Research Design

The research designed for gathering necessary information related to the study. This refers to the variables over which the data collected and the method, that have been implemented in data collection, data analysis and implantation. This research was conducting to assess ais is mechanism of internal control of commercial bstor of Gubrey branch.

The researcher used a case study research design as a single bank in one branch is the source of data for the research. The data collected is mixed containing both open ended and closed ended questions.

3.2. Source of Data

Some information for study has been collected by researcher, using primary source of data collection through structured interview and questionnaires. The study was conducted by distribution questionnaires and interview to the employees and manageinforml Gubrey bank.

3.3 Data Collection Method

In order to get sufficient information for the study the researcher would be used both primary and secondary Source of data. The primary data would be collected from mange and employee through questionnaires [open and closed ended] and interview through direct communication with the employees and manger. Secondary data were collected form review of different books and internet.

Questionnaires and interview outline were used for the method of data collection.

The researcher constructs number of questions in a logical order. Besides, the researcher also asked question in face to face communication with the bank manager. The data also collected from different text books and Internet.

3.3.1 Sampling Technique

The researcher were used judgmental sampling techniques to claim selected employees from the bank, rather than taking employees of the bank which are not concerned to our questionnaires and interviews. So the researcher was focused on those employees working in the area of accounting, financial management and some other management positions. The rationale behind is employees assuming management positions are most likely knows about the contribution of accounting information system on the bank's internal control. Hence in additional to the questionnaire, face to face interviews has been conducted with the employees having management position to get additional and sufficient information.

3.3.2 Sample Size

Using all population for data collection is difficult for one researcher,as sampling is using small part of large population to make conclusion about the whole population.

From the total Gubrey bank employees, the researcher contacted 10 respondents and the rest 10 are excluded because of several reasons like unrelated field, lack of knowledge or awareness about AIS that related to the accounting information system dependents and manager of bank were selected for interview questions.

3.4 Method of Data Analysis and Presentation

Descriptive method was used to analyze the data collected from respondents. Finally, the results from questionnaires are presented in written form supported by tables and percentage.

Tabulation used to arrange data in table or other summery format to facilitate the process of comparison of various data analysis.

CHAPTER FOUR:

DATA ANALYSIS AND PRESENTATION

This section presents the summary of the information gathered through questionnaire from Gubrey bank employees and interview conducted with the bank's manager,

4.1 Personal Profile of the Respondent

Table 1:- Gender distribution of the respondents

Sex	Frequency	Percentage
Male	12	60 %
Female	8	40 %
Total	20	100 %

This table shows majority of the respondents are males that are 60% and the remaining 40% are females.

The major employees of Gubrey bank are male.

Table 2:- position of respondents

Job position	Frequency	Percentage
Branch controller	2	10 %
Customer service clerk	8	40 %
Junior customer service officer	1	5 %
Teller	8	40 %
Vice manager	1	5 %
Total	20	100 %

As indicated above table, 10% of the respondents are branch controller, 40% of the respondents are customer service clerk, 5% of the respondents are junior customer service officer, 5% of the respondents vice manager and 40% of the respondents are teller.

The largest portion of our respondents are customer service clerk and teller.

Table 3:- Education level of respondent

Education level	Frequency	Percentage
Below diploma	-	-
Diploma	1	5 %
BA degree	18	90 %
MA degree	1	5 %
P H D	-	-
T o t a l	2 0	1 0 0 %

This table shows based on educational level 5% of the respondents are diploma, 90% Of the respondents are BA degree, 5% Of the respondents are MA degree.

The major respondents are BA degree

Table 4:-work experience of respondents

Work experience	Frequency	Percentage
Less than one year	5	25 %
1 - 5 y e a r	10	50 %
6 - 1 0 y e a r	5	25 %
10 year and above	-	-
T o t a l	2 0	1 0 0 %

As indicated above employees having less than one year work experience amounts 25% and 1-5 work experience amounts 50%and 6-10 years work experience 25%.

Major employees of our respondents experienced from 1-5 year

Table 5:- function of AIS on internal control (1)

Q u e s t i o n	Responses	Frequency	Percentage
AIS collect and store data effectively and efficiently	Strongly agree	12	60%
	A g r e e	8	40%
	N e u t r a l	-	-
	D i s a g r e e	-	-
	Strongly disagree	-	-
	T o t a l	20	100%

As shown above 60% of the respondents strongly agree, 40% of the respondents Agree on the AIS collect and store data effectively and efficiently. (I.e. one function of AIS on internal control)

This shows that AIS of Gubrey bank collect and store data effectively and efficiently.

Table 6:- function of AIS on internal control (2)

Questionnaires	Response	Frequency	Percentage
AIS provides information for Producing managerial reports And decision making	Strongly agree	10	50%
	A g r e e	10	50%
	N e u t r a l	-	-
	D i s a g r e e	-	-
	Strongly disagree	-	-
	T o t a l	20	100%

As shown above 50% of the respondents strongly agree, 50% of the respondents Agree on the AIS provides information for producing managerial reports and decision making. (I.e. the other function of AIS on internal control)

This indicates that AIS of haweltibank provides information for producing managerial reports and decision making.

Table 7: -AIS to process integrity information report

Questionnaires	Response	Frequency	Percentage
AIS used to keep integrity in preparing Financial report	Strongly agree	12	60%
	Agree	8	40%
	Neutral	-	-
	Disagree	-	-
	Strongly disagree	-	-
	Total	20	100%

As shown in the above table 60% of the respondents strongly agree, 40% of the respondents agree on the AIS used to keep from integrity in preparing financial report in commercial bank Gubrey branch.

This shows that AIS of Gubrey bank used to keep integrity in A preparing financial report.

Table: - 8 AIS process Reliable financial report

Questionnaires	Response	Frequency	Percentage
AIS USED TO INITIATE STRONG MORAL PRENCIOLEOF WORK FOR THE EMPLOYEES OF THE BANK	Strongly agree	7	35%
	Agree	10	50%
	Neutral	3	15%
	Disagree	-	-
	Strongly disagree	-	-
	Total	20	100%

From the above table 35% of the respondents are strongly agree, 50% of the respondents are Agree, 15% of the respondents are neutral on the AIS used to initiate strong moral principle of work for the employees of the Bank.

This indicates that in Gubrey bank AIS used to initiate strong moral principal of work for the employees of the bank.

Table: - 9 AIS maintain confidentiality within bank and employees

Questionnaires	Response	Frequency	Percentage
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AIS maintain confidentiality within bank and employees.	Strongly agree	1 5	7 5 %
	A g r e e	5	2 5 %
	N e u t r a l	-	-
	D i s a g r e e	-	-
	Strongly disagree	-	-
	T o t a l	2 0	1 0 0 %

From the above table 75% Of the respondents are Strongly agree, 25% of the respondents are Agree on the AIS maintain confidentiality within bank and employees.

As the above indicates AIS in Gubrey bank maintain confidentiality within the bank and employees of the bank.

Table 10:-AIS to adherence prescribed managerial policies

Questionnaires	Response	Frequency	Percentage
Do you think AIS to adherence prescribed managerial policies?	Y e s	1 9	9 5 %
	N o	1	5 %
	T o t a l	2 0	1 0 0 %

As shown in the above table 95% of the respondents are said yes and they explained AIS provide information that helps the managers making plan and also helps in decision making and 5% of the respondents are said no.

The above indicates that AIS adhere prescribed managerial policies in commercial bank Gubrey branch

Table 11:- AIS contribution to reduce risk, error and fraud

Q u e s t i o n n a i r e s	Response	Frequency	Percentage
Do you think AIS has a contribution in reducing Risk, errors and Frauds	y e s	2 0	1 0 0 %
	N o	-	-
	T o t a l	2 0	1 0 0 %

As shown above all of the respondents are said yes and explained AIS has contribution in reducing risk error and frauds.

It shows that Gubrey bank has a contribution in reducing Risk, Error and Frauds.

4.2 Analysis of Interview Questions Collected from Manager of commercial bank of Gubrey Branch

In this part researcher posed questions for the bank manager about AIS of the commercial bank of Gubrey branch.

4.2.1 AIS in commercial bank, Gubrey branch

According to the response of the general manager of gubre bank, AIS are vital for all section of works in commercial bank Gubrey Nothing is done without AIS because each and every activities process by this system. In commercial bank Gubrey branch the systems called flex Kobe software that processes all transaction in the bank.

4.2.2 AIS Process and Prepare Reports

According to the response of the general manager of commercial bank, Gubrey branch AIS process and prepare reports by the name business objective system in Gubrey branch. This system is full networked in all over the country and prepares reports by the system. This enables the bank to minimize cost, time and human resource for the bank. Consequently the system increases efficiency and effectiveness of the bank.

4.2.3 Methods of Maintaining Confidential Information in commercial bank.

The general manager of Gubre bank said that, the main method for maintaining confidential information in gubre bank is password policy. This enables the employers to secure the information and transfer information for concerned party.

4.2.4 AIS Support Operational Efficiency in Gubrey bank

As information obtained from the manager of Gubrey bank AIS supports operational efficiency definitely. It increases profitability by decreasing cost.

CHAPTER FIVE

Summary of finding, Conclusion and Recommendation

5.1. Summary

This is taken from unit four by taking main points of responses for each question.

The major employers of commercial bank are male

The largest portion of our respondents are customer service clerk

Most of our respondents are BA degree

Major employees of our respondents in gubre bank experienced from 1-5 year

This shows that AIS of Gubrey bank collect and store data effectively and efficiently.

This indicates that in Gubrey bank AIS used to initiate strong moral principal of work for the employees of the bank.

This shows that AIS of Gubrey bank used to keep integrity in preparing financial report.

This indicates that AIS of Gubre bank provides information for producing managerial reports and decision making.

As the above` indicates that AIS in gubre bank maintain confidentiality within the bank and employees' bank.

The above indicates that AIS adhere prescribed managerial policies inhgubre bank.

It shows that AIS in gubre bank has a contribution in reducing Risk, Error and Frauds

According to the response of the general manager of gubre bank, AIS are vital for all section of works in gubre bank.

According to the response of the general manager of gubre Bank, AIS process and prepare reports by the name business objective system in gubre bank.

The general manager of gubre bank said that, the main method for maintaining confidential information in gubre bank is password policy.

As information obtained from the manager of commercial bank gubre branch AIS supports operational efficiency definitely

5.2. Conclusion

The role accounting information system in the bank activity is extremely important for bank management toward successful strategies. Bank accounting is domain where all accounting information essential for bank activity are collected and synthesize Commercial bank gubre branch after started operation it shows many progress and adopted new systems by adopting this new, confidentiality through pass word policy and reliability of critical data in gubre bank. systems bank shgubre some changes on its overall operations.

In addition to this the researchers has derived the following points from the analysis.

Major employers are male. This indicates female employers' participation is low.

Most of employees are BA degree. It shows they are educated workers.

Mainly the workers are experienced. It enables the employers effective and efficient.

AIS collect and store data effectively and efficiently. It increases quality of information.

AIS motivate workers of the gubre bank by increasing moral satisfaction of the employers.

In Gubrey bank AIS is used as a tool to ensure the integrity

AIS minimize the problem by improving decision making process, quality of accounting information and internal control.

AIS are used as a tool to ensure the integrity, confidentiality and reliability of critical data in Gubrey bank.

Accounting information system is used to encourage adherence to prescribe managerial policies of the bank.

Finally we conclude in Gubrey bank activities performed by using accounting information system. It increases profitability of the bank by decreasing cost.

5.3. Recommendation

Even though the bank has achieving its objectives efficient dynamic and competitive in the international market, much coercion should be taken to make information system dynamic and internal control efficient. So the researcher derived the following points as remedies for further importance of information system and efficient internal control. Those remedies are:-

Gubrey bank the employees are experienced and educated that enable the bank to give quality service for customers. So the bank continue this strength and give various training to its staffs.

On the other hand in gubre bank female employees' participation are low. So that the bank should emphasis to increase the number of female employees in the bank.

The other point is gubre bank uses password policy to control unauthorized access to its financing reporting system to maintain confidentiality. So, the bank should periodically change passwords to make it safer.

Thebank's managements should be flexible to cop up with the changing environment and continuous improvement of information system.

Both information system department (ISD) and internal control department (ICD) must do together for efficient and effective operation of bank.

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No	S t a t e m e n t s	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	AIS provides the information needed of the different manager of the bank.					
2	AIS collect and store data efficiently.					
3	AIS collect and store data effectively.					
4	AIS supports supply of information for decision making of the bank.					
5	AIS used for producing managerial reports and Financial statements of the bank.					
6	AIS is used to make sure controls and Accurately record and process data of the bank.					
7	AIS used to keep honesty in preparing financial report.					
8	AIS used to initiate strong moral l principle of work for the employees of the bank.					
9	AIS is used to keep information secretly.					
10	AIS are used to process the financial reports effectively.					

11. Do you think that AIS able to adherence with prescribed managerial policies in your Bank?

Yes

No

For que[]umber 11 you[]wer is "Yes" please give your justification?

.....

For question number 11 your answer is “No” please give your justification?

.....
.....

Do you think that AIS has a contribution in reducing the financial risk in your Bank?

YES NO

If you say “yes” which method is used your bank?

Determining the level of risk

Lower each asset type’s risk

Allocating assets widely

Managing Account receivable

Others

If you say “No” what is the reason?

.....

Do you think that AIS has a contribution in reducing the fraud in your bank?

YES NO

If you say “yes” which method is used your bank?

A. Recording journal properly

B. Material representation

C. others

19. If you say “No” what is the reason?

.....

Do you think that AIS has a contribution in reducing the error in your bank?

YES

NO

If you say “yes” which method is used in your bank?

A. Management must implement internal control

B. Segregating accounting function

C. Establish a strong environment

D. Initiate annual examination

E. others

If you say “No” what is the reason?

.....

Interview question

For manager

Please tell us about your AIS?

How the AIS process and prepare reports?

What are the methods of maintaining confidential information in your bank?

How the AIS support operational efficiency of Gubrey bank