



ACCOUNTING INFORMATION SYSTEM AS A TOOL FOR MEASURING PERFORMANCE OF BANKS: A CONCEPTUAL OUTLOOK

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ABSTRACT:

This study aims to examine the Accounting information system, its tools and techniques in the banking sector. This study provides the general introduction about AIS and tried to find out the three basic objectives of this study (a) To know Accounting information system and its role & importance in the banking sector.(b) To explore the tools and technique used in accounting information system in banks.(c) To examine the aspects of accounting information system responsible for performance. Through the in-depth literature review of relevant data and theories conclusion have been drawn. This study is based on secondary data; most of the data are collected through online research database, magazine, thesis repositories and newspapers.

KEYWORDS: AIS, AIS software, performance measurement

INTRODUCTION:

Information technology has had as much impact on our society as the industrial revolution. In the information age, companies are finding that success or failure is increasingly dependent on their management and use of information (Eb, Pretorious, O.J, & Zuva, 2013). Therefore, companies need a good information system that enabled an efficient and effective use of information to give them a more competitive advantage (Abdallah, 2013).

An accounting information system (AIS) is a system that collects, records, stores and process data to produce information for decision makers. An accounting information system is generally a computer-based method for tracking accounting activity in conjunction with information technology resources (A. Ahmad & Mustafa, 2014). The resulting statistical reports can be used internally by management or externally by other interested parties including investors, creditors and tax authorities (Esmeray, 2016).

Banks extended their work and their capacities to the new viewpoints rose up out of the assorted qualities of business and managing account benefits in the world (DŪNG & TuÁN, 2015). The changing methodologies of banks in drawing in what's more, keeping up customers and the utilization of accounting information data frameworks, present day and modern to keep Clients' assets and give the normal return and, in this manner, increment the benefit rate of return earned by the banks(T. Ahmad & Taber, 2014).



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Accounting information allows commercial banks to speculate upon the opportunity of attractive business in placements and resource attraction (Daniela, n.d.). The role of accounting information in the banking activity is extremely important in the orientation of bank management towards successful strategies (Finance, Review, & Arora, 2013). By exercising the main functions, consecrated by law, banks generate extremely useful accounting information for both customers and bank management. Users of bank accounting information are internal users (bank clients and shareholders, employees in the front office and a bank office, bank managers) and external users (client business partners, tax Authorities, insurance companies, and other banks) (Akram, Ahmad, Mohammad, & Alrjoub, 2014a).

OBJECTIVE OF THE STUDY:

Every study based upon some objectives hence, this study also based upon the below objectives.

- 1) To know Accounting information system and its role & importance in the banking sector.
- 2) To explore the tools and technique used in accounting information system in banks.
- 3) To examine the aspects of accounting information system responsible for performance.

ROLE AND IMPORTANCE OF AIS IN BANKING:

The part and significance of the Accounting information system data in the bank action are gotten from the part and elements of business banks themselves (Hanini, 2012). Banks are the considerable money related go-betweens in the economy. From practising their principle capacities banks produce to a great degree Accounting information system, both for the bank administration and for the customer base (Akram, Ahmad, Mohammad, & Alrjoub, 2014b). These capacities or operations, customary for the banks, affirmed by law, generators of accounting information data, allude for the most part too (Hanini & Jordan, 2015; Henry, Adeniran, & Olawale, 2014):

Bank Accounting information system permit the business banks to hypothesise upon some appealing business openings associated with giving credits, ensures and different offices for performing customers and clients (Hla & Teru, 2015; Hla & Teru, 2015). Furthermore, the bank accounting information system help banks in pulling in assets in the volume, structure and developments intended to fulfill the open doors offered by customers and clients (Al-Bashtawi & Al-Husban, 2013).

AIS TOOLS AND TECHNIQUE:

Accounting software is a need for each independent company since it gives you an unmistakable position of your organisation's budgetary wellbeing by following how much cash you have coming into your business and the amount you have going out (Khan, Baseer, & Javed, 2017). It can be utilised to make solicitations, track costs, and create an assortment of reports. Here are some tools and techniques to maintain accounting information system (Al-kasswna, 2012).

1. **SAP ERP Core Finance Software:** Functionality includes financial management, risk analysis, and compliance. The modules of SAP ERP Financials perform core accounting and reporting, management of accounts receivable, shared services, and other functions. Receivables



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management is particularly effective, as this component of SAP ERP Financials allows companies to investigate the causes behind late payments to claim revenue more quickly and decrease day's sales outstanding.

2. **NetSuite Software:** NetSuite Financials includes applications for financial accounting, financial reporting and analytics, payment management, order and billing management, supply chain management and inventory management. Financial information through NetSuite can be accessed through a Web browser or mobile device. The system undergoes automatic upgrades and comes with various customization options.
3. **Sage 100 ERP Software:** It includes modules for core accounting, distribution, manufacturing, business intelligence, customer relationship management, human resources (HR), time and project management, e-business and new cloud, The Web and mobile apps designed for remote and field use.
4. **Microsoft Dynamics AX Software:** In addition to core accounting, Microsoft Dynamics AX offers complete functionality for inventory control, warehouse management, transportation management, demand and supply chain planning, material requirements planning, production management, quality assurance, product lifecycle management, asset management, and business intelligence. It relies entirely on Microsoft's .Net technology. It is often installed on premise but can be hosted remotely if the customer would prefer an on-demand system accessible over the web.
5. **Sage 300 ERP Accounting Software:** Sage 300 ERP connects to the Sage Data Cloud, allowing users to connect to multiple mobile and web services. It also offers multi-language, multi-location, and multi-currency capabilities. Other modules can be added as needed.
6. **Sage Fixed Assets Software:** Features in the software include and import/export assistant for existing data, custom reporting and formatting options, historical tracking, and alerts when any inventory is overdue. Windows Mobile barcode readers allow users to inventory assets simultaneously.
7. **Multiview Enterprise.NET n10 Software:** Multiview Enterprise.NET n10 is a full-featured financial management solution that includes: financial reporting and analytics, general ledger with budgeting, A/R, A/P, POs with requisitions, as well as inventory, order entry with invoicing and fixed assets. Alerts with dashboards, Workflow, Imaging and ViewSource360 allow end users, with no IT intervention, to monitor and control processes within the company.
8. **Flexi Software:** Flexi is a niche player in the banking and insurance markets and should be evaluated by organisations in these markets looking for an end-to-end financial management solution. Because of their vertical market expertise, Flexi speaks the language of your business and understands your reporting, processes and integration requirements.
9. **Deskera Software: Key Features** of the platform include MRP software, manufacturing execution, financial accounting, quality management, supply chain management, asset management, human resources, and customer management. These functionalities are offered in one streamlined



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integrated suite. Finite capacity scheduling, in-house payroll support, multi-language support and statistical process control are all available as well. Users can record product data, manage factory machines, manage labour forces, track work orders, and perform quality checks.

10.SAP Anywhere Software: With SAP Anywhere users can manage and track inventory, manage orders, manage the procurement process, and more. It also offers real-time visibility across all warehouses and sales channels.

11.Exact Globe Next Software: Exact Globe Next is an end-to-end business management solution. It offers accounting, inventory management, billing and invoicing, financial reporting, and more. This ERP system can be deployed either on-premise on a local server or as a hosted solution in the cloud. It's also compatible on both the iPhone and iPad.

12.Infor Sun Systems Software: Sun Systems helps users manage complex international financial management requirements with localised support for regional reporting regulations. This solution can be integrated with existing software.

13.Freshbooks Software: Key Features include invoicing, expense tracking, time tracking, and reporting and payments management. Users can brand their invoices, accept online payments and set auto payment reminders. Expenses can be tracked by attaching receipts to invoices, creating recurring expenses and taking snapshots of receipts.

14.Quickbooks Online Software: The software enables users to download and reconcile credit card transactions. It also helps in organising weekly timesheets and bank deposits and enables users to take photos of bills and track expenses on a regular basis.

15.QuickBooks Pro Software: The software features "Bank Account Reconciliation," which allows users to link bank accounts and define a workflow for the enterprise accounting activities from a single bank account. This allows users make automated payments and deposits and also manage the employee payroll accounts using a single portal.

16.Zoho Books Software: Zoho Books allows users to manage multiple time sheets of different projects and tracking of reimbursable expenses. Organisations can also connect bank and credit card accounts and match automated feeds with transactions.

17.Sage Peachtree Accounting Software: Sage Peachtree allows users to easily manage cash flow as well, providing forecasting and analytics that can be exported into Microsoft Excel. Another strength of Sage Peachtree is inventory management, which, like the accounting function, easily helps control costs and reduce errors. Track inventory based on a variety of qualifiers, like colour, size, style and more. Monitor inventory and automatically create a purchase order when levels run low.

18.Procurify Software: Procurify is a web-based procurement platform that allows users to make requests, approvals, and purchases from any Internet-connected device. This real-time platform helps users can create, track, and report on all requisitions, purchase orders, and expenses.



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The purchase order processing system is designed to offer a user experience similar to online shopping.

19.Mineral Tree Software: Mineral Tree features ways to issue payments by check, ACH or credit card, and automates the entire paying process once payments are approved. The system also separates user types, meaning Mineral Tree is optimised for the person using it, including Accounting Managers, Approvers and more.

HOW AIS IMPROVE PERFORMANCE IN BANKING SECTOR:

As a bolster movement, the AIS includes an incentive by giving exact and auspicious data so the five essential esteem chain exercises can be performed all the more adequately and proficiently (Khan & Javed, 2016). All around composed AIS can do this by: Improving the quality and reducing the cost of products or services (Alrabei, 2014).

Factors	Impact of factors
Improving efficiency	Very much planned AIS can make operations all the more productively by giving all the more opportune data.
Sharing knowledge	An all-around composed AIS can make it simpler to share information and skill, maybe subsequently enhancing operations and notwithstanding giving an upper hand.
Supply chain	Enhancing the productivity and adequacy of its inventory network.
Internal Control Structure	Security, control and protection are imperative issues in these days. AIS with the correct inner control structure can shield frameworks from issues, for example, misrepresentation, mistakes, hardware and programming disappointments and political catastrophes.
Leadership	Enhancing basic leadership.

AIS can decidedly effect on associations by the accompanying; better adjustment to an evolving domain, better administration of a safe distance exchanges and a high level of intensity. There is likewise a lift to the dynamic nature with a more noteworthy stream of data between various staff levels and the likelihood of the new business on the system and enhanced outer connections for the firm, essentially with the outside clients got to through firms web (Al-rawashdeh & Abu-errub, 2012; Mahmoud & Eid, 2014). With the presence of more intercommunication, there are expanded possibilities for expansion of customary organisations to enhance company's execution.

(Blackwell, Brickley, & Weisback, 1994) uncovers that abnormal state of productivity is not subject to the utilisation of bookkeeping data. The low clarified inconstancy infers that different factors separated from AIS decidedly effect on the bank's productivity (Naser & Hamdan, 2013). This is valid as the work of AIS if not bolstered with vital what's more, empowering offices to make it useful gets to be great, which may influence the bank's operation prepare (Campus, 2008; Wedyan, Gharaibeh, Abu-dawleh, & Hamatta, 2012).



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CONCLUSION:

The part of accounting information system data in the bank action is critical in the introduction of bank administration towards fruitful methodologies. A bank accounting information system is a space where all banking data fundamental for bank exercises are collated and integrated. Additionally, the straightforwardness and transparency of accounting information frameworks takes into account a right and finish an assessment of the bank exercises and the building up of separate bank needs for the depiction of their business skyline (Of et al., 2014).

The quality and utility of Accounting information data are relying upon the moved toward accounting information system straightforwardness and transparency on some portion of the bank (Patel, 2015;Thiprungsri& Vasarhelyi, 2011). With regards to world economy globalisation, the colossal banks which are the goliaths of the universal money related market are battling for matchless quality. Control implies data, particularly in the managing andaccounting world. The exhibitions and the accounting information system guarantee banks the way to achievement.

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