

A Study of Internal Control Problems Associated with Computerized Accounting Systems: From the Perspective of Accountants

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Abstract

Small and Medium Enterprises (SMEs) which is the most viable industry in Sri Lanka, contributes massively to the economic growth of the country. There is a growing tendency of using Computerized Accounting Information Systems (CAIS) in this sector for improving the quality and accuracy of the accounting information. Many studies found that some internal control problems impede the efficiency and effectiveness of CAIS. This study explores the Internal Control Problems related to Computerized Accounting Information Systems in SMEs from the perspective of Accountants. The four stages of CAIS - input stage, processing stage, storage stage, and output stage- is examined to identify the problems by its stage where it occurs. The study followed qualitative research approach and contacted the accountants who are the users of CAIS from which the problems were identified in their perspectives. The sample consists with 15 accountants who are working in purposively selected SMEs which are using CAIS. In depth interviews were the main data collection method and thematic analysis was employed to explore the themes and finally arrived the main findings. Internal control issues exist in every four stages of CAIS, and they are significantly influence the effectiveness of CAIS. These findings provide implications to the users of CAIS in improving the systems for better use.

Key words: *Computerized Accounting Information System (CAIS), Internal Control Problems, Small and Medium Enterprises (SMEs)*