

TITLE PAGE

**ACCOUNTING INFORMATION SYSTEM AS A MEANS OF
ENHANCING FINANCIAL MANAGEMENT OF TRANSPORT
COMPANY**

**(A CASE STUDY OF THE NIGERIAN RAILWAY CORPORATION
ENUGU)**

BY

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APPROVAL PAGE

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DEDICATION

This project work is dedicated to the most Sacred Heart of Jesus and Immaculate Heart of Mary for their mercies and love and to my beloved parent Mr. and Mrs. Peter Igwebuike and also to my uncle Engr. Emmanuel Igwebuike for his advice encouragement and financial support towards my academic pursuit.

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ABSTRACT

Accounting information system in a transport organization has been a great problem to the third world countries in general, which Nigeria as a country has its own share. This research work, "Accounting information system in a transport organization, suggests ways of minimizing the effects of the problems of inefficient accounting information. It is believe that an improvement in this regards will enhance the performance of the corporation. To enable the researcher find solution to the problem of this study, some questions were raised in the form of hypotheses, which were developed comprising the null and alternative hypotheses. The methods of data collection were primary and secondary data method. The data collected were analyzed by use of simple percentages while chi-square was used to test the hypothesis formulated for validity. Findings show that accounting information is an indispensable tool in the management of Nigeria Railway Corporation and the activities of unqualified and incompetent accounting officers are responsible for the performance of the accounts departments in Nigeria Railway Corporation. Based on the findings, the researcher concludes that the accountant should put more efforts especially when computing the financial statement since accounts fraud result from ignorant of proper accounting procedures. Since the financial statement are sources of document of accounting information, efforts should be made in generating more relevant, timely, effective and accurate accounting information necessary for prevention or detection of fraud.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The Nigerian Railway Corporation (NRC) has been in existence for years. It is regarded the largest transport corporation in Nigeria and has a high network operations.

The Nigerian railway corporation is One Hundred and Fourteen years (114) old and it runs a unilaterally designed track system of 1067mm charge gauge. Only 30km of its track distribution is in double track and that is within Lagos area.

Nigerian Railway Corporation actually commenced rail business activities with the construction of the first rail line from Lagos to Ibadan 193m between 1998 and 1901. By 1964 when the construction of 640km Kano-Maiduguri rail line, then known as Bornu extension, was completed, the present core of the railway network hard been put in place.

Presently, the railway system is made up of 3'505 route kilometers and 4332 track kilometers. In addition to this is the 19km 1067mm gauge extension from Port-Harcourt to one deep sea port and the 277km standard gauge rail construction

of 1435mm from Ajaokuta to Warri. Nigerian railway was transformed from its first and initial name.

“Government Department of Railway” to Nigerian Railway Corporation in 1955 through the instrumentality of the statutory act of parliament which, apart from changing the name of the railway industry in Nigeria, equally conferred on it absolute monopoly as the institution recognized by law to carry out railway services.

The general aim and object of the statutory act of parliament of 1955 for Nigerian railway is to recognize same as carrying out its function of effecting “carriage of passenger and goods in a manner that will offer full value for money, meet cost of operation, improve market share and quality of services, ensure safety of operation and maximum efficiency, meet social responsibility in a manner that will meet the requirements of rail after, trade, commerce, industry and general public”.

The headquarters of the corporation is located at Ebute-metta in Lagos state while the entire network is for administrative convenience, divided into seven autonomy districts viz.Lagos (Ebute-Metta junction), west (Ibadan), north (Zaria), east Enugu), North-west (Minna), north- central (Kanfanchem) and North-east (bauchi)

The railway system has been undergoing same rehabilitation and modernization with the full political and financial support of the federal government through the federal ministry of transport. The rehabilitation of the railway system includes track spot removal of Lagos to Kano and Maiduguri to port-Harcourt, supply of 25 new locomotive engines from brazil south America to boost the registry motive power base of the corporation, up grading of the signaling and telecommunication system from manual to semi automatic, as well as rehabilitation of carriage and wagon workshops, re-equipping the workshops, supply of service support (spare part consumables), strategic rebranding of the corporation, rehabilitation of stations and marshalling yards inter alia.

Equally, new railway lines are being constructed in standard gauge (1435mm). These include: Ajaokuta-Warri of 277km, Kaduna-Abuja (Idu) line of 186km while the scope of work for Lagos-Ibadan segment is under review together with its cost implications.

The Nigerian Railway Corporation has contributed amenable towards the improvement of social life and the development of the national economy. This is through to be extended to every part of the country that is the haven stages which will lead to permanent prosperity confident was such an ultimate triumph of the railways.

However, regardless of the huge success made by the corporation, it is facing a hard time.

1.2 STATEMENT OF PROBLEMS

Nigeria Railway Corporation which dominated the transport sector of the economy in the sixties is presently being delegating by other means of transport such as road transport, sea, and air transport. The corporation has lost her passengers and freight mainly to road transport; this is because of inability of the corporation to compute effectively in order to meet the age longed challenges.

Ordinarily there should have been growth in both road and railway transport but the railway transport seems neglected. The truth of the matter is not just neglected, but a problem of cash flow difficulty and management these affect the purchase of spare parts, repair, payment of salaries, inadequate infrastructure support and enhance service rendering.

Given the above condition of the Nigerian Railway Corporation in the nations transport industry, the problem which looks for detailed analysis and solution includes the following questions.

1. Is the accounting information used in the corporation adequate for managements short and long term plans?

2. Have the accounting officers in the corporation has the needed professional skills to cope with demands of the job?
3. Is there any serious effort made by the corporation to boost operation?
4. Do the accounting officers perform their duties without the interference of the management?
5. What is the mode of approaching the chief accounting officer of the corporation?

Answer to these questions above constitutes the basic problem of the researchers work.

1.3 OBJECTIVES OF THE STUDY

Bearing in mind the above mentioned problem study is aimed at finding out among other things such as:-

1. The organization of accounting department in Nigerian Railway Corporation with particular interest in the eastern division of the corporation and how the accounts department contributes to the achievement of overall goals for the corporation.

2. Whether the accounting information is actually one of the effective management tools in the railway corporation.
3. Whether the accountants in the corporation adequately perform their duties in conformity with the statement of accounting standards (SAS)
4. In where the tools of the accounts department to the performance of the individual workers in term of their output.

1.4 RESEARCH QUESTIONS

Despite the problem mentioned above concerning the Nigerian railway corporation, these questions are been asked towards their accounting department.

1. Dose the account department of railway corporation Enugu contribute to the achievement of the overall goals of the corporation?
2. Is the accounting information actually one of the effective management tools in the railway corporation Enugu?
3. Dose the accountants adequately perform their duties in conformity with the statement of accounting standards?

4. What are the tools of the accounts department to the performance of the individual works in terms of their output?

1.5 HYPOTHESIS OF THE STUDY

The following hypothesis were postulated as a guide to the researcher:

1. **H₀**:- accounting information is not an indispensable tool in the management of Nigerian railway corporation.

H₁:- accounting information is an dispensable tool in the management of Nigerian railway corporation.

2. **H₀**:- The activities of unqualified and incompetent accounting officers are not responsible for the poor performance of the accounts department in Nigerian railway corporation.

H₁:- The activities of unqualified and incompetent accounting officers are responsible for the poor performance of the accounts department in Nigerian railway corporation.

3. **H₀**:- The absence of computer system application dose not affects the timeless, accuracy and availability of accounting information in Nigerian railway corporation.

H₁:- The absence of computer system application affects the timelessness, accuracy and availability of accounting information in Nigerian railway corporation.

1.6 SIGNIFICANCE OF THE STUDY

The role of accounting information in the management of large business organization cannot be over emphasized. It is based on the fact that the research is to study and appraise accounting information system as a tool of management using the Nigerian Railway Corporation Enugu as a possible way of minimizing the problem for better and enhanced performance as the corporation.

The knowledge about these problems and their way out will help remedy other transport corporation in similar state. This study is to make recommendation that would boost the operation performance of the account department in the Nigerian Railway Corporation Enugu if being implemented. Besides, the study of this work is to help as well as serve as a term of reference for those who may be interested in using it.

1.7 SCOPE AND LIMITATION OF THE STUDY

This study is on the Nigerian Railway Corporation Eastern division, the limitation of this study in Nigeria railway corporation eastern division Enugu. This is due to some constraints; those constraints were financial difficulties which prevented the

running down from one relevant railway corporation division to another for sources of information necessary for this study.

Another constraints are the time limit within my disposal, the demand from the academic activities and limit within this study is to be presented constitute the constitutes

1.8 DEFINITION OF TERMS

FRIGHTS: This is the volume of revenue acquired by all haulage of goods by the good train.

PASSENGERS FARE: This complies of the returns made from ticket sales and penalties by defaulting passengers.

LOLLING STOCK: This include the entire carrying system which is made up of the locomotive engine, coaches, wagons, (both covered and uncovered) and tanks. They are used in the haulage of goods and in carrying passengers.

LOCOMOTIVE ENGINE: This is the enquire mechanism at the head of the rolling stock that pulls then along the truck in the movement of goods and passengers trains.

COACHINGS: These are revenue from country's produce, luggage, parcel and livestock.

CHAPTER TWO

2.0 LITERATURE REVIEW

Railway industry holding a strategic position in the growth and economic development of many countries have attracted much attention, and as such, has consumed a lot of literature both far and near by many people.

Haag S. (2005:36-40)] in his own contribution says that approximately 90% of the railway revenue are derived from product originating from or destined for the north. The volume of the foreign and passenger traffic was growing in the Nigeria Railway Corporation in the past would way freight traffic in 1959- 1960 totaled, 1,103,000 ton miles of goods. Ten-mileage in 1959-1960 was approximately two times that of 1946-1947 showing an upward traffic treat in the system. Also in 1962, the Nigeria of trial freight traffic although only 40% involved total commercial passenger traffic.

According to the Nigeria Railway Corporation Annual Report in (1976). The Railway in many countries has its once predominant position as the leading of the transportation. However, it still remains a lightly important public asset of the people in Nigeria and will continue to play an important role of Nigeria's development economy in 1974-1975, the freight carried amounted to 3,730,000 ton

miles and for 1975-1976 and 1976-1977 the figures were 4,105,000 net- ton miles and 4,888,000 net tone-miles respectively. In 1982, the figure was 3.4 million tons and in 1984 it was 1,099, 504 tons.

The explosive growth which rise in large and long trade services, take over both short and long had traffic during their periods resulted in railway loss of much of the traffic till this day, even thought the decline in production of some of the commodities carried by railway may have also contributed to the decline.

For example, the amount of the palm oil moved by the railways dropped, from 62,234 tons in 1949-1950 to only 4,966 in 1959 – 1960 while the amount of the palm kernel hauled decreased in the some period from 38, 613 tones to 6.356 ton. In the annual report [1976-1977], the total amount of Grandaunt hauled in 1972 was only 8,221 tone of Grandaunt out of 9,645 both giving the Nigeria Railway Corporation total revenue of 287,402. In the same note, coal hauled was 4 tons in 1976 and 21 tons in 1977 and nothing in 1976.

But with the privatization and commercialization of the coal corporation to Eagle Mining Company Limited [EMCOL] in 1990 the quantity of coal hauled increased. However the increasing urban and rural population, as well as the increasing number of trading centers, strongly suggests that greater attention should be paid to the railway industry for the provision of mass transportation of

goods and people. This trend is steadily gaining acceptance even in the highly developed and industrialized countries of the world.

David F.S (1991:45-52) once wrote that further development of the railway in Israel, “is the only alternative to having our roads and cities completely dogged by cars. The train is coming back into fashion all over the world. It is fast, safe, comfortable and it does not pollute the air.

Another, major contributor to the railways transportation was Edwin T. Harefele (1990:20) contributing to the efficiency of the tracks he opined that large, the six major new constructions projects are in various stages of planning and design by consultants to Iran republic railways, the principle aim is to eliminate the remaining meter gauge and provide a strategic network, suitable for fast passenger and bulk freight service, serving all important centers of the population. A secondary objective is to assist international trade by the provision of new railway to other nearby countries.

In May 1971, American national railway passenger corporation [AMTRAK] was created to take over the entire inter-city passenger rail services within a basic system designed by the secretary of transport, if the railway was willing to enter into special contract with AMATRAK.

Another major experiment in railways re-organization and rehabilitation began in April 1976, when the new consolidated railway corporation took over the property and operation of six bankrupt railroads of the northeast, consolidated railway corporation has \$2,140 million of government funds to help minimize basic track problems and re-established potential railroads.

G.W. Wilson in the United States of America of the importance of the railways, which in early 1976 saw the president signing the railway revitalization and regulation reform Act. It made provision for government investment of \$6,400 million in railroads to assist in restructuring much worn-out track and other facilities.

Britain, Columbia, France and even Syria are all in the bid to revitalize their railways. One important point which the above started development programmes, by both developing and developed countries have clearly brought into focus is that, the glorious days of the pessimist would what they would believe, the various construction of the various modes of transport to the economic social and political life of the respective countries are programmes that emerged after a critical look on how to solve transport problems.

Considering the stages of development of this country and the resources (human and materials) with which it is endowed, it becomes important that greater

recognition be given to the contributions the Nigeria Railway Corporation can make and that now is the time to equip it adequately for greater performance and efficiency. The country's rail network should not be hard hit by successive stop-go measures, by curtailing the scope of its plans or by putting its development plant in the "ice new is the time to give it full financial and move backing on a continuing basis and ensure that there is a rational co-ordination of transport in the country [Nigeria rail, 1990 Vol. 8].

Wilson G. Bergman (2005:45), on the impact of high way investment on development, wrote that in development countries of the world such as US.A, Britain, etc, all the modes of transportation are coordinated to "provide for their once impartial regulation of all modes --- to recognize and preserve the inherent advantages of each, to promote safe and adequate, economic and efficient service aimed at developing, co-ordinating and preserving a national transport system, adequate to meet the needs of commerce postal service and national defense". This should be the objective, aspiration to all ministries of transport all over the world. The risks of life and property in Nigeria roads and some other social ills are indeed the fault of bad transportation system and lack of co-ordination.

2.1 THE CONCEPT OF ACCOUNTING INFORMATION SYSTEM

Accounting information and system are of two different words with different meanings, but for the course of this work, they are integrated so as to drive home the required result, that is, minimizing the problem of poor and inefficient accounting information generated from the account department of Nigeria Railway Corporation.

Enekwe I.C.(2010:1-6)in his definition, he defined accounting in various ways, as a” service activity, a descriptive and analytical discipline and information system”. As service activity, it provides interested parties with qualitative financial information that helps take economic decision.

Being a descriptive and analytical descriptive, it identifies mass of events and transactions of an entity for proper stewardship.

Osuagwu D. C. (1998:16), defines a system as, “a set of parts co-ordinates to accomplish a set of goals”. It has component parts which do not work in an isolation of the other components. Accounting information system can be classified broadly into financial accounting and management accounting. While the former is concerned with financial decision that can be taken by management to ensure effectiveness and result oriented operation.

The accounting concepts are: the business entity, going concern continuity historical cost, quantification, dual aspect, accrual and realization to ensure effectiveness and result oriented operation. The accounting concept is to be followed strictly in accounting concept information system. As an information system it collects and communicates economic information about business and non business organization, to a wide variety of persons and organizations whose actions and decisions are related to the activity being communicated.

Accounting may be defined in a not shell as a systematic means of writing an economic history and plans of an organization in both quantitative and financial manner so that facts can be revealed and properly analyzed such facts for the purpose of advising management.

The accounting is responsible for directing controlling and co-coordinating the work of book-keeping staff. It is part of his duty to prepare periodical accounts such as trading, profits and loss accounts and other financial statements in a form which will be of assistance to the management not only in appreciating past results, but in formulating future policy, by careful and scientific analysis of accounting records. He can bring to light significant facts which will enable management to take effective economic decisions.

The place of accounting concepts in accounting information system is of great important that it cannot be done without. This form the basis of accounting information, there is no accounting information that will lack these concepts and work as an accounting information, it is the foundation up which accounting information is built. The place, importance and role of these concepts mentioned above can not be over emphasized. The concepts of accounting information system which it, the information in relations to accounting will lack merit and validity, it will be unreliable.

In every accounts department the staff should be grounded in these concepts, so as to work with the sense of knowing where and what should be done. The accounting concept to classify, summarize data to relatively small, highly significant and inter related items that when properly assembled and reported, describe the financials condition and result of operation of such an entity. The officer should endeavor to ensure that the staff working under his department [accounts department] should have adequate knowledge, about these concept and should be able to apply it when necessary. This will give the job a more direction and better identity.

2.2 THE IMPORTANCE OF ACCOUNTING INFORMATION

It is necessary that an organization gets the needed adequate accounting information in order to function effectively. Accounting information is therefore important for the following reasons.

- i. Input and their cost of acquisition: it is very important to know the cost of investment into the acquisition asset, material, stock and goods operation cost etc. this will enable the owner take such decision like replenishment of stock, stock valuation etc.
- ii. Planning production is one of the importances of accounting information which helps an organization to plan out production.
- iii. Accounting information in order to certain the amount of profit or loss made in an organization as well as providing necessary tools for determination of its true financial position is required.
- iv. Accounting information is also necessary to decide on the type of their labour, ways and salaried
- v. Accounting information is needed for the valuation of goods and service produced.

- vi. Prevention of fraud and discovery of fraud:- frauds can only be discovered and prevent in an environment when there is good internal control in place, and a good internal control cannot be in place where there is no form of keeping trade of event.
- vii. It also provides a guide to future policy.

2.3 THE USERS OF ACCOUNTING INFORMATION

There are several users of accounting information in typical business, organization or parastatals.

- i. The proprietor: business owners see it for business and profit forecast and for knowledge on drawing limit from the business without affecting it.
- ii. Prospective investors;- it provide enough basis of assessing the organization for decision making in whether or not to invest into the form.
- iii. Creditor/supplier:- the creditor will want to know whether the amount owing to them will be paid when due. Trade creditors are likely to be interested in an enterprise over a shorter period than lenders unless, they are dependent upon the continuation of the enterprise as a major customer.

- iv. Customers: customers have an interest about the accounting information about the continuance of an enterprise, especially when they have a long-term involvement with, or are dependent on, the enterprise.
- v. Government and their agencies: government and their agencies are interested in the allocation of resources and, thereof, the activities of enterprisers. They also require information in order to require the activities of enterprises, determine taxation policies and as the basis to national income and similar statistics.

2.4 CRITICISM OF ACCOUNTING INFORMATION SYSTEM IN NIGERIA RAILWAY CORPORATION

Accounting information system has come under strong criticisms which are listed below:

- i. Accounting information system depends on data from other department units and sub-units for its operation.
- ii. Falsificated fact and requires make accounting information system objective unrealistic.
- iii. It is vulnerable to staff manipulation for selfish interest.

- iv. Distortion of outputs quality by corrupt personnel makes accounting information system unreliable.
- v. The efficiency and effectiveness of accounting information system is usually militated by the management.
- vi. The system does not operate itself, thus acting, like a movement.
- vii. On the basis of the historic concept of accounting information system does not always suits the present complex age.
- viii. Accounting information system is not an independent system. This is because it cannot operate itself but needs personnel to carry it out for effectiveness and expected result.
- ix. It is built on traditional concepts which do not recognize the changes of the presenters.
- x. It is built jeopardized by sub-optimization of other sub-system/system components] this is because they may not corporate with the system.

Is transferred from one person to another in such a manner the information is not distorted in understanding it.

Osuagwu D. C. (1998:25-32) explain system approach by saying that changes affecting a part in a system will also affect the whole system and thereby affecting the efficiency of the overall system. The overall system characteristic is greater than the sum of the separate parts.

Account department cannot work in isolation. The cooperation from other departments and their heads is highly needed.

The accounts department of the Nigerian railway corporation had not been finding it easy working with the other departments. To other departments and heads of the accounts sections is seen as anti self progress of individual staff members, the reason is because of those who would use the opportunity to increase their selfish wealth interest. The policy guiding the accounts department operation makes it seen as a threat. The discord makes it difficult for the accounts department to have access to equate information to work with.

The fact, that the appointment of directors, accountant generals by political reasons are being appointed by those in power for compensation regardless whether they are qualified or not, professor Charles Soludo (2005:67) described it so.

2.5 THE OUTPUT OF AN INFORMATION SYSTEM OF THE USERS

According to Ituwe C. E (2005:42)] there are several groups of people who have vested interest in a business organization, managers share holders, employees, customers and creditors. Additionally the community at large has economic and social interest in the activities of business organization. This interest is expressed at national level by the concern of government in various aspect of firms activities such as their economic well being, their contribution to welfare, their part in the growth of the national production.

An examination of this type of decision made by various users of accounting information may be taken as a basis for stipulating the objectives of an accounting information system and for evolving a theory of accounting by which to judge the relevance and usefulness of the information produced by accountants.

The user in general terms should be seen as decision makers interested in determining the sacrifices which must be made to obtain the benefit which are expected to flow from the decision to which they commit themselves.

- i. Information needs of share holder. Historically business accounting developed to supply information to those who had invested their wealth in business venture. The respect, the corporate report [accounting standards

committee, 1975] stated that reports should be relevant understandable, reliable complete, objective, timely comparable.

The investor is concerned primarily with estimating the individual dividend and risks associated with an investment. Other information needs of the investor include.

1. Forecasts of the cash flow expected by the enterprise in the future.
2. Forecasts of the cash expected for all segments of the enterprise in the future.
3. Statement of the dividend policy which the enterprise intends to pursue in the future.
4. Forecast of the realizable value of assets etc. The published balance sheets and profit and loss account cannot adequately provide these information needs.

ii. Management

The management process may be analyzed into three major functions: planning, organizing and controlling the activities of the organization. These various management functions have one thing in common-they are all concerned with making decisions which have their own specific information requirements. Accounting information assets management in its various functions. For example

costs plays a very important role in management decision making, this is not surprising that accountants are very involved with the collection and the analyzing of cost information.

iii. Employees

Employees and prospective employees required information in assessing the security and prospects of employment of the information for the purpose of collection bargaining. It is a popular view that the interest of employees are in direct conflict with those of the firm and in particular with those of management, unless employees are able to share in the profit of business organization, they are effectively dissociated from their activities. It is recognized that employees have a vested interest in the outcome of management decisions of every kind. Therefore, it is evident that there must be eventually a symmetry of treatment between shareholders, management and employees in respect of the accounting information which each group required and receives

iv. Government

Government agencies, such as central statistical service, ministers of commerce and industry, employment etc. collect information about the various aspects of the activities of business organization. Much of this information is a

direct output of the accounting system. For example levels of sales activity, profits, investment, stocks liquidity, dividend, proportion of profit absorbed by taxation etc. this information is very important in evolving policies for managing the economy.

V. Creditors

The main concern of creditors is whether or not an organization is credit worthy, that is, will it be able to meet its financial obligation?

They are interest in the organization profitability only on so far as it affects its ability to pay its debts. On the other hand, creditor are very concerned with the firms liquidity, that is those cash or near cash resources which may be mobilized to pay items, as well as the willingness of banks and other creditor to await payment.

Creditors are therefore, mainly interested in financial accounting information which affect solvency, liquidity and profitability. The accountant does provide these information needs in his financial reporting.

So far this work has dealt with the information needs of four major groups which have vested interests in business organizations.

How far and adequately their information needs are suitable satisfied depends largely upon the pressure which these groups exert upon the accountant to

produce information tailored to their needs. It is important to note that the information needs of management are more adequately met than those of employees, shareholders, creditor and government.

2.6 OUTLINE OF THE INFORMATION GENERATION PROCESS AND SOURCE DOCUMENTS

The output of financials accounting information is the result of a process involving the following stages:

- a. The preparation of source document
- b. The entry of basis data into source records.
- c. The posting of data from the source records into the ledger which is a permanent record of data.

Although the principles underlying the financial accounting system remain unchanged, its process have and are continually undergoing modification and improvement and stream lined the data recording process and has permitted the integration of several stages of this process into a single operation.

i. Source Documents

Financial accounting data originates in transactions. Source documents capture the details of these accounting events. They also have a very important functional purpose as regards and classified according to their source.

1. Financial accounting data flows are generated from activities conducted between the firm and external groups such as customers and suppliers of materials, goods, services and finances.
2. Data flows generated internally constitute a substantial volume of the total information flows. These flows are generated and channeled through a management information system, the function of which is to meet the needs of management for the purpose of planning and control. Since the firm is an open system, it is clear that the initial impetus for any activities stems from some agent in the firm's environment.

ii. Source Documents Related to Sales:

The function of the sales department is to encourage the sales of the firm's product. Once a salesman has concluded a sale with a customer, he completes a sales order form. The original is sent to the customer as an acknowledgement of the order, and in the case of credit sales, one copy of the sales order form goes to

the credit control department for approval. If the goods are in stock, the credit control department will pass the authenticated sales order form to the stock control department so that the release and dispatch of goods may be affected. All advice note is sent to the customer when he goods are dispatched advancing the data of dispatch and mode of delivery.

The goods are normally accompanied by a delivery notes stating from the description of the goods and quantity involved through not the price.

The customer acknowledgement receipts of the goods by signing the delivery note. When the goods have been released by the stock control department for dispatch, a further, copy of the sales order stating the data of dispatch is sent to the sale invoice section of the account department, so that the sales invoice may be prepared.

The sales invoice state the nature, quantity and price of the goods ordered and the amount due to the firm by the customer. The copy of the sales invoice is the source document which provides the data which will be received in the financial accounting system.

The sales order form is used for the following purpose:

1. As a record and conformation of a sales-one copy of the sale order form will be kept by the sales department.
2. As a means of irritating a procedure for checking the credit worthiness of a customer prior to proceeding with the completion of the order.
3. As a document authorizing this relate by the stock control department.
4. As a means of checking and dispatching the right goods to the right customer by the dispatching department. One copy of the sales order is kept by this department for this purpose.
5. As a mean of preparing the sales invoice which will state the amount due from the from the customer. One copy of the sales order will be retained by the accounts department.

iii. Source of Document Related to Purchase

The purchasing department and supplies needed by the corporation are related. Each request is made on a requisition form starting the mature and the quantity required, which is signed by an authorized person. The purchasing department selects a suitable supplier and sends him a purchase order form setting out the description quantity and required delivery data of the goods, together with instruments as regards dispatch and invoicing.

The purchase order will refer to the quoted price of the goods according to the supplier's catalogue. Copies of the purchase order are distributed to the several departments concerned, namely the receiving department which needs to know the details and the data of receipt of the goods, the stock control department to advise on the pending arrival of goods and to serve as a check on the receiving department, the accounts department for checking that the price quoted list and the ordering department to confirm that the order has been placed.

iv. Source Document's Related to the Receipt of Goods:

Upon delivery of goods, the receiving department verifies that the goods delivery compares in every detail to the copy of the purchase order. When they agree, a goods received note will be prepared which details the descriptions of the goods received, their quantity, quality and condition. A copy of the goods received note is sent to the department concerned with the audit of the receipt of goods, which is usually the purchasing department.

A copy is also sent to the accounts department and the department responsible for the order. The stock control department is notified also because it is responsible for the storage distribution and control of stocks.

The stock control department maintains record of stocks and ensures that adequate stock levels are maintained.

In due course, the supplier sends an invoice stating the description, quantity, price of the goods ordered the data of dispatch of the goods and the goods received note and if there are no queries then the invoice is cleared for payment. Normally, invoice is paid monthly. This permits the work flow in the accounting department to be efficiently organized and allows the payment procedure to be properly supervised.

2.7 APPLICATION OF COMPUTER SYSTEM

Typical areas of general application of computer system area

1. Stock recording and control,
2. Integrated sales ledger, purchase ledger, normal ledger
3. Pay roll
4. Job costing
5. Word processing and
6. Budgeting control/financial modeling.

Recent development in office automation incorporating the telex system enables companies to communicate business transaction [e.g. Purchase order, quotations] directly and virtually instantaneously. Computer may be programmed to make decisions automatically and the implications of this characteristic for data processing could be explained briefly.

If sales order is fed into the computer, together with information from the debtors ledger and up to-date information on stock on hand. First, the computation provides information on the outstanding customers balance and shows whether the customer is credit worthy. Credit limit are established in advance for each customer. The computation adds the values of the order to the order to the balance outstanding on the customers account in sales ledger and compares the total with the credit limited.

If the credit has not been reached, the order to cleared for further processing. This procedure allows the company to exercise a meaningful credit control check and to avoid processing any orders for customers with an exercise debt.

Secondly, the computer provides details of the stock available and allows the firm to identify immediately which items can be dispatched. For these items,

the computers dispatch/invoice programmed would automatically produce a dispatch not to send to the warehouse and an invoice to be sent to the customer.

Thirdly, the invoice is automatically posted to the customers account in the sales ledger and to the sales accounts in the nominal ledger.

Fourthly, the computer adjusts the stock records in respect of the order and calculates a new balance with the balance in stock which is required for each item of stock. If the stock level falls below the recorder point then the computer produces a purchase requisition so as to replenish the stock to the designated level.

Fifthly, at the month and statement of accounts are produced automatically showing how much customers owe the firm at a given date and analysis of the age structure of debtors.

The system characteristics of accounting suggest that the systems approach is the ideal way of studying the subject. It is not sufficient however, to view accounting as an operating system for its relevance and sinfulness may only be ridged by degree with which its output meets the needs of the users of accounting information. By identifying the basic goal of an accounting information system as being the provision of information for decision making, the researcher provides a frame work by which to judge the effectiveness, of that system. The system

approach facilitates an interdisciplinary study of accounting because it requires that it be viewed, not in isolation but as one element in a broad information context.

2.8 ACCOUNTS DEPARTMENT IN THE NIGERIA RAILWAY CORPORATION

In attempt to give a through treatment of this sub-topic, the research personally went to Account Department of the Nigeria Railway Corporation, Enugu where he met the Chief Accountant Officer's Assistant and some of the other officers of account unit. The preparation of monthly transcript rate book, treasury cash book and the annual accounts, subject to the instructions of the Divisional Accountant who is in-charge of the accounting Department and shall be responsible to the Railway Divisional Manager.

Subject to the delegation of power, the duties of the Divisional Accountants are:

- a. Co-coordinating, planning and control of all revenue and expenditure connected with the fulfillment of the corporation's policy.
- b. Preparing and issuing budgets designed to express the corporation's policy and to ensure the necessary control of operations.

- c. Keeping adequate accounts and records covering all aspects of the corporation's business transactions and preparing annual accounts for presentation to the board and the Minister.
- d. Preparing and issuing periodic state-statement to show the current operating and financial position in relations to the budget and drawing the managing director and Heads of Department attention to department from the policy plans budgets.
- e. Receiving banking and accounting for all money received which ensuring adequate provision for collecting money due from customers.
- f. Maintaining and issuing to heads of department information for cost control of labour, materials and overheads, and preparing reports required from the required periods.
- g. Making his book and records available to the auditors and assisting them in the execution of their managerial work.
- h. Planning, control and co-ordination of accounts methods throughout the organization and offering leadership to all other accounts officers.

2.9 FUNCTIONS OF THE ACCOUNTS DEPARTMENT

The accounts department of the corporation is mainly responsible for:

- i. Checking of all transactions affecting receipt and expenditure.
- ii. Prompt settlement of divines in accordance with prescribed rules.
- iii. Compiling financial statement reports and other valuable statistical information for management consideration and actions.
- iv. Giving advice to management in all methods involving railway financial wherever required or necessary.
- v. Collecting promptly all revenues to the corporation and ensuring people custody of all corporation money.

2.10 OFFICERS OF THE ACCOUNTS DEPARTMENT

The accounts department of the corporation is made up of an indoor staff of senior and junior officers. The live of authority of the senior staff or accounts department are”-

The director of finances, who also is the financial adviser to the corporation:- assistant Chief of accounts, funds management [pension], principle accountants, Divisional Accountant [Head of Department in Divisions senior

accountants, accountants, higher executive officers [accounts], nm the corporation all these officers are referred to as finance and accounts, officers. They are attached to other departments and are described as departmental account officers.

2.11 ACCOUNTING OFFICERS AND HEADS OF DEPARTMENT

The managing director as the Chief executive and the other subordinate executive known as heads of department are responsible for the construction maintenance and operation for the railways. In the proper and legitimate discharge of their responsibilities, they are authorized to incur expenditure within certain financial limits. All claims against t he corporation arising out of such expenditure are checked and paid by the financial and accounts officers, in accordance with the prescribed rules. The finance and accounts officers shall therefore given financial advice, be a constructor critic and act solely in the interest of his head of Department.

2.12 DISAGREEMENT BETWEEN ACCOUNTS OFFICERS AND MANAGING/HEAD OF DEPARTMENT.

In the even where there is disagreement between the managing director and the director of finance which matter is of major importance, the director of finance shall request that the matter be brought before the board. Where the disagreement

is between the head of department and his departmental finance and account officer, the matter shall be referred to the director of financial whose division shall be finance on matters of accounting or financial nature.

When the disagreement is a policy the director of finance shall refer it to the managing director for decision.

Therefore, when the managing director or head of department is unwilling to make steps on the above disagreement the director of finance shall have direct access to the board.

2.13 ACCOUNTING SYSTEM IN THE NIGERIA RAILWAY CORPORATION

Budgets or estimate are prepared covering a defined period of time of the over all policy to be pursued during the given for the purpose of attaining a given objective or goal. For budgets to be effective there must be a control which means that a check has to be made in the course of corporation which is known as budgetary control.

Its advantages can be summarized as follows:

- a. Making plans for the future

- b. Setting up budget based on plan
- c. Recording actual revenue and expenditure promptly and accurately
- d. Comparing actual revenue and expenditure with budget investigating reasons for variations and reporting to management.
- e. Taking a corrective measure based on reports from an account officer.

Function within each, department for which funds are dictated and divided into sections known as cost centers. A senior staff must be identified as responsible for the operation and financial control of a cost center he shall be known as controlling officer as he is part of management thus bringing him into more active and responsible participation in the corporation activities. There are three facts to the corporation annual budget they are revenue budget maintenance, expenditure budget and capital expenditure.

REVENUE

The corporation gets their revenue through coaching and good traffic advertising and other miscellaneous source such as vent, land and building, sales of scrap, unclaimed goods and other overhead charges on work done for outside parties etc. budget by allocating to form the first draft. After that the divisional accountant shall summon each head of department in turn to a meeting to consider first draft. The divisional account shall determine the general changes and net revenue account.

2.14 CAPITAL EXPENDITURE BUDGETING

The corporation capital expenditure programmers shall be kept in one with the national economic development plan covering in most cases five to seven years or more. Head of department shall submit capital expenditure proposal with full supporting justification to the managing director through the director of finance.

The director of finance shall summaries all projects and prepares a draft with his comments to the managing director who shall summon a meeting of all heads of department to consider each department proposal as they affect the overall policy to be followed of finance shall prepare a final summary of the entire project approved for submission to the board.

The draft of capital and recurrent budget shall be presented by the director of finance to a committee of heads of department with the managing director as the co-ordination authority. The final draft from this committee shall be presented to the board for approval, maintenance or recurrent budget shall be broken down into the railway cost centre by department accounts officer and copies shall be distributed to officers, concern. It is the duty of every head of department employing the service of the departmental account officers to watch the expenditure of his department with reference to the account provided in the estimates. The departmental account officers shall keep a voter service ledger in such form as to clearly show at any time in respect to each sub head. The total amount of expenditure incurred and any further known liabilities in respect of the services of the year.

In order to ensure that officer in control of votes are kept informed of expenditure charged to their voter and to enable them to check their vote books, they shall be furnished by the account officer in charge of vouchers or any accounts officer dealing and journal combined requisition and issue note etc.

i. COACHING AND GOOD REVENUE FORECAST

Forecasts are based objectively on the trend of past and present performance while taking into account the temporal of economic activity in the whole of the

National economy. In this area, the chief accountant and the chief superintendent shall operate jointly.

ii. ADVERTISING REVENUE FORECAST

The commercial advertising contracts shall be evaluated on actual basis.

iii. MISCELLANEOUS REVENUE FORECAST

This shall be determined by the chief accountant using it as basis trend of actual receipts in the past years while considering the general level of present and future economic activities.

MAINTENANCE EXPENDITURE

Having calculated revenue expected from goods and coaching traffic by objective forecasting the net miles shall be summarized to form the basis for ascertaining the man power needs, equipment fuel and other material for effective maintenance, repair and running the projected services.

The following course shall be followed.

STAFF SECTION

The staff section of each department of headquarters shall prepare normal role of established and unestablished staff, already approved by the managing

director. The completed nominal roll and section one of summary of estimated salaries and wages shall be forwarded to the departmental account officer.

When it gets to the departmental account officer he shall check arithmetical calculation of incremental additional cost nominal roll showing sub-total by designation completed from summary of allowance over time and other expanses from normal roll and monthly statement of budgeted expenditure. Prepared from which is a summary of form D and E by division was with appropriate head of department and agree figure on form D,E and F before routing them together with nominal roll, to the divisional accountant.

The department accounts officers involves in their budget are senior accountant operating commercial civil engineering, mechanical engineering, stores and accountants, medical and the principle account [administration] for all other budget center not covered by the above mentioned 87 officer.

The principle accountant [administration] shall check and summarizes all department showing charges to their votes. In any case where a serious irregularly in a voucher journal combined requisition and issue not etc. established of ever suspected, the departmental account officer shall take necessary steps to access it. Any accounts officers allowing to decking and disbursement without proper authority shall be held personally responsible for the amount.

Budgetary control shall be kept at three level section division and department managers. Section the account offer shall collect expenditure daily from A07s stores debit schedules journal etc and record them of form E. 37 for each cost center and by allocation within fifteen days of the end of a month, a statement from A shall be completed and distributed to controlling officer. Divisional manager and departmental officer shall summarize figure on all form B not later than 21 days of the end of the month and distribute to division officer head of apartment and departmental officer.

The department accounts officer shall compile a departmental statement of budget and expenditure from all form B received from divisions and distribute to the head of department and the diagonal accountant in duplicate. The account officer shall reconcile the figure in this ledger with the monthly classification of payment receipt and journals as produced by the IMB and make necessary adjustment in the ledgers. Entries in form must also be reconciled with the data processing managers budgetary control tribulations to ensure accuracy.

2.15 EXPENDITURE CHECKING SECTION

This section deals with all accounts section and officers where payment of the corporation money is recorded and authorized, it shall also deal with all departmental accounts officer where recording and authorizing of finance to pay

for any service rendered to the corporation. The approved estimate book shall be the primary document for all accounts staff to check and authorize any expenditure out of corporation funds. It is however not enough to certify that the sub-head changed on any payment voucher exist; it must also be certified by an authorized officer who shall be required to sign in full printing his name and designation.

It must be ensured that funds are available under the sub-head quoted the managing director shall from time to time make rules and regulation governing the financial privilege rights and obligation of the corporation to member of staff private parities etc. who shall be connected in one way or the other, the day to day efficient operation of the railway system.

The document shall include:

- a. List of approved designation and salary grading for all senior and junior staff.
- b. Regulation on allowance and fee.
- c. Delegation of power from the managing director to the heads of the department.
- d. Delegation of power from the managing director to railway directors.
- e. Standard condition of services for all senior and junior staff.

Document supporting payment of corporation funds may be manually or mechanically prepared. All claims against the corporation must be scrutinized with a view to ensuring that the expenditure or remission of revenue has been sanctioned by competent authority and that the expenditure is incurred by an officer competent to do so, that the expenditure does not contravene any rules and general orders issued by competent authority that the expenditure has been properly and fully vouched and that payment has been so recorded as to render a second claim in the same account impossible that the charge is deductible it's the other individual or a recoverable from him under any rule or order it is recorded as such in prescribed account that the expenditure sanctioned for limited period is not admitted beyond the period without further sanction that the expenditure incurred is in conformity with standing regulation order and section.

There are forms and record for preparation of salaries wages allowance etc. of corporation funds. They are the only forms that should be used in recording transaction resulting or which may likely result into authorizing the payment of corporation funds, additions may be authorized by managing director on the recommendation of the director of finance from time to time.

The forms for manual payment are:

Description

form No.

Salaries and Allowance	NRC 9
Salary Voucher Overtime	NRC 10
Payment Voucher	NRC 156
Travelling Allowance	NRC 155
Personal Expense	NRC 23

There are other form mechanized vouchers they are:

1. Nominal roll charges
2. Overtime allowance and deduction charges
3. Permanent allowance advances and deduction charges
4. All payment entries in the account must be vouched for on the prescribed form.

They shall be made out in favor of the person or persons to whom the money is actually the using authority for payment where necessary especially in case of unusually payment.

All vouchers shall contain full particulars of each service including data, numbers, quantities distance and rate so as to enable them to be properly checked and shall be supported by relevant document such as invoices etc. the original

payment vouchers shall be signed in full in by the certifying officer other copies shall be initiated. The certifying officer sign in the whole copies that payment shall be made only on originals.

When the accountants satisfied that the salaries and wages sheet and all related document have been properly completed, he shall pass them back to clerk who shall arrange that the payment voucher be scheduled to the pay office using the standard form summary of vouchers passed for payment for M. x C.S., the clerk who prepared the summary shall inset the cash voucher No 5 on all payment vouchers the month of the calendar year and shall check through and sign.

Then the accountant shall satisfy him self and then sign printing his name and designation. In the machine prepared salaries wages and allowance the data processing center at Ebuta Metta shall utilize the facilities afforded by the installation of computers to prepared monthly salary wages and allowance voucher.

The data processing centre shall be fed information which shall consist of movement engagement promotions, etc, shall be originated by the department staff section acting on the authority of the head of department as delegated to him by the managing director. Master records shall be produced from data of a permanent nature of which no frequent change are expected. These master records may be in respect of payment allowance and deductions.

- a. Names, account number, designation rate of payment point and allocation shall first be collected from the nominal roll prepared by the staff section passed through and checked by the departmental account sections, subsequent information shall be way of changes.
- b. Allowance e.g. car basic shall be as directed by the managing director and shall be in line with federal government rolling rates.
- c. Deduction e.g. Advance shall be schedule of all advanced granted in month and recorded on data processing centre from “permanent allowance, advance and deductions charges” prepared by the account sections responsible to each of the departments. Such schedules shall reach the data processing centre every month accounting to prescribed time schedule by the DPC. All addition information necessary for the computation of total emoluments payable to the establishment and non-established staff may be advises on times from month to month.

Department of accounts sections shall interpreted staff section, records and form affecting the emoluments locations, dispositions of all member of staff n DPC standard form to enable the data processing centre up-dated the information contained on master record on receipt of document, they shall be cursorily checked and found to contain name, account number rate of payment, total number of hours worked [where applicable] and type of payment.

Each category of vouchers shall be separately batched and the batch control card attached number of document shall be filled in together with divisions, batch number, card type and document number. After this the data entry operators shall key-in information in the documents direct to the computer. Each document shall be stamped and entry operations members entered in appropriate columns.

After editing the data keyed-in, the computer operation shall prepare a payroll report. The normal roll shall be produced in three copies making two copies available for use of staff section and the department section ensure that the names contained therein are those of authorized staff of the department, while staff records and that all adjustment put in for the month are reflected.

Payroll register, cash analysis and summary of vouchers AO7s shall be forwarded to the account sections responsible to each department of further action.

The following actions shall be taken on these documents;

- a. Tear DPC continuous statutory in to its number pages and group into pay points.
- b. Jacked payroll register cash analysis for each pay point and complete all the spaces in the from cover carefully checking the gross amount in the payroll register and net amount in cash analysis with the appropriate figure on the AO7s [summary of vouchers passed for payment] then passed to the accountant

for scrutiny, signature and to onward transmissions to the cashier and pay master.

- c. It is the duty of the staff of the DPC to bring any irregularities dedicated in the course of their duties to the notice of the department account clerk for immediate correction. Each pay points shall forward to the internal Audit department AO7s, and vouchers in respect of all mechanized, contract and allowance for payment audit. On return of the document back to the pay-points from the internal audit department pay-point shall forward the vouchers AO7s to the budgetary control sub-section daily and promptly in duplication as per table.

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CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODOLOGY

3.1 RESEARCH DESIGN

Research design is simply the framework or plan for the study which is used in collecting data therefore, it is the approach to be used in conducting a specific enquiry and it gives shapes, form and identify to the research activity.

According to Osuala (1982:15-26), survey research studies both large and small population by selecting and studying sample chosen from population to discover the relative incidence, distribution and inter-relations for sociological and psychological variables. Survey research is favored for this study because, it is oriented towards the determination of the statues of a given phenomena. Survey research focus on people, their beliefs, opinion, attitudes, motivation and their behavior.

A case study of research was employed to elicit accounting information system as a tools to transport company. (A case study of Nigerian Railway Corporation Enugu). Here such research design specifies the nature of a given phenomena for a full understanding and making a wide range of policy decision.

However, this study is particularly focused on the accounting information system as tools to a transport company.

3.2 SOURCES OF DATA

According to Eboh C.E. (1998:35) the researcher employed two types of data in the course of this research work.

These are:

- i. the primary data and
- ii. the secondary data

PRIMARY DATA

The primary data was collected through responses from questionnaire and in reviews from the original source.

(a). Questionnaire: This was the main instrument of measurement used for the collective of primary data. This contains series of written question on the impact of accounting information system as a tool to transport company. There are fifteen (15) questions which were administered to a statistically determined sample size. The questionnaire contain sample structured, question with alternative answers from which the respondent could be chosen from.

(b). Interviews: The researcher also used Oral and personal interview in collecting the Primary data. This method was useful in obtaining some facts which were not possible through the questionnaire method.

SECONDARY DATA

Secondary data are second-hand information with respect to existing literature, research reports, government document, institutional publications and statistical remarks.

Sources of secondary data includes:

- (a) Caritas University Amorji-Nike Enugu Library
- (b) University of Nigeria, Enugu campus library
- (c) Enugu state library
- (d) Nnamdi Azikiwe University library

3.3 RESEARCH INSTRUMENT

A research instrument can be defined as any device constructed for recording of measuring data. It is also a means of generating quotient information which is to be used in solving the research problems (Olakunori, 1997:37) therefore, in order to obtain a valuable data for analysis, interpretations and

appreciation of problem mentioned above a set of questionnaire was designed and administered to the employees of Nigeria railway corporation Enugu respectively.

More objective data were obtainable in the set of questionnaire because of greater impersonality attached to questionnaire, then structured questions multiple choice questions and close-ended question were used.

3.4 RELIABILITY/VALIDITY OF RESEARCH INSTRUMENT

To avoid all measurement errors which occur when the research instrument was ensured through its careful construction and pre-test was done by conducting and intensive survey. The research instrument were administered to apart of the population with a view of finding possible fault and thereafter collecting them before the full application of man sample for the study.

3.5 POPULATION

The population here, refers to the totality of the targeted individual that form the focus of this study. According to Igwenagu (2007:16)and Onyeka (2002:11-17) Population is defined as a class of people, animals, plant, space, time

and objects under observation which satisfies a study objective or area of interest.

The objective of the data collection process is to draw conclusion about the population thereby having a clear picture of what constitutes the research populations. The population for this study consists of employees drawn from some department or section of Nigerian Railway Corporation Enugu.

Department	Population
Engineering	15
Signal and commercial	5
Admin. And corporate planning	15
Audit and Finance	5
Stores	5
Medical and health	5
Total	50

3.6 SAMPLE SIZE AND TECHNIQUE

Sample involves the selection of a number of study units from a defined study population.

Therefore, a sample is a small representative of a large population, this helps the researcher to consider how many people that are needed in the sample and their categories which are first to be selected.

A sample size used in forty four (44) staff selected from Nigerian Railway Corporation Enugu. Using Taro Yamane (1964) formula:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size

N = population size

e = level of significance

1 = constant number

For the purpose of this research work, our level of significance/error is 5% or 0.05

Since $n = ?$

$$n = 50$$

$$e = 0.05$$

By substitution

$$n = \frac{50}{1 + 50(0.05)^2}$$

$$= \frac{50}{1 + 50(0.0025)}$$

$$= \frac{50}{1 + 0.125}$$

$$= \frac{50}{1.125}$$

$$= \frac{50}{1.125}$$

$$= 44.44$$

$$= 44.44$$

$$1 + 1.125$$

$$= 44.4$$

$$n = \underline{44}$$

The sample size of this population is 44 and the researcher issue the same number of questionnaire to the staff of the Nigerian Railway Corporation Enugu.

The sampling technique used in this study is probability sampling. Probability sampling can be simply random or stratified random and the simple random sampling allows generalization to take place.

Therefore, this formula is used:

$$n_h = n \times N_h$$

Where:

n_h = Number of questionnaire allocated to staff of Nigerian Railway Corporation Enugu.

n = Total sample size

N_h = Number of employee in each sample of population

N = Population

The allocation is as follow:

Department/section of workers	Number of staff	Number of sample size
Engineering	15	15(44) :- 50 = 13
Signal and commercial	4	4(44):- 50 = 4
Admin. And corporate Planning	15	15(44):- = 14
Audit and Finance	5	5(44):- 50 = 4
Stores	6	6(44):- 50 = 5
Medical and Health	5	5(44):- 50 = 4
Total	50	44

3.7 ADMINISTRATION OF RESEARCH INSTRUMENT

The questionnaire were administered through hand delivery to the selected respondent with explicit explanation followed were necessary. The researcher makes sure that each section are systematically selected.

With the questionnaire retrieved method the research either waited for the questionnaire to respond or agree a particular data for collection.

Below is the table of Distributed and Returned Questionnaire

Department/section	No distributed	No Returned	Percentage (%)
Engineering	13	13	30
Signal and commercial	4	4	9
Admin. And corporate Planning	14	14	32
Audit and Finance	4	4	9
Stores	5	5	11
Medical and Health	4	4	9
Total	44	44	100

3.8 METHOD OF DATA ANALYSIS

In this method, the researcher used the descriptive statistical tools, which is Tables, Figures and Percentage in preparing the data generated from this study.

The researcher also used the chi-square (χ^2) in testing the formulated hypothesis and correlation co-efficient in testing the relationship among the variables.

The chi-square (χ^2) distribution is defined as the difference between observed and expected frequency used when comparing an actual observed distribution with a hypothesis or to measure the degree of deviation which exists between a calculated value and the critical value.

The responses were represented in a table while percentage was used to analyze each question contained in the questionnaire and their response.

$$\text{Formula: } \chi^2 = E \frac{(f_o - f_e)^2}{f_e}$$

Where:

χ^2 = Calculated value

f_o = observed frequency

f_e = Expected frequency

E = summation sign

3.9 DECISION CRITERION FOR VALIDATION OF HYPOTHESIS

This is to decide whether to accept or reject the null hypothesis, a comparison was made between the calculated values (i.e. value from the table).

The decision value is as follows

Accept H_0 , if $x_o^2 \leq x_e^2$

Reject H_0 , if $x_o^2 \geq x_e^2$

Where:

X_o^2 = calculated chi-square

X_e^2 = chi-square value from the distribution table or the critical value

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CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

This chapter is organized in tables to help analyzed the responses to the relevant questions in the questionnaire. It is important to know that this data analysis is done with technical precision so as to avoid erroneous inferences which could affect the objectives of the study.

The main objectives are to determine the views of the respondents on the question contained in the questionnaire. Furthermore, in this chapter, the formulated hypothesis is subjected to empirical test using the chi-square (χ^2) and correlation statistical techniques. Therefore the essence of this test is to validate or otherwise disapprove the hypothesis.

The chapter is of two parts which is presentation and test of hypothesis.

TABLE 4.1.1

QUESTIONNAIRE DISTRIBUTION AND RETRIEVAL

Department/section	No distributed	No Returned	Percentage (%)
Engineering	13	13	30
Signal and commercial	4	4	9
Admin. And corporate Planning	14	14	32
Audit and Finance	4	4	9
Stores	5	5	11
Medical and Health	4	4	9
Total	44	44	100

Source: field survey 2012,

The above table shows that the entire questionnaire distributed to the respondents were returned by them.

Calculation of the pie chart

$$\text{Engineering Department} = \frac{13}{44} \times 360 = 106^{\circ}$$

$$44 \quad 1$$

Signal and commercial Dept. = $4 \times 360 = 33^\circ$

$$\frac{44}{44} \quad \frac{1}{1}$$

Admin. And corporate Planning = $14 \times 360 = 115^\circ$

$$\frac{44}{44} \quad \frac{1}{1}$$

Audit and Finance Department = $4 \times 360 = 33^\circ$

$$\frac{44}{44} \quad \frac{1}{1}$$

Stores Department = $5 \times 360 = 40^\circ$

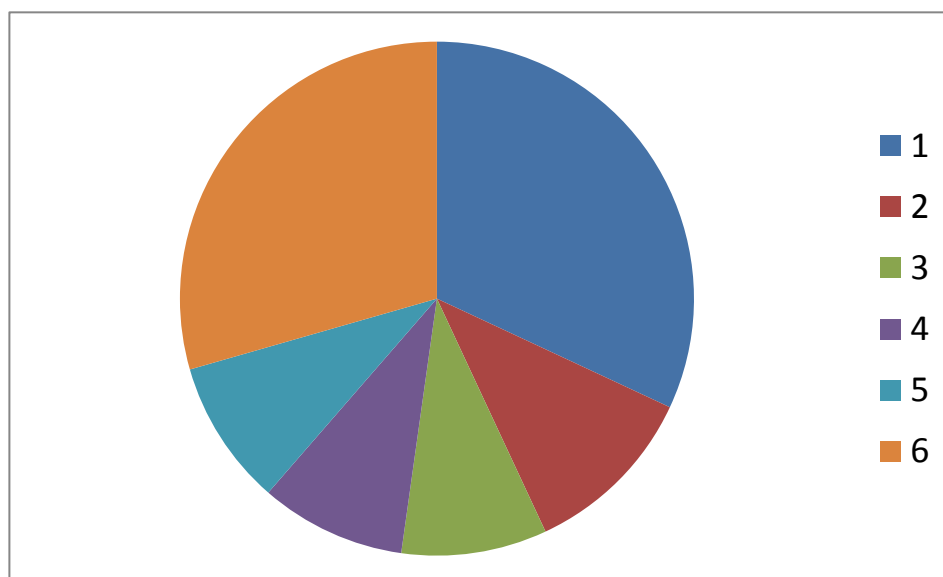
$$\frac{44}{44} \quad \frac{1}{1}$$

Medicine and Health Dept. = $4 \times 360 = 33^\circ$

$$\frac{44}{44} \quad \frac{1}{1}$$

$$44 \quad 1$$

Total = 360°



KEY

1) = Admin. & Corporate Planning Department

2) = Stores Department

3) = Signal & Commercial Department

4) = Audit & Finance Department

5) = Medical & Health Department

6) = Engineering department

4.1 DATA PRESENTATION

The researcher makes use of questionnaire for data presentation. The data collected from the members of staff of the Nigerian Railway Corporation Enugu. The questionnaire was distributed van do randomly on all the sections of workers in the accessible population.

The research desire to use only 44 questionnaires to determine the researcher's topic from the staff of Nigerian Railway Corporation Enugu. The 44 question were issued to the staff of Nigerian railway corporation Enugu and all

the entire question issued were collected successfully and the analysis is consequently bases in the same size of 44 which is the producing sample.

The method of data analysis used is the sample percentage.

ANALYSIS OF QUESTION

In this section, the research work aimed at examining the responses filled in the questionnaire and then returned by the respondent.

The questionnaire reflects the vital things that will help in fraud control and how accounts will be properly kept in order to show true and fair view in the Nigerian railway corporation Enugu

QUESTION NO 1

Sex of the staff workers in the Nigerian Railway Corporation Enugu

Table 4.1.2

Response options	No of Responses	Percentage (%)
Male	26	59
Female	18	41
Total	44	100

Source: field survey 2012.

From the above table, 26 respondent representing 59% are male, 18 respondent representing 41% are female. This shows that the majority of the respondents are male.

QUESTION NO 2

Age of the staff workers in the Nigerian Railway Corporation Enugu

Table 4.1.3

Response options	No of Responses	Percentage (%) of Respondents
Below 20 year	18	41
20-30 years	12	27
31-40 years	9	21
Above 40 years	5	11
Total	44	100

Source: field survey 2012.

From the above table 18 respondent representing 41% of the total respondents are between the age brackets of below 20 years, 12 respondent

representing 27%. We believe their age bracket of 20-30 years, a respondent representing 21% are between the age bracket of 31-40 years while 5 respondent representing by 11% are above the age of 40 years. This show that the organization is populated with a lower age class.

QUESTION NO 3

Marital statues of staff of the Nigerian Railway corporation Enugu

Table 4.1.4

Response options	No of Responses	Percentage (%) respondents
Married	26	59
Single	18	41
Total	44	100

Source: field survey 2012.

From the above table, 26 respondent representing 59% are married. While 18 respondent representing 41% are single. This shows that the majority of the respondent are married, which does not have an effect on the study.

QUESTION NO 4

What are the education qualifications of staff in the Nigerian Railway Corporation Enugu?

Table 4.1.5

Response options	No of Responses	Percentage (%)
Higher Degree	12	27
B.Sc. or its equivalent	13	30
OND or its equivalent	9	21
W.A.E.C. or its equivalent	5	11
Other	5	11
Total	44	100

Source: field survey 2012.

From the table above, 12 respondent representing 27% have higher degree, 13 respondent representing 30% have B.Sc. or its equivalent, 5 respondents representing 21% have OND or its equivalent, 5 respondents representing 11% have WAEC. While 5 respondent representing 11% have others degree, this shows

that the majority of the respondent are reasonably educated and they know the impact the accounting system.

QUESTION NO 5

How many dependent/sectors does Nigerian Railway Corporation Enugu has?

Table 4.1.6

Response options	No of Responses	Percentage (%)
Engineering	13	30
Signal and commercial	4	9
Admin. And Corporate Planning	14	32
Audit and fiancé	4	9
Stores	5	11
Medical and Health	4	9
Total	44	100

Source: field survey 2012.

From the table above, 13 respondent representing 30% who gave the average response where in engineering department, 4 respondent representing

9% were in signal and commercial department, 14 respondents representing 32% gave the highest response, 4 respondents representing 9% were in audit and finance department, 5 respondents representing 11% were in stores department while 4 respondents representing 9% were in the Medical and Health department.

QUESTION NO 6

Work experience

Table 4.1.7

Response options	No of Responses	Percentage (%)
Below 5 years	4	9
6-10 years	8	18
11-15 years	12	27
Above 16 years	20	46
Total	44	100

Source: field survey 2012.

From the table above, 9% of the respondents are below the 5 years of working experience, 18% are between 6-10 years working experience, 27% of the

respondent are between 11-15 years working experience and 46% are above 16 years working experience. This shows that the majority of the respondents have a working experience on accounting system.

QUESTION NO 7

Does the corporation organize periodic training for the accounting department staff?

Table 4.1.8

Response options	No of Responses	Percentage (%) of Respondents
Yes	30	68
No	14	32
Total	44	100

Source: field survey 2012.

From the table above, 30 respondents representing 68% are of the view that the corporation organized periodic training to the accounting department staff, while 14 respondent representing 32% disagree.

QUESTION NO 8

Do the activities of unqualified accounting officers responsible for poor accounting information in Nigeria Railway Corporation?

Table 4.1.9

Response options	No of Responses	Percentage (%) of Respondents
Yes	28	68
No	16	36
Total	44	100

Source: field survey 2012.

From the table above, 28 respondent representing 64% are of the view that the activities of unqualified accounting officers are responsible for poor accounting information in Nigerian Railway Corporation, while 20 respondent representing 45% disease.

QUESTION NO 9

Does the absence of computer system application affect the accounts department of Nigerian Railway Corporation?

Table 4.1.10

Response options	No of Responses	Percentage (%) of Respondents
Yes	24	55
No	20	45
Total	44	100

Source: field survey 2012.

From the table 4.1.10 above, 24 respondents representing 55% said yes that the absence of computer system application affects the accounts departments of Nigerian Railway Corporation while 20 respondent representing 45% disagree.

QUESTION NO 10

Does the corporation organized periodic training for the accounts department staff with the other department?

Table 4.1.11

Response options	No of Responses	Percentage (%) of Respondents
Yes	18	41

No	26	59
Total	44	100

Source: field survey 2012.

From the table 4.1.11 above, 18 respondents representing 41% are of the view that the corporation organize periodic training for the accounts department staff with the other department, while 26 respondents representing 59 strongly disagree.

QUESTION NO 11

Table 4.1.12

Response options	No of Responses	Percentage (%) of Respondents
Yes	14	32
No	30	68
Total	44	100

Source: field survey 2012.

From the table above, 14 respondents representing 32% agreed that cordial relationship exist between account department and other department, while 30 respondent representing 68% are of their view strongly disagree.

QUESTION NO 12

Does the staff of the accounts department in Nigeria Railway Corporation work under a conducive environment?

Table 4.1.13

Response options	No of Responses	Percentage (%) of Respondents
Yes	11	25
No	33	75
Total	44	100

Source: field survey 2012.

From the above table, 11 respondents representing 25% says yes that the accounts department in Nigeria Railway Corporation work under a conducive environment, while 33 respondent representing 75% strongly disagree that staff of the account department in Nigeria Railway Corporation does not work under a conducive environment.

QUESTION 13

Is account department free from management interference in its operation?

Table 4.1.14

Response options	No of Responses	Percentage (%) of Respondents
Agree	26	59
Disagree	18	41
Total	44	100

Source: field survey 2012.

From the table above, 26 respondent representing 59% are of their view agreeing that the management has no interference in the operation of accounts department, while 18 respondents representing 41% disagree.

QUESTION NO 14

How effective is internal control system in the detection of fraud?

Table 4.1.15

Response options	No of Responses	Percentage (%) of Respondents
Very effective	6	14
No effective	11	25
Partially effective	10	23
Effective	17	38
Total	44	100

Source: field survey 2012.

From the table 4.1.15 above, 6 respondents representing 14% view that the rate of internal control system in detection fraud was very effective, 11 respondent representing 25% strongly believe that is not effective, 10 respondent representing 23% on their view agree that there is partially effective, while 17 respondent representing 38% concluded that the measure used by the internal control system in detection of fraud is fast effect.

QUESTION 15

How often are financial statements prepared by the account department in the Nigerian Railway Corporation Enugu?

Table 4.1.16

Response options	No of Responses	Percentage (%) of Respondents
Daily	5	11
Weekly	10	23
Monthly	18	41
Annually	11	25
Total	44	100

Source: field survey 2012.

From the table 4.1.16 above, 5 respondent representing 11% said that the accounts department prepare financial statement daily, 10 respondents representing 23% agreed that the financial statement of the Nigerian Railway corporation are prepared weekly by the accounts department, 18 respondent representing 41% strongly believed that the financial statement are prepared monthly, while 11 respondent representing 25% on their own view conclude that

their financial statement of Nigerian Railway corporation are prepared annually by the accounts department.

QUESTION 16

Does Accounts fraud lead to ignorance of proper accounting procedures by Nigerian Railway staff?

Table 4.1.17

Response options	No of Responses	Percentage (%) of Respondents
Agree	25	57
Strongly Agree	11	25
Disagree	8	18
Total	44	100

Source: field survey 2012.

From the above table, 25 respondent representing 57% agreed that accounts fraud lead to ignorance of proper accounting procedures, by Nigerian railway staff, 11 respondent representing 25% strongly agreed, while 8

respondent representing 18% disagree that Account fraud lead to ignorance of proper accounting procedures by the staff of Nigerian Railway.

From the above table 4.1.17, 25, respondent representing 57% agree that Account fraud lead to ignorance of proper accounting produces by Nigerian Railway corporation staff. 11 respondent representing 25% strongly agreed while 8 respondent representing 18% disagreed.

4.2 TESTING OF HYPOTHESES

To test the hypothesis, the chi-square (χ^2) was employed. The (χ^2) provide a means of comparing a set of expected frequencies. The purpose of the hypotheses is to enable the researcher make definite inference based on the end result of the test. H_1 is used to represent alternative hypotheses while H_0 is for null hypotheses.

HYPOTHESIS 1

H_0 : Accounts fraud does not result from ignorance of proper accounting procedures by the Nigerian Railway corporation staff.

H_1 : Account fraud result from ignorance of proper accounting procedures by Nigerian Railway corporation staff.

Table 4.1.17

Response options	No of Responses	Percentage (%) of Respondents
Agreed	25	57
Strongly agreed	11	25
Disagreed	8	18
Total	44	100

Source: field survey 2012.

Calculated χ^2 value

Options	Fe	Fe	Fo-fe	$(fo-fe)^2$	$(fo-fe)^2/fe$
Agreed	25	14.7	10.3	106.1	7.23
Strongly Agreed	11	14.7	-3.7	13.7	0.93
Disagreed	8	14.7	-6.7	44.9	3.05
Total	44				11.21

Source: field survey 2012.

Formula: chi-square (χ^2) = $E(fo-fe)^2$

$$\frac{\quad}{fe}$$

Where:

f_o = observed frequency

f_e = expected frequency

χ^2 = chi-square

Σ = summation sign

$$f_e = \frac{44}{3} = 14.7$$

3

Degree of freedom is give as

$$(r-1)(c-1)$$

Where r = number of rows

c = Number of column

$$(3-1)(2-1)$$

$$2 \times 1$$

$$= 2$$

The critical value is given as 5.991 which is the value in the tabelated χ^2 distribution at 5% level of significance using 2 degree of freedom.

DECISION RULE:

Since the calculated value is greater than the critical value or the tabulated value, we accept the alternative hypothesis, and reject the null hypotheses.

Therefore, the Account fraud results from ignorance of proper accounting procedures by the Nigerian Railway corporation staff.

HYPOTHESIS 2

Ho: there is no cordial relationship between the accounts department and other department in the Nigerian Railway Corporation Enugu.

Hi: There is cordial relationship between the accounts department and other departments in Nigerian Railway Corporation Enugu.

Table 4.1.13

Response options	No of Responses	Percentage (%) of Respondents
Yes	14	32
No	30	68
Total	44	100

Source: field survey 2012.

Calculated χ^2 value

Options	Fe	Fe	Fo-fe	(fo-fe) ²	(fo-fe) ² /fe
Yes	14	22	-8	66	2.909
No	30	22	8	64	2.909
Total	44				5.818

Source: field survey 2012.

Formula: Chi-square (χ^2) = $E \frac{(fo-fe)^2}{fe}$

fe

Where:

fo = observed frequency

fe = expected frequency

χ^2 = chi-square

E = summation sign

$$fe = \frac{44}{2} = 22$$

2

Degree of freedom is give as

$$(r-1)(c-1)$$

Where r = number of rows

c = Number of column

$$(2-1)(2-1)$$

$$1 \times 1$$

$$= 1$$

The critical value is given as 3.941 which is the value in the tabulated χ^2 distribution at 5% level of significance using 1 degree of freedom.

DECISION RULE:

Since the calculated value is greater than the critical value or tabulated χ^2 therefore we accept the alternative hypothesis and reject the null hypothesis then we conclude that, there is cordial relationship between the accounts department and other department in the Nigerian Railway Corporation Enugu.

HYPOTHESIS 3

Ho: The activities of unqualified accounting officers are not responsible for poor accounting information in the Nigerian Railway Corporation Enugu.

Hi: The activities of unqualified accounting officer are responsible for poor accounting information in the Nigerian Railway Corporation Enugu.

Table 4.1.9

Response options	No of Responses	Percentage (%) of Respondents
Yes	28	64
No	16	36
Total	44	100

Source: field survey 2012.

Calculated χ^2 value

Options	Fe	Fe	Fo-fe	(fo-fe) ²	(fo-fe) ² /fe
Yes	28	22	6	36	1.636
No	16	22	-6	36	1.636
Total	44				3.272

Source: field survey 2012.

Formula: Chi-square (χ^2) = $E \frac{(fo-fe)^2}{fe}$

fe

Where:

fo = observed frequency

fe = expected frequency

χ^2 = chi-square

E = summation sign

$$fe = \frac{44}{2} = 22$$

2

Degree of freedom is give as

$$(r-1) (c-1)$$

Where r = number of rows

c = Number of column

$$\therefore (2-1) (2-1)$$

$$1 \times 1$$

$$= 1$$

The critical value is given as 3.841 which is the value in the tabulated χ^2 distribution at 5% level of significance using 1 degree of freedom.

DECISION RULE:

Since the calculated value is lower than the critical value or tabulated χ^2 , we accept the null hypothesis and reject the alternative hypothesis.

Therefore, the activities of unqualified accountant officer are not responsible for poor accounting information in the Nigerian Railway Corporation Enugu.

CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY OF FINDINGS

To make the accounting system in the Nigerian railway corporation Enugu more relevant, the researcher observed the following findings which will be the laid down rules and procedures that will guide the management in prevention of fraud and to that the accounts, show true and fair view.

From the research work revealed, the researcher observed that the majority the respondent 64% view that the activity of unqualified accounting officers are responsible for the poor accounting information in the above organization. The absence of computer affect the accounts department in many ways, such and in the problem of double counting, according the number of respondent, 55% who were interviewed, said that the organization is lacking of computer and that it contributes in making the account not to show true and fair view.

The corporation does not organize training for the accounting department, with the information gotten from the respondent 59% strongly disagree against

41% that the corporation does not organize periodic training for the accounts department.

The researcher also observed that the accounts department does not cooperate with the other department; with the analysis of the respondent 68% agree that there are no cordial relationship among the accounts department and other department in the Nigerian railway corporation Enugu.

In the area of working environment, 75% respondent said that account department staff does not work under a conducive environment.

The researcher observed that the corporation are not well equipped in the area of detention of fraud, according to the table, 4.1.15 show that the fraud detention in the Nigerian railway corporation Enugu are just effective, this shows that fraud detention are not very effective, also the researcher observed that accounts fraud are caused by the ignorance of proper accounting, according to the respondent of 57% who agreed that accounts fraud lead to ignorance of proper accounting in the Nigerian railway corporation Enugu.

5.2 CONCLUSION

The task of accounting in an organization is the sole responsibility of an accountant; therefore, accounting officers should give a true and fair view financial statement of the Nigerian Railway Corporation Enugu. This is so because it will instill confidence in the minds of the general public and the management of the Nigerian Railway Corporation Enugu.

Based on the result from the first hypothesis testing, conclusion is being drawn that the accountant should put more effort especially when computing the financial statement of the Nigerian Railway Corporation since, accounts fraud result from ignorant of proper accounting procedures.

5.3 RECOMMENDATIONS

In view of the purposes of this study, I therefore make the following recommendations,

- i. That since the financial statement are source of document of accounting information efforts should be made in generating more relevant, timely effective and accurate accounting information necessary for prevention or detection of fraud.

- ii. That since the primary aim of every business is maximization of profit; this accounting information should be properly utilized so as to help in the profit maximization of the Nigerian railway corporation Enugu.
- iii. That management should always look into the activities of unqualified accountant so as to avoid poor accounting information
- iv. That management should also look into the working environment of the accounting department staff, so that they will put more effort in their jobs by working in a good conducive environment.
- v. That the management should map out a strategic that with unit the accounts department with others department so that they may be able to get any information needed concerning financial statement of the organization.
- vi. The management of the Nigerian railway corporation Enugu should organized a periodic training for the accounts department with the others departments, this is to educate then on the new modern way performing their duties.

Finally, the researcher hoped that the findings of this research would be useful to Nigerian Railway Corporation Enugu when making decisions

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QUESTIONNAIRE

INSTRUCTION:

Please tick inside the appropriate box provided.

1. What is your sex?

Male female

2. What is your age bracket?

(a) Below 20 (b) 20-30 (c) 31-40

(d) Above 40

3. Marital status

(a) Single (b) Married

4. Educational Qualification

(a) Higher Degree

(b) BSC. Degree

(c) OND or its equivalent

(d) W.A.E.C or its equivalent

(e) Others

5. Department/Section
- (a) Mechanical
- (b) Signal & Telecomm
- © Operating & Commercial
- (d) Audit
- (e) Finance & Accounts

6. Does the corporation organize periodic training for the accounting department staff?

- (a) Yes (b) No

7. Do the activities of unqualified accounting officers responsible for Poor accounting information?

- (a) Yes (b) No

8. Work Experience
- (a) Below 5
- (b) 6-10
- (c) 11-15

(d) Above 16

9. Does the absence of computer system application affects the accounts department?

(a) Yes (b) No

10. Is there any cordial relationship between the accounting department and other department?

(a) Yes (b) No

11. Does the staff of the account department work under a conducive environment?

(a) Yes (b) No

12. Does the account department free from management interference in it operation?

(a) Yes (b) No

13. Does account fraud lead to ignorance of proper accounting procedure?

(a) Agree

(b) Strongly agree

(c) Disagree

14. How effective is internal control system in the detection of fraud?

(a) Very effective

(b) Not effective

(c) Partially effective

(d) Effective

15. How often is financial statement prepared by the account department?

(a) Daily

(b) Weekly

(c) Monthly

(d) Annually

16. Does the management organize training for the account and other department staff?

(a) Yes (b)

APPENDIX

Faculty of Management Sciences
Department of Accountancy
Caritas University
Amorji-Nike Emene
P.M.B. 01784
Enugu State
28th July, 2012

The Manager
Nigerian Railway Corporation,
Enugu State.

Sir/madam

REQUEST FOR AN INFORMATION

I am a final year student of the above institution conducting a research on the topic “accounting information system as tools to transport company” (A Case Study of Nigerian Railway Corporation Enugu). The researcher is in partial fulfillment of the award of Bachelor of Science degree in accountancy. Please, kindly answer the following questions in the questionnaire attached.

All the information given will be treated as confidential and would be solely for the purpose of the research.

Thanks for your co-operation

Yours faithfully

Igwebuiké Andrew U.