Enhancing internal control and risk management in the Accounting Information System-Thai SMEs

by

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Declaration

This Thesis contains no material which has been accepted for the award of any other degree or diploma in any institute, college or university except by way of background information and duly acknowledged in the Thesis, and that, to the best of my knowledge and belief, it contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

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Abstract

This study examines the adoption of information technology within the accounting information system (AIS) of small and medium enterprises (SMEs) in Thailand focusing on the AIS, internal control and risk. A comparison made is between SMEs which have moved into the market for alternative investment (MAI) referred to as Initial Public Offerings (IPO) and those which have not. In a triangulated approach both mail survey and interview techniques were used to increase the richness of the data. Sampling was undertaken in the Bangkok region as IPO SMEs are located within this region. The results indicated that in non-IPO firms fifty-two percentage operate a computerized accounting information system as compared to seventy-seven percentage of IPO SMEs, forty-two percent of non-IPO operated a mixed system as compared to twenty-three percent of IPO firms. Interestingly only six percentage of non-IPO firms still operate manual systems. Both IPO and non-IPO SMEs indicated that they believed the use of information technology improved the firm's ability to capture and record business operations and business events, to assist in providing timely information, and to provide better information in terms of relevance and reliability to assist management in reducing costs and improving productivity as well as reducing risk. The functions associated with the AIS of collecting and storing transaction data, and processing data into information that is useful for decision making and providing adequate controls to safeguard the organisation's assets are identified to be important. There is recognition that the application of technology within the accounting information system is able to increase the efficiency of internal business operation as well as ensuring the adequacy of financial reporting.
### Table of contents

Declaration  
Statement of authority of access  
Acknowledgements  
Abstract  
Table of contents  
List of Figures  
Lists of Tables

**Chapter 1: Introduction**

1.1 Introduction  
1.2 Background of this study  
1.3 Justification and contribution of this study  
1.4 Research questions  
1.5 Methodology  
1.6 Outline of the thesis  
1.7 Summary

**Chapter 2: Literature review**

2.1 Introduction  
2.2 Importance of the SME in the Thai Economy  
2.3 Increased attention to the well being of the SME  
2.3.1 Background to concerns for the SME  
2.3.2 Increasing Government support  
2.3.3 Establishment of the Market for Alternative Investment (MAI)  
2.4 Concerns the SMEs must address  
2.4.1 The importance of Risk management and risk management studies in SMEs  
2.4.2 Risk management studies in SMEs  
2.5 Internal control  
2.5.1 Internal control in business  
2.5.2 Internal control practices in SMEs  
2.5.3 A link to risk management  
2.6 Role and importance of information technology in small business
Chapter 3: Research methodology

3.1 Introduction
3.2 The research framework
3.3 Research questions
3.4 Research design for this study
   3.4.1 Research instrument structure
      3.4.1.1 Development of the Mail Survey Questionnaire
      3.4.1.2 Development of the semi structured Interview
      3.4.1.3 Translation of the Research Instrument
3.5 Pilot Study
3.6 Validity and Reliability of the research instruments
3.7 Ethics Issue
3.8 Selection of samples and data collection methods
   3.8.1 Selection of the Sample
   3.8.2 Data Collection
3.9 data analysis
3.10 Summary

Chapter 4: Research results

4.1 Introduction
4.2 Response rate
4.3 Demographic Characteristics
   4.3.1 Role of the respondent
   4.3.2 Gender of Respondents
   4.3.3 Age of Respondents
   4.3.4 Education Level of Respondents
   4.3.5 Industrial Sector to which SME belongs
   4.3.6 Length of Time Firm Established
   4.3.7 Form of Business Organisation
   4.3.8 Value of Fixed Assets Held by Respondent Firms
4.3.9 Number of Full Time Employees (Equivalent) 65
4.4 Analysis of Quantitative Data 66
  4.4.1 Processing of Accounting Information 66
  4.4.2 Information Technology within the Accounting Information System 66
  4.4.3 Roles of Information Technology played within the Accounting Information System 69
  4.4.4 Reasons Information Technology is not adopted within the AIS of the IPO and Non-IPO SMEs 72
  4.4.5 Minimising Risk Within the Accounting Information System 74
  4.4.6 Information Technology in the Accounting Information System Supporting the Provision of the information for financial decision making 77
  4.4.7 Information Technology in the Accounting Information System Supporting the Provision of the information for financial decision making compared to competitors 79
4.5 Summary 83

Chapter 5: Research questions and hypotheses testing 84
5.1 Introduction 84
5.2 The research questions and Hypotheses testing 84
  5.2.1 Research question 1 84
  5.2.2 Research question 2 92
  5.2.3 Research question 3 97
  5.2.4 Research question 4 102
5.3 Summary 109

Chapter 6: Discussion of results and conclusion of the study 110
6.1 Introduction 110
6.2 Discussion of results 110
  6.2.1 Research question 1 110
  6.2.2 Research question 2 114
  6.2.3 Research question 3 116
  6.2.4 Research question 4 117
6.3 Implication of this study 119
6.4 Limitations 121
6.5 Summary 122
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bibliography</td>
<td>123</td>
</tr>
<tr>
<td><strong>Appendix One</strong>: Covering letter (English version)</td>
<td>136</td>
</tr>
<tr>
<td><strong>Appendix Two</strong>: Covering letter (Thai version)</td>
<td>138</td>
</tr>
<tr>
<td><strong>Appendix Three</strong>: Questionnaire and interview</td>
<td>140</td>
</tr>
<tr>
<td><strong>Appendix Four</strong>: Questionnaire and interview</td>
<td>149</td>
</tr>
</tbody>
</table>