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INFORMATION AND COMMUNICATION TECHNOLOGY AND LOCAL GOVERNMENT ACCOUNTING PRACTICE IN AHOADA EAST LOCAL GOVERNMENT AREA OF RIVERS STATE

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ABSTRACT

This study examined Information and Communication Technology (ICT) and Local Government Accounting Practice in Ahoada East Local Government Area of Rivers State. The purpose of this study was to examine the extent to which ICT affect accounting practice of Ahoada-East local government area, treasury department. Specifically, this study sought to achieve the following objectives; ascertain the relationship between computer systems and vouching in Ahoada-East Local Government Area treasury department, ascertain the relationship between internet facilities and financial virement in the treasury department of Ahoada-East Local Government Area, A descriptive survey research design was adopted in this study. This study was conducted in Ahoada-East Local Government Area, accounting (treasury) department. The target population of the study was thirty three (33) senior and forty two (42) junior treasury staff of the council. Four (2) research questions and two (2) hypotheses were formulated to guide this study. The data collected were analyzed using mean ($\bar{x}$) and Standard Deviation (SD) in answering the research questions while a t-test was used to test the hypotheses at 0.05 level of significance. The findings of the study revealed a significant relationship between computing system and vouching, significant relationship between internet facilities and financial virement in AELGA treasury department. It was concluded that the Local Government Area should ensure that the ICT Centers are funded properly and utilized for better performance, while it was recommended that government should partner with other IT agencies to organize workshop, seminars and training of staff on the use of ICT and educational facilities.

Keywords: *Information and Communication Technology, Financial Virement, Vouching, Local Government Area and Accounting*

INTRODUCTION

Information consist of facts or details about a situation, person or events. Information Technology (IT) is regarded as the study or use of electronic gadgets or processes for storing information. Technology can also be viewed as a catch phrase used to describe a range of technologies for gathering, retrieving, processing, analyzing and transmitting information. Communication, which is a major component of ICT, is considered as a process by which people exchange information or express their thought and feelings.

Information and Communication technology (ICT) has been described as a whole range of technologies involved in information processing. It is a term used to describe technologies which receive information.

It is the handling and processing of information by means of electronic and communication devices such as computers, cameras, telephones, etc. Some scholars see ICT as a term that encompasses a lot of activities involving the acquisition, storage, processing and dissemination of information through the use of appropriate software and hardware designed for the purpose.

According to Bature (2007) information and communication technology are those technologies that provide access to information through telecommunications. ICT is an integrated system that incorporates the technology and infrastructures required to store, manipulate, deliver and transmit information. According to Olasanmi, Ayoola and Kareem (2012), ICT is seen as Computer Systems, telecommunication networks and multi-media applications that enhances knowledge for the execution of a given task which entails skills and processes necessary for carrying our activities in a given context.

The concept of local government has been given various definitions by various scholars. No matter how differently the concept is defined, it focuses on the transfer of political powers to local areas by involving the inhabitant in the provision of basic needs in their respective communities. Local government is a government by the popularly elected bodies charged with administrative and executive duties in matters concerning the inhabitants of a particular place, or district: According to Awofeso (2004), a local government is a government at the grass root level of administration meant for meeting peculiar grass root need of the people. It is the lowest unit of administration whose laws and regulations, the communities we live in a geographical area. Local government is defined as a political sub-division of a nation or state which is constituted by law and her substantial control of local affairs including the power to impose taxes, or enact labour for prescribed purposes. Osakede and Ijimakinwa (2014) define local government as the tiers of government closest to the people which are vested with certain powers to exercise control over the affairs of people in its domain.

Accounting is defined as the up-to-date bookkeeping. Accounting is the process whereby relevant information about financial transaction are collected, studied and recorded as well as the projection of resource of the organization, been it public or private.

In local government financial accounting budget, there are two recognized expenditures, namely: capital expenditure and current expenditure. Capital expenditure is a typical expenditure where expenses are made for enduring assets whose durability is beyond the budgeted year and are provided, for example, school classroom blocks, library etc. the state grant is what is used to finance these projects and if there is balance, the local government will continue with the funding of these project from the council treasury. The local government funds are development levies, gotten either from loans or internally generated revenue.

The integration of ICT into local government accounting system practice in Rivers state is faced with quite some challenges. Finance and Accounting in local government can be said to be more complex, given its statutory functions and the sources at which it generates its revenue. The problem of inability of local governments to generate adequate funds and keep accurate and proper accounts so as to sponsor its expenditure with a view to activating developmental programs has remained one of the major challenges affecting the affective and efficient running of the local government.

Lack of adequate ICT resources in the local government area is a major problem confronting ICT utilization at that level of government. This, to a large extent, is due to lack of adequate funding and mismanagement of funds. The local government areas are also faced with problem of non-utilization of available ICT facilities due to low literacy level among accounting/treasury staff of the local government. There are also cases of lack of ICT centres and where available, the center are non-functional, which affects the achievement of the objective of ICT integration in the Local government Administrative practices. Also, poor implementation of ICT policy at the local government has an adverse effect on the work force.

Statement of Problem

The recent innovation and development in information and communication technology (ICT) has provided opportunities to bridge the gap between the local government and its citizens. ICT provides avenue for effective service delivery and interaction between the government and its citizens at the local government levels. It also serves as a tool for eliminating barriers confronting citizen's participation in governance at local level. Since the introduction of the use of computer system and internet facilities in preparation and processing of account at the Local Government Area, the relationship and its effect on accounting practice has not been ascertained. The non-assessment of the important of ICT facilities and its impact on accounting practice pose a serious threat to the system as the outcome of such important technology has not been known by the council.

It has also been observed that the ineffective utilization of ICT in the council has affected service delivering of the account department of the local government, such that, it is causing a problem of misplacement of financial records, accountability, improper budget preparation, among other challenges. It is against these issues that the researcher sought to examine the

extent to which ICT has influenced accounting system practice of Ahoada -East local government area of Rivers State.

Purpose of the Study

The purpose of this study was to examine the extent to which ICT affect accounting practice of Ahoada-East local government area, treasury department. Specifically, this study sought to achieve the following objectives;

1. ascertain the impact of computer system on vouching in Ahoada-East Local Government Area treasury department
2. ascertain the impact of internet facilities on financial virement in the treasury department of Ahoada-East Local Government Area

Research Questions

The following research question were addressed in the study

1. To what extent does a computer system impact on vouching in Ahoada-East Local Government Area treasury department?
2. To what extent does internet facilities impact on financial virement in the treasury department of Ahoada-East Local Government Area?

Research Hypotheses

The following null hypotheses (H₀) were tested in the study. The null hypotheses were treated at 0.05 level of significance:

- H₀₁:** There is no significant difference between the mean rating of senior and junior treasury staff on the relationship between computer system and vouching in the treasury department of AELGA.
- H₀₂:** There is no significant difference between the mean rating of senior and junior treasury staff on the relationship between internet facilities and financial virement in the treasury

Research Design

The survey research design was adopted in this study. This study involved collection of data with structure questionnaire from senior and junior treasury staff of Ahoada-East Local Government Area of Rivers State. This include the junior and senior treasury staff of the council. Specifically, it consists of 33 senior and 42 junior staff of the treasury department of AELGA of Rivers State. Questionnaires was used in collecting data for this study. The questionnaire was titled: ICT and Local Government Accounting Practice in AELGA Questionnaire (ICTLGAPAEELGAQ). The data collected through the questionnaire was analyzed using mean ($\bar{x}$) and standard deviation (SD) for the five (5) research questions while the hypotheses were tested using t-test statistic at 0.05 level of significance.

Results

Research Question One: To what extent does a computer system impact on vouching in Ahoada-East Local Government Area treasury department?

Table 1: Descriptive statistics of mean (x) and standard deviation (SD) on the relationship between computer system and vouching in AELGA, Treasury department

S/N	ITEMS	SA	A	D	SD	Mean	SD	Remark
1.	Computer Systems were used by treasury staff in preparing monthly voucher in the council	144	60	24	2	3.29	0.85	Agreed
2.	Computer Systems were used for issuing of financial receipts during transactions	84	102	24	3	3.04	0.81	Agreed
3.	Computer Systems were used in preparing financial accounts and records in the council	68	108	34	0	3.00	0.70	Agreed
4.	Computer Systems were used in saving/storing of financial records kin the council	100	87	26	3	3.09	0.85	Agreed
5.	Computer Systems were used for the management of revenue, collection / service in the council	64	18	44	26	1.79	1.06	Disagreed
6.	Computer Systems were used for the transfer of account details through e-mail in the council	84	108	14	6	3.03	0.87	Agreed

Result of the findings in table 1 shows the mean and standard deviation on the relationship between computer system and vouching in AELGA Treasuring department. From the findings of this study, the result in table 4.1 showed that there exists a significant relationship between computer system and vouching in the treasury department of AELGA. The respondents agreed with item 1,2,3,4 and 6 meaning that computer system were used in preparing monthly voucher, issuance of receipt, preparation of financial reports/records and as well used for the transferring of account details through e-mail. The respondents only disagreed with item 5, meaning that computer systems were not used for revenue management, collection and services in the council.

Research Question Two: To what extent does internet facilities affects financial virement in the treasury department of Ahoada-East Local Government Area?

Table 2: Descriptive statistics of mean (x) and standard deviation (SD) on the relationship between internet facilities and financial virement in the treasury department of AELGA

S/N	ITEMS	SA	A	D	SD	Mean	SD	Remark
7.	Internet facilities were used for budget preparation in the council	60	15	22	39	1.94	1.23	Disagreed
8.	Internet facilities were used for account reconciliation in the council	140	39	44	0	2.19	0.89	Disagreed
9.	Internet facilities were used for facilitating money lending and loan in the council	36	123	34	3	2.80	0.71	Agreed
10.	Internet facilities were used for processing bill of exchange in the council	144	48	20	5	3.27	0.96	Agreed
11.	Internet facilities were used for processing financial discount and allowance of council staff	52	126	30	0	3.00	0.72	Agreed
12.	Internet facilities were used in facilitating online banking services in the council	52	132	18	4	3.03	0.85	Agreed

Result of the findings in table 2 shows the mean and standard deviation on the relationship between internet facilities and financial virement in the treasury department of AELGA. From the findings of this study, the result in table 4.2 showed that there exists a significant relationship between internet facilities and financial virement in the treasury department of AELGA. The respondents agreed with item 3,4,5 and 6 but disagreed with item 1 and 2. The result showed that internet was not used for budget preparation and account reconciliation process of the council. There exists relationship due to the fact that internet facilities were used to facilitate money lending and loan process, processing bill of exchange, processing financial discount and allowance and facilitate online banking service in the council.

Research Hypothesis One (H_{01})

There is no significant difference between the mean rating of senior and junior treasury staff on the relationship between computer system and vouching in the treasury department of AELGA.

Table 3: Summary of independent t-test on the mean rating of senior and junior treasury staff on the relationship between computer system and voucheing in the treasury department of AELGA

Designation	N	Mean (x)	SD	df	t-test	t-crit	Decision
Senior Treasury Staff	30	2.89	0.79	68	0.809	2.00	Not Significant
Junior Treasury Staff	40	2.71	0.87				

The table showed that the mean rating of senior treasury staff was 2.89 and 0.79 as standard deviation (SD) while the mean rating of junior treasury staff is 2.71 and 0.87 as the standard deviation on the relationship between computer system and vouching in the treasury department of Ahoada-East Local Government Area of Rivers State. The calculated t-test value 0.809 while the critical t-value is 2.000 at 68 degree of freedom at 0.05 level of significance.

Since the t-cal (0.809) < t-crit (2.000), it is concluded that there is no significant difference between the mean ratings of senior and junior treasury staff on the relationship between computer system and vouching in the treasury department of Ahoada East Local Government Area of River Sate.

Research Hypothesis Two (H₀₂)

There is no significant difference between the mean rating of senior and junior treasury staff on the relationship between internet facilities and financial virement in the treasury department of AELGA.

Table 4: Summary of independent t-test on the mean rating of senior and junior treasury staff on the relationship internet facilities and financial virement in the treasury department of AELGA

Designation	N	Mean (x)	SD	df	t-test	t-crit	Decision
Senior Treasury Staff	30	2.93	0.67	68	1.082	2.00	Not Significant
Junior Treasury Staff	40	2.70	0.86				

The result of the findings in table showed that the mean rating of senior treasury staff is 2.93 and 0.67 as standard deviation while the mean rating of junior treasury staff is 2.70 and 0.86 as the standard deviation on the relationship between internet facilities and financial virement in the

treasury department of AELGA. The calculated t-test value is 1.082 while the critical t-value is 2.000 at 68 degree of freedom (df) at 0.05 level of significance.

Since the $t\text{-cal} (1.082) < t\text{-crit} (2.000)$, it is concluded that there is no significant difference between the mean rating of senior and junior treasury staff on the relationship between internet facilities and financial virement in the treasury department of Ahoada East local Government Area of Rivers State.

Discussion of findings

Two (2) research questions and two (2) research hypotheses were used to guide this research. The discussion of findings are presented under the following sub-sections: Relationship between computer systems and vouching in the AELGA treasury department, relationship between internet facilities and financial virement in the treasury department, effect of computer system on vouching in the treasury department, and effect of internet facilities on financial virement in the treasury department of AELGA of Rivers State.

Information and Communication Technology (ICT) is viewed as a component comprising of computer system, telecommunication network, internet facilities and multimedia applications used for the applications used for the purpose of carrying task. The use of ICT has improved service delivery at the local government area due to the high quality of processing speed and efficiency in the system.

From the findings of this study on the relationship between computer system and vouching in AELGA treasury department, the result in table 2 indicates that there exist a significant relationship between computer system and vouching in the treasury department. The result showed that computer system such as laptop and desktop computer with computer software's are used in preparation of monthly voucher. Other accounting services and duties were conducted using computer system. This accounting activities includes:

Preparation of financial report and records, transferring of account details through e-mails, issuance of receipt and preparation of statement of accounts.

From the findings of this study on the relationship between internet facilities and financial virement in the treasury department of AELGA, the result presented in table 4.3 indicates that there exist a significant relationship between internet facilities and financial virement in the treasury department of AELGA.

The result showed that internet facilities were not used for budget preparation and account reconciliation process in the treasury department of the council.

This result also indicate that internet facilities were used to facilitate money lending and loaning process in the council, processing bill of exchange, processing financial discount and allowances and facilitate online banking service and e-payment in the council.

From the findings of this study on the effect of computer system on vouching in AELGA treasury department, the result presented in table 4.3 indicates that there is a significant effect of computer system on vouching in the department.

The result showed that the integration of ICT (Computer System) into accounting practice of the treasury department of AELGA has positive effect on accounting a process of the council. The use of computer system has made the following accounting practice easy: Processing of voucher, preparation of financial account, transfer of fund and keeping of financial records, payrolling and revenue management processes.

From the findings of this study on the effect of internet facilities on financial virement in the treasury department of AELGA, the result in table 4.4 indicates that there exist a significant and positive effect of internet facilities on financial virement in accounting practice of AELGA.

The result showed that the integration of ICT (internet facilities) into accounting practice of the council has positively affected financial virement process. The use of internet has enhanced accounting practice process, enhanced online accounting process (online banking and e-payment), financial lending and loaning process, and fund transfer process in the council.

It was found that there is no significant difference between the mean ratings of senior and junior treasury staff on the relationship between computer system and vouching in the treasury department of AELGA of Rivers State. The null hypothesis (H_0) was not rejected because the calculated t-value (0.809) is less than the critical-value (2.000). It implies that the senior and junior treasury staff agreed that there exist a relationship between computer system and vouching in the treasury department of AELGA of Rivers State.

It was found that there is no significant difference between the mean ratings of senior and junior treasury staff on the relationship between internet facilities and financial virement in the treasury department of AELGA of Rivers State. One null hypothesis (H_{02}) was not rejected because the calculated t-value (1.08) is less than the critical t-value (2.00). It implies that the senior and junior treasury staff agreed that there exist a relationship between internet facilities and financial virement in the treasury department of AELGA of Rivers State.

Conclusion

Based on the findings of this study, the following conclusions were made:

1. ICT facilities (Computer System) have a significant relationship with vouching. The study shows that computer systems are used in preparing vouchers in the council.
2. ICT facilities (internet facilities) have a significant relationship with financial virement. The study shows that internet facilities are used performing some accounting processes such as financial virement.

Recommendations

Based on the findings of this study, the researcher makes the following recommendations

1. Competent and qualified ICT resource personnel should be engaged for the training and retraining of staff at the Local Government Area.
2. The leadership of the Local Government Area should provide adequate ICT facilities and enabled materials to ensure effective implementation of ICT at the Local Government Area.
3. The Local Government Area should ensure that the ICT Centers are funded properly and utilized for better performance

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