

An empirical examination of perceived threats to Computerized Accounting Information Systems In Batticaloa District

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Abstract

Drawbacks of the manual accounting systems, the rapid development of IT, availability of user friendly accounting software and the increased competition have forced organizations to adapt Computerized Accounting Information Systems (CAIS) in order to remain competitive whereas threats to CAIS are unavoidable in the dynamic environment. Technology has been developed faster than advancement of control practices such as improvement of proper security controls and advancement of employees' knowledge and skills. The objective of this study is to examine most perceived threats to CAIS in Batticaloa organizations. Out of 144 organizations which are using computers for Accounting, 108 (75%) organizations were selected as a sample by using proportionate stratified random sampling method representing ten sectors including government and private organizations. Descriptive statistics were performed to identify the main characteristics of the research variables. One way ANOVA was also used to investigate and test the research hypotheses regarding threats. Results of the study show that all organizations face at least one type of threats, even banking sector. Computer viruses to the system, threats to computers from smoking and dust, employees' sharing of passwords, unexpected loss of power, unauthorized document visible in monitor and accidentally entry of bad data by employee are most important perceived challenging threats to CAIS in Batticaloa. The study also reveals that mean value of banking sector is significantly different from Government and educational organizations regarding perceived threats to CAIS at significance level 0.05. It means that perceived threats to CAIS is higher in Government and educational organizations than banking and finance organizations. Moreover, some recommendations are given to strengthen the security control to protect the CAIS from the risks. Findings of the study help accountants, auditors, managers, and IT users to better understand perceived threats and protect their CAIS in order to become as a successful organization.

Keywords: Accounting information system, Security control, Threats