



# Electronic Accounting Services and their Effect on Enhancing the Efficiency of Financial Institutions

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## Abstract

The paper focuses on how electronic accounting services can be enhanced in financial institutions by analyzing the quality of the electronic accounting system used by financial institutions, including the banking sector in the Kurdistan region of Iraq. Additionally, how the electronic accounting services affected the growth of financial reporting. Research enables management to realize the need to develop accurate and high-quality financial data through accounting software packages. The community sample consisted of 60 male and female employees distributed among three private sector financial institutions. This type of sampling is believed to be neither random nor biased at the same time, and the survey method used is descriptive as well as inferential statistics. The hypotheses were tested through this research. It is all clear that electronic accounting services have a significant impact on the efficiency of financial institutions' work due to their impact of the internal control system. The results of the research showed that although there is no direct impact between the internal control system and the general financial efficiency of financial institutions, there are indications on some elements of the internal control system that show this effect, such as risk assessment and control activities with elements from a financial perspective such as profitability, efficiency and liquidity.

The paper also reveals that financiers and accountants have been routinely trained by the certified staff of the company to protect their expertise in the event of adjustments or accounting difficulties. The findings of this paper recommend a number of suggestions, including the need for further internal control investigations to determine and analyze the effectiveness of controls in financial institutions in the Kurdistan region of Iraq, as defined in the accounting framework.

## Key words:

Electronic Accounting Services, Financial institutions, Internal control system.

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## خدمات المحاسبة الإلكترونية وأثرها في تعزيز كفاءة المؤسسات المالية

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### الخلاصة

ركز هذا البحث على كيفية تعزيز كفاءة خدمات المحاسبة الإلكترونية في المؤسسات المالية من خلال تقييم جودة نظام المحاسبة الإلكترونية الذي تستخدمه المؤسسات المالية ومنها القطاع المصرفي الخاص في إقليم كردستان العراق. بالإضافة إلى كيفية تأثير خدمات المحاسبة الإلكترونية على تطوير التقارير المالية. يمكن البحث الإدارة من إدراك الحاجة إلى تطوير بيانات مالية دقيقة وعالية الجودة من خلال حزم برامج المحاسبة. تكونت عينة المجتمع من 60 موظف وموظفة موزعين على ثلاث مؤسسات مالية تابعة للقطاع الخاص تم تحديد عينة البحث بخصائص محددة مناسبة للغرض المنشود من البحث. لذلك تم اختيار عينة مقصودة أو مستهدفة، مما يعني أنها تشير إلى أفراد معينين من مجتمع البحث. وطريقة المسح المستخدمة هي إحصائيات وصفية واستنتاجية. تم اختبار الفرضيات من خلال هذا البحث. من الواضح أن خدمات المحاسبة الإلكترونية لها تأثير كبير على كفاءة عمل المؤسسات المالية نتيجة لتأثير نظام الرقابة الداخلية. أظهرت نتائج البحث أنه بالرغم من عدم وجود تأثير مباشر بين نظام الرقابة الداخلية والكفاءة المالية لإداء المؤسسة المالية، إلا أن هناك مؤشرات على بعض عناصر نظام الرقابة الداخلية تظهر هذا التأثير مثل تقييم المخاطر وأنشطة الرقابة ومن منظور مالي مثل الربحية، الكفاءة والسيولة. كما تشير البحث إلى أن الممولين والمحاسبين يتم تدريبهم بانتظام من قبل موظفي الشركة المعتمدين للحفاظ على المعرفة والخبرة الخاصة بالحزمة المحاسبية في حالة حدوث تغييرات أو صعوبات محاسبية. توصي نتائج هذا البحث بعدد من المقترحات من بينها، الحاجة إلى مزيد من تقييمات الرقابة الداخلية لتحديد وتحليل فعالية الضوابط في المؤسسات المالية في إقليم كردستان-العراق وفق إطار محاسبي محدد.

### الكلمات المفتاحية:

خدمات المحاسبة الإلكترونية، المؤسسات المالية، نظام الرقابة الداخلية

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## **1. INTRODUCTION**

### 1.1 Background of the research

Accounting is currently an integral part of business activities. It is of great significance for every company to update and monitor its financial statements. For all accounting professionals and small business owners, electronic accountant is a guide to find valuable knowledge about accounting and bookkeeping software that can improve the efficiency and profitability of their companies and businesses. In addition, accounting includes many procedures, from basic to compound. In order to meet the desired objectives, organizations can continue to update accounting data with ongoing changes to improve computer systems in this respect [1]. Because of the growing complexity of the accounting system from fault risk and the inflation of the accounting transaction volume, a system was required to process and store increasingly rapid accounting data plus a wide range of store and treatment capabilities were needed. A global application of computer programs has intensified the need to create a kind of convergence between accounting and information technology to meet the demand for modern and reliable information [2].

Several previous studies have shown that using an accounting information system enhances business offerings, productivity and efficiency of operations as it is the case in Southeast Asia and Southwestern European countries. New computer tools and information related to software packages have enabled companies in the northwestern Mediterranean countries to use their accounting system effectively in dealing with buyer and seller. Ghani [3], noted that aligning IT policy with the company's plan has increased organizational efficiency. In previous research, Anderson et al. [4] found that firms operate superior in terms of organizational structure and information technology structure compatibility and investigated how companies are introducing an integrated accounting system in some countries. However, the effect of the typical accounting software on business results was not explored in public research.

### 1.2 Research Problem Statement

The primary purpose of this paper is to verify the number of aspects of financial and accounting practices that have changed by electronic accounting systems, and to show the main advantages of using electronic accounting systems in preparing financial reports among financial institutions, including the banking sector. The primary hypothesis of the latest organizational development and organizational study research is that technological progress has a strong impact on improving efficiency. The tactical behavior of financial institutions requires effective operations to deal with unexpected incidents that maintain activity and reduce the risk of technical progress. Survival has merely been assured by institutes who are able to respond to their changing world and embrace new innovations and business practices. Technological



developments, such as the use of cell phones and the Internet, are some of the causes of transformation that have influenced the efficiency of financial institutions.

Kurdistan 's provincial financial institutions have undergone several changes since the launch of e-banking. Clienteles currently have access to banking services that are fast, effective and appropriate. Significant amounts of money are being invested in information and communication technology (ICT) by most financial institutions in Kurdistan region of Iraq. Nevertheless, although the quick growth of ICT has made some banking operations more effective, technical change has a fair share of issues, such as a large proportion of bank money, in the case of missing and stolen cards and counterfeit card fraud, and so on. There is always a need to control internet banking expenses and risks [4].

The use of the Internet and IT for business has become a feature of electronic accounting or online accounting. It's a modern evolution in the accounting field. There are several institutions that have initiated electronic accounting. The accountant and manager perceive happiness all with electronic accounting since it is cost-effective with no programming errors and loss. Since the accounts are stored on the online server or database, no manual logging is needed. This helps the institutions to save on digital texts and other computer applications a lot of money. Electronic accounting often provides a broad implementation of facts procedures and internet running involving other sites such as registering, storing, labour effectiveness, and managing output. Internal controls dominate the identification and disclosure of fraud. All in all, there is a straight consequence of the electronic accounting revolution [5].

All literature related to the importance of electronic accounting can be summarized as follows: The accounting process is simplified through electronic accounting systems - improving performance and reducing cost. It appears to be more accurate, easier to use, and less error prone than its manual counterpart. As therefore, our research question formulated as follows:

*To what extent can electronic accounting services affect enhancing the efficiency of financial institutions, including the banking sector, in the Kurdistan Region of Iraq?*

In virtually every company and institution, electronic accounting systems have superseded manual accounting, offering access by a touch of a button for accountants, directors, employees and stockholders to important accounting information. Independent financial institutions and accountants provide large and small institutions with professional accounting services, which in turn provide these services in enhancing communication activity, especially the Internet, in order to monitor and audit financial operations in the best way and avoid fraud during the transfer. From money online. However, it appears that the Communications



Commission in the Kurdistan Region of Iraq does not have a timeline regarding electronic services because the competition for investment via the internet is still in the process of introducing new service switching plans, which will enable all service providers to transact online.

### 1.3 Research Significance

This research is necessary for the integration of financial institutions in responding to the factors of electronic services in the Kurdistan region of Iraq, and then in showing, the progress and growth related to the degree of providing online banking services, and in highlighting the field of those electronic services through online banking services that can be improved.

The awareness of internet banking as a result of internet commerce with a view to decision making is equally relevant for bank leaders and indeed the policy makers of banks and financial institutions. The analysis of this paper provides an understanding of the state of electronic accounting services as a competitive market for commercial banks in Kurdistan and the factors that affected their services significantly. The research would be beneficial for financial and telecommunications players to make use of the results to manage how they can profit from this growth mutually. This research is a helpful guide for teachers, researchers, organizations, business managers and individuals to contribute to the current literature.

### 1.4 Research Objectives

Our goal in this study is to find out to what extent:

- 1 - The electronic accounting services enhance the efficiency of financial institutions
- 2- The electronic accounting services enhance the internal control system

### 1.5 Methodology

The research was conducted on the three financial institutions located in Erbil that use the electronic accounting system in presenting their financial reports. The study used a qualitative design in which the data collected were statistically processed and identified and explained. In order to obtain information and explain variables and their relations, quality data can be converted to numbers in a formal, analytical and systematic process.

A survey questionnaire was the data collection instruments used in this report. The questionnaire included a letter to the respondents, a biography of the defendant and questions. The paper focuses on a research method in which observable data are obtained, analyzed and interpreted. This section introduces the philosophical

structure to be followed during the research process. It includes research development, population and surveys, and data collection and analysis as follows:

### 1.5.1 The Design of Study

Descriptive and qualitative research strategies were applied depending on the purpose of the study and the form of data concerned. The aim is to make electronic financial services clearly understood and used by financial institutions and thus determine their impact on improving their performance. The qualitative statistics have been obtained from administrators, supervisors and financial institutions' clients.

### 1.5.2 Sample and data sources

The community sample consisted of 60 male and female employees distributed among three financial institutions. The focus was on accountants, financial managers, administrative directors, and internal auditors. As for the educational qualification of the selected sample, it focused on bachelors, masters, and doctorates. 60 questionnaires were distributed (20 questionnaires for every 20 male and female employees) of a total of 60 questionnaires, 45 were recovered. After screening, 12 questionnaires were excluded due to their incomplete, unclear, and inaccurate responses. As a result, 33 questionnaires were obtained as a net number, which constituted 73% of the sample, which is a good percentage for conducting the research.

### 1.5.3 Hypotheses development

*H1: Electronic accounting services enhance the efficiency of financial institutions under a significance level of (0.05)*

*H2: Electronic accounting services enhance the internal control system under a significance level of (0.05)*

Interior control is an essential complex mechanism that constantly adapts to the challenges encountered by an organization. The managers and staff at any level must engage in this phase to tackle challenges and to ensure that the mission and general goals of the organization are accomplished. Efficacy of internal regulation of financial presentation in all organizations, when the role of internal management is to deter and identify corporate deception, should be regarded as the most relevant factor. Therefore, the internal audit, usually a characteristic of major corporations, is very relevant to organizations. The role is given either by the employees of an external company to help the management achieve its corporate goals [6].



## 1.6 Research Structure

Section 1 contains the introduction, the research problem, the purpose, importance, and methodology of the research. Section 2 discusses the related literature and makes hypotheses on connections between e-accounting structures, internal control systems, financial reporting and risk. The framework of the examination is as follows. The methodological approach is illustrated in section 3. Section 3 is focused on hypothesis tests. Section 4 finally offers the findings and guidelines, offers the related findings of the current research and describes several avenues for future studies.

## **2. RELATED LITERATURE REVIEW**

Financial documentation, review, reporting and evaluation through accounting operations are a corporate responsibility. Financial position means assessing a company's sustainability, prosperity, and profitability. Therefore, most companies use their data using machine-based information technology [3], especially electronic accounting systems that make extensive use of information technology, to design and provide clients. Electronic accounting refers to the computer-based accounting method used to collect and manage financial reports within organizations [7].

The company's success is described more comprehensively through quantitative metrics such as return on equity (ROE), return on assets (ROA) and return on investment (ROI) compared to accounting tables, in order to provide a more detailed view of its operations. In general, top management receives this data as a framework for decision making [8].

The use of electronic accounting systems thus led to the enhancement of financial efficiency by providing statistical methodologies and empirical tools for measurement and decision-making. As companies take e-accounting, they typically find that even if electronic accounting programs process financial records effectively, their key advantage is that they can report on the company automatically. However, consistency and durability are critical for managers to take complete decisions. Internal monitoring is thus 'a mechanism of the Board of Directors, managers and other employees of the institution structured to ensure the accomplishment of targets in these fields, transparency of financial statements, quality and efficacy of activities, and compliance with relevant legislation and regulations.' Typical conditions for fraud or damage should be established and whether current monitoring systems are sufficient to handle the risk at an appropriate degree effectively. Hazard is the possibility of failure (unwanted result) for a preferred action or operation. Stephen [9] describes the possible adverse outcome of the online process as the user's assumption.



## 2.1 E-accounting benefits and drawbacks

The most significant benefit of the computerized accounting is the speed at which it is possible to perform accounting at anytime and anywhere. This technology allows executives to see the organization's financial position "in time" and change the plan accordingly. Moreover, instant reporting on stock assessments, profits, and losses, client accounts, payroll, and revenue analysis can be provided.

Drawbacks: a computer is used; it has its own problems with the implementation of the computerized computer accounting system; data can be lost due to faulty hardware or software. In addition, data loss or changes in data may occur as a result of fraud or misappropriation. It should be set up a control system, in particular, client information to decide who accesses the information [5 and 6].

## 2.2 The role of internal control system

The prevention and identification of fraud are dominated by internal control. This usually includes defining possibilities for theft or failure and assessing if current monitoring mechanisms handle risk effectively at an appropriate level. However, accuracy and consistency are critical in the management's decision-making process. Since financial institutions use electronic accounting, their true value is to produce immediate information about an entity, even though computer-based accounts process financial data efficiently. Internal control, as a "process for the management and other personnel in the entity to provide equal assurance in the areas of financial reporting reliability, operational and efficiency and compliance to applicable laws and regulation, as a mechanism performed by the board of directors, managers and other personnel. " [5].

## 2.3 Technical knowledge in electronic accounting

Quantitative and qualitative enhancement in information and accounting management systems are one part of the impact of information technology on businesses and organizations. Data sharing and operations and the expansion of internet and intranet networks are important developments. As a consequence, it may conclude that it is inevitable for electronic information networks to disclose the organization's financial and business information. The purpose of the financial institution is to generate profits. Institution owners can record, disclose, and evaluate their business transactions through e-accounting. The final performance of accounting transactions is normally financial statements. To secure bank loans or investor financing for their business, small business owners often use accounting data [10].

## 2.4 Theory of diffusion of invention

Dissemination of innovation theories aims to clarify and define the processes of introduction and success of new innovations in this situation, Stephen [9] states that implementing all inventions, even if successful, would not take long. He added that opposition to reform can impede the spread of progress, but that innovation cannot be stopped and slowed down. Rose and Hudgins [11] have specified five main characteristics that significantly affect adoption. Their conformity, sophistication and perceptibility yield relative advantages. Rose and Hudgins [11] argue that the speed at which new technologies are implemented depends on how an entity understands their relative gain, compatibility, observability, and sophistication. When the advantages of smartphone and internet banking are perceived in Kurdistan institutions, it will follow these technologies are implemented in combination with other factors such as the available tools that are needed. The introduction of such technology will be faster in enterprises that have access to the internet and information technology services compared to enterprises that lack such services [12].

## 3. EMPIRICAL ANALYSIS

### 3.1 Statistical description of Demographic Question

This section will calculate the number of frequencies, percentages to the questionnaire which included (5) personal characteristics. Responders to the questionnaire are summarized through the tables and figures of the following:

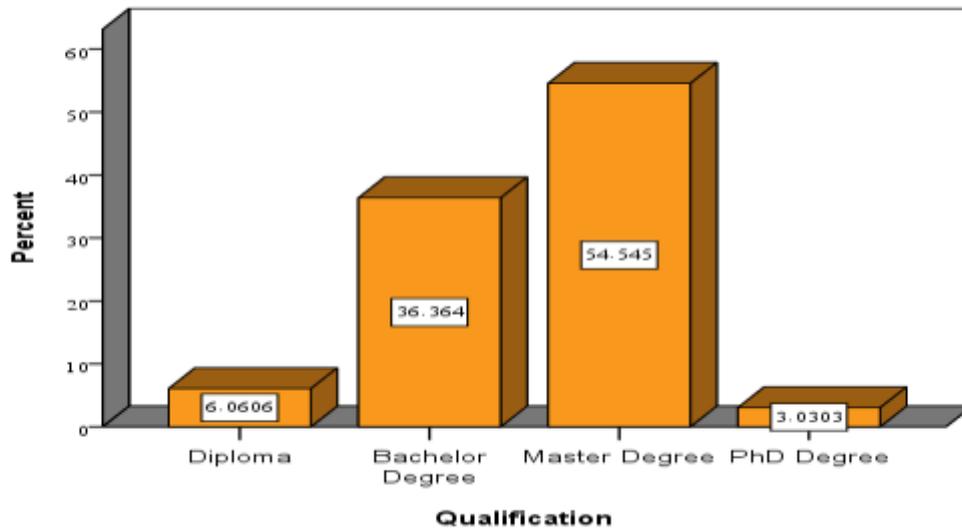
#### 3.1.1 Education

The sample included the personal characteristics of Education level, the frequency and proportions summarized in the following table:

Table 1. Education

Class	Frequency	Percent
Diploma	2	6.0606
Bachelor Degree	12	36.364
Master Degree	18	54.545
PhD Degree	2	3.0303
Total	33	100

Table (1) shows that the study sample included 54.545% for class (Master Degree), followed by class (Bachelor Degree) by 36.364% while the rest of the classes were lower percentages. The following figure shows this:



**Figure 1. Bar chart for Education level**

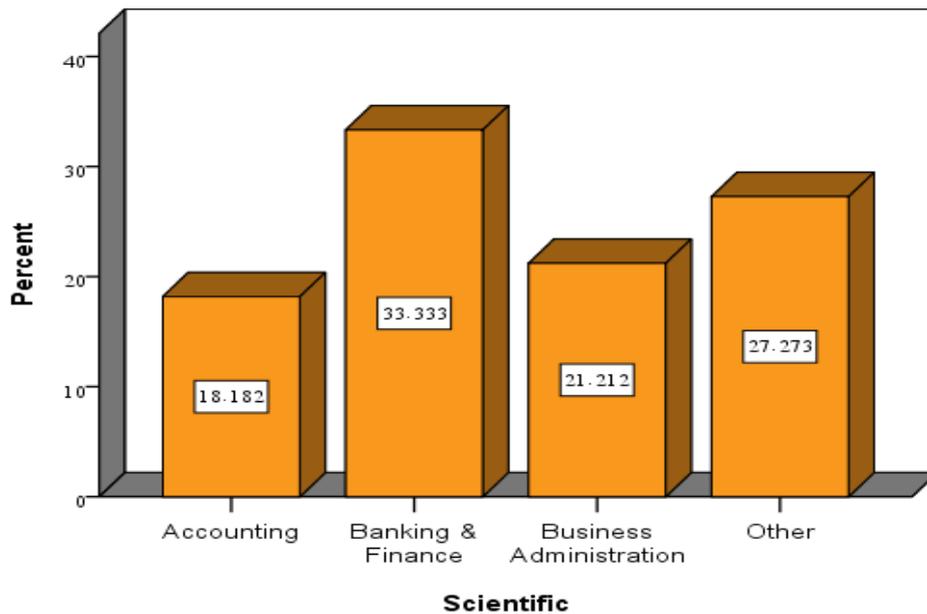
### 3.1.2 Degree Specification

The sample included the personal characteristics of Degree Specification, the frequency and proportions summarized in the following table:

**Table 2. Degree Specification**

Class	Frequency	Percent
Accounting	6	18.182
Banking & Finance	11	33.333
Business Administration	7	21.212
Other	9	27.273
Total	33	100

Table (2) shows that the study sample included 33.333% for class (Accounting) followed by class (Other) by 27.273% while the rest of the classes were lower percentages. The following figure shows this:



**Figure 2. Bar chart for Degree Specification**

### 3.1.3 Years of Experience:

The sample included the personal characteristics of Years of Experience, the frequency and proportions summarized in the following table:

**Table 3. Years of Experience**

Class	Frequency	Percent
Less than 5	3	9.0909
5-41	10	30.303
From 41 or more	20	60.606
Total	33	100

Table (3) shows that the study sample included 60.606% for class (From 41 or more), followed by class (5-41) by 30.303% while the rest of the classes were lower percentages. The following figure shows this:

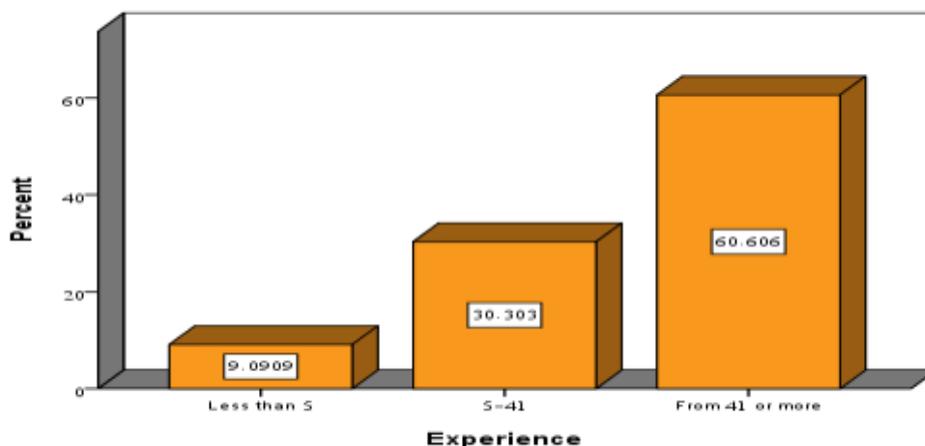


Figure 3. Bar chart for Years of Experience

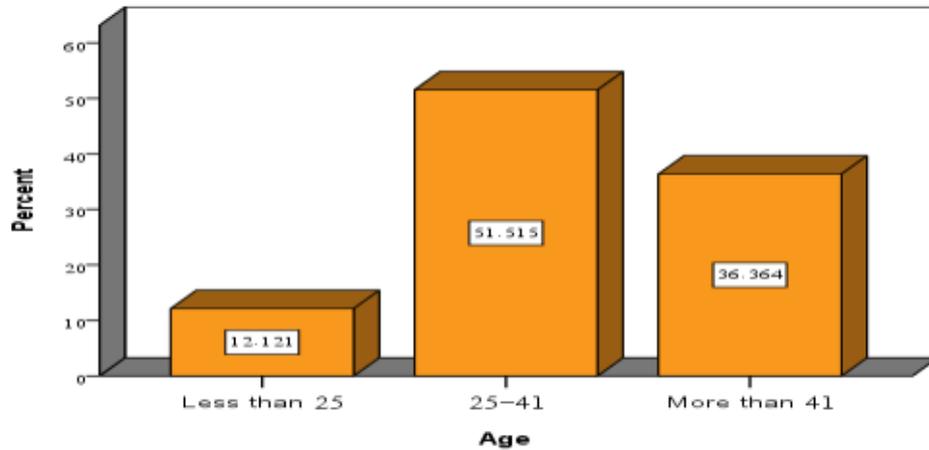
### 3.1.4 Age

The sample included the personal characteristics of Age, the frequency and proportions summarized in the following table:

Table 4. Age

Class	Frequency	Percent
Less than 25	4	12.12
25-41	17	51.52
More than 41	12	36.36
Total	33	100

Table (4) shows that the study sample included 51.52% for class (25-41), followed by class (More than 41) by 36.36% while the rest of the classes were lower percentages. The following figure shows this:



**Figure 4: Bar chart for Age**

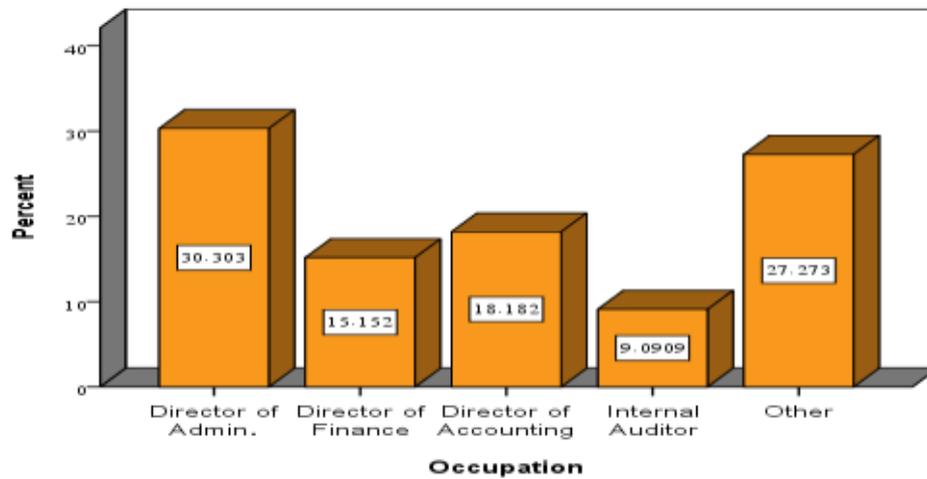
### 3.1.5 Occupation:

The sample included the personal characteristics of Occupation, the frequency and proportions summarized in the following table:

**Table 5. Occupation**

Class	Frequency	Percent
Director of Admin.	10	30.303
Director of Finance	5	15.152
Admin. Manager	0	0
Director of Accounting	6	18.182
Internal Auditor	3	9.0909
Other	9	27.273
Total	33	100

Table (5) shows that the study sample included 30.303% for class (Director of Admin.), followed by class (Other) by 27.273% while the rest of the classes were lower percentages. The following figure shows this:



**Figure 5: Bar chart for Occupation**

### 3.2 Test reliability coefficient and Validity of the questionnaire:

Of the basic elements of the validity of relying on the results of the questionnaire tested in terms of reliability coefficient, which means the stability of scale and lack of contradiction with itself (Stability of respondents' answers, not random use in choosing the answer), that is, it gives the same results if re-applied to the same sample. On this basis it will be used Cronbach's alpha coefficient. To measure the consistency with sincerity (which represents the root of the reliability coefficient) questionnaire and summarized by the following table:

**Table 6. Reliability Statistics**

Variables	Cronbach's Alpha	N of Items
VARIABLE-1	0.796	5
VARIABLE-2	0.834	5
All of variables	0.871	10

The reliability coefficient Cronbach's alpha for each questionnaire questions for the measurement tool has a high degree of consistency and the truth because it is greater than 60% and therefore means there is an internal consistency of the questions the questionnaire in general.

### 3.3 Descriptive Statistics for variables:

The analysis to the questionnaire which included (2) variables, Answers of researches were summarized her through the tables of the following:

**The First variable:** the arithmetical means of each Likert scale tested equation of questionnaire sample (Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and Strongly Agree =5). On this basis, the level question means according to the importance and the degree of agreement with the hypothesis of the research and summarized in the following table:

**Table 7. Descriptive Statistics for First variable**

Questions	Minimum	Maximum	Mean	Std. Deviation
Q1	3	5	4.03	0.847
Q2	2	5	3.64	0.994
Q3	1	5	3.61	1.273
Q4	1	5	3.73	1.180
Q5	1	5	3.15	1.253
Valid N (list wise)	33			

Table (7) shows that the answers to the questionnaire question Q1 ranged from the number three (Neutral) and number five (Strongly Agree), and question Q2 ranged from the number two (Disagree) and number five (Strongly Agree), and the rest of the questions ranged from the number one (Strongly Disagree) and number five (Strongly Agree). The first question has a higher average agreement reached (4.03), followed by the Q4 question with an average agreement reached (3.73), while

the (5) question is in ranked last with an average agreement of (3.15). The rest of the questions are close and range between them.

**The Second variable:** the arithmetical means of each Likert scale tested questionnaire sample, the level question means according to the importance and the degree of agreement with the hypothesis of the research and summarized in the following table:

**Table 8. Descriptive Statistics for Second variable**

Questions	Minimum	Maximum	Mean	Std. Deviation
Q6	2	5	3.76	0.867
Q7	1	5	3.67	1.137
Q8	1	5	3.55	1.201
Q9	1	5	3.24	1.300
Q10	1	5	3.27	1.398
Valid N (list wise)	33			

Table (8) shows that the answers to the questionnaire question Q6 ranged from the number two (Disagree) and number five (Strongly Agree), and the rest of the questions ranged from the number one (Strongly Disagree) and number five (Strongly Agree). The first question has a higher average agreement reached (3.76), followed by the Q7 question with an average agreement reached (3.67), while the (9) question is in ranked last with an average agreement of (3.24). The rest of the questions are close and range between them.

### 3.4 Testing of hypotheses:

The sample of study covered the test of two hypotheses, as follows:

#### First hypotheses:

$H_0$ : The first variable has no significance.

$H_1$ : The first variable has significance (*electronic accounting services enhance the efficiency of financial institutions under a significance level of (0.05)*)

Here, we test the significance of the first variable by testing the significance of the means to the questionnaire questions that were answered through (33) surveyed on Likert scale, depending on the extent of their compatibility with the research hypothesis, specifically. An arithmetic mean test equal to (3) of the respondents (because Likert average is equal to 3) against the arithmetic average greater than the number (3), and on this basis the t-test was used for one sample under the significance of the level (0.05) and the results are summarized in the following table:

**Table 9. One-Sample -t- test for first hypotheses**

Mean test value = 3						
Mean	P	t	t	Standard	Mean	Result
n	value	tabulated	calculated	Error Mean	Difference	
3.6303	0.000	1.96	4.350	0.14489	0.6303	Sig.

Table (9) shows that mean of the agreement with the hypothesis equal to (3.6303), the largest mean by Likert scale (0.6303) while the p-value equal to (0.000) which is less than the level of significance of 5% (t-calculated was (4.35) which is greater than the t-tabulated value (1.96)) which means rejection of the null hypothesis and accept the alternative hypothesis, that's mean there is important for first variable. It is clear that electronic accounting services have a significant impact on the financial efficiency of institutions including the banks.

**Second hypotheses:**

$H_0$ : The second variable has no significance.

$H_1$ : The second variable has significance (*electronic accounting services enhance the internal control system under a significance level of (0.05)*)

Here we test the significance of the second variable by testing the significance of the means to the questionnaire questions that were answered through (33) surveyed on Likert scale, depending on the extent of their compatibility with the research hypothesis, specifically. An arithmetic mean test equal to (3) of the respondents (because Likert average is equal to 3) against the arithmetic average greater than the number (3), and on this basis the t-test was used for one sample under the significance of the level (0.05) and the results are summarized in the following table:

**Table 10. One-Sample -t- test for second hypotheses**

Mean test value = 3						
P	t	t	Standard	Mean	Result	
Mean value	tabulated	calculated	Error Mean	Difference		
3.4970	0.004	1.96	3.128	0.15886	0.4970	Sig.

Table (10) shows that mean of the agreement with the hypothesis equal to (3.497), the largest mean by Likert scale (0.497) while the p-value equal to (0.004) which is less than the level of significance of 5% (t-calculated was (3.128) which is greater than the t-tabulated value (1.96)) which means rejection of the null hypothesis and accept the alternative hypothesis, that's mean there is important for second variable. It is clear that electronic accounting services have a significant impact on the financial efficiency of institutions through the effect of the internal control system, although there is no direct effect between the internal control system and the financial efficiency of financial institution, including banks.

## **4. CONCLUSIONS AND RECOMMENDATIONS**

### **4.1 Conclusions**

This paper deals with electronic accounting services and their effect on enhancing the efficiency of financial institutions in the Kurdistan region of Iraq. Electronic accounting services were competitive in order to provide the company with timely and efficient advice on its financial position. Hypotheses were tested on the basis of this study. It is clear that electronic accounting services have a significant impact on the financial efficiency of institutions through the effect of the internal control system. The result shows that electronic accounting services have an influence on the efficiency of business foundations, although there is no direct effect between the internal control system and the financial efficiency of banks.

However, there are indications on some elements of the internal control system, such as risk assessment and control activities with elements from a financial perspective such as; profitability, efficiency, and liquidity. Electronic accounting makes it easy to prepare accounting and financial data on time and rapidly. The effect of electronic financial reporting systems is related to the advantages of the use of computer systems in financial reporting.

## 4.2 Recommendations

The research therefore recommends:

- Financial institutions are expected to introduce periodic system maintenance programs to resolve vulnerabilities such as viruses and theft which can impact system operations. Managers can do that and the device can be used by other users as expected.
- Workers will need to be qualified efficiently and correctly to complete transactions. Certified package distributors will need ongoing training in order to ensure that their skills and knowledge in accounting information systems are completely equipped for increasing update items and launches.

## Conflict of interests.

There are non-conflicts of interest.

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