The Accounting System of the Vavuniya South Tamil Pradesiya Sabha

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Abstract: Local government is the third and lowest level of government in Sri Lanka - after the central government and provincial councils. The words “local government” imply a political and administrative structure (or organization) which has the “power” to regulate the affairs of people in a particular province or local territory as part of a larger land mass or nation. This study is mainly focused on the “Accounting System of the Vavuniya South Tamil Pradesiya Sabha”. Therefore, the main issue of this study is to examine that, what are the problems faced by the Vavuniya South Tamil Pradesiya Sabha and how they can practice accounting system in an efficient and effective way. Through this study the researcher is attempted to solve these problems such as why there is always delay in the operations of accounting activities at the Vavuniya Tamil Pradesiya Sabha and what are the defects in the accounting system. That is, how to avoid the delays in the operations and remedial actions for sort-out the defects in the accounting system of the Pradesiya Sabha. The objectives of the study are to investigate the efficient and effectiveness of accounting system which is adopted by the Vavuniya Tamil Pradesiya Sabha, and to analyze which accounting system is (computerized and manual) increase the efficient and effectiveness of accounting system. For the study purpose primary data was gathered from the employees of the Vavuniya South Tamil Pradesiya Sabha through the questionnaire which includes some variable such as accounting system is the independent variable. This accounting system consists of manual accounting system and computerized accounting system. Manual accounting system and computerized accounting system are intervening variables. Efficiency and effectiveness in accounting system are the dependent variables. Secondary data was taken from reports, hand books, circulars, magazines, and annual reports. Data were entered into the SPSS 16.0 package. According to the primary data analysis, assets value, investment and cash balance are continuously increasing. Based on the secondary data analysis, 62.5% of the employees prefer the current accounting system (manual accounting system) of the organization. 87.5% of the employees prefer to adopt the computerized accounting system within the Vavuniya South Tamil Pradesiya Sabha. According to the correlation analysis, there is a positive relationship between manual accounting system and efficiency and effectiveness of the accounting system (Pearson’s correlation takes a value of +0.555) and also there is a positive relationship between computerized accounting system and efficiency and effectiveness of the accounting system (Pearson’s correlation takes a value of +0.560). Therefore both accounting systems are supported to the efficient and effectiveness of the accounting system of the Vavuniya South Tamil Pradesiya Sabha.

Keywords: Manual Accounting System, Computerized Accounting System, Accounting System, Efficiency and effectiveness of the Accounting System

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