



**COMPUTER-BASED SYSTEM AND SECURITY CONTROLS OVER
ACCOUNTING INFORMATION**

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ABSTRACT

This study is intended to investigate how certain factors (level of computer usage, types of software usage and size of accounting department) in a computer-based accounting system will influence the level of organization commitment on security controls. Companies that registered with the Companies Commission of Malaysia (CCM), under group 7 (technology, communications and transportation) constitute the population of interest. The result of the study indicates that non-accounting software usage and size of accounting department significantly explain the variance in organization commitment on security controls. The level of computer usage and accounting software usage has no significant relationship with organization commitment on security controls.

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CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

The revolution of information communication technology (ICT) has contributed to the sudden growth in the use of computer in doing businesses. One of the areas in organizations that is affected by the growth of computer technology is the Accounting Department. Many companies and government organizations have switched their operations from a manual system to a computer-based system. A computer-based accounting information system automates the manual accounting cycle, which make it more effective and efficient. In this system, companies will use either accounting or non-accounting software to record their accounting transactions. The development of accounting software such as Mr. Accounting, Pastel Accounting, UBS Accounting, and Peachtree has improved the process of recording, transmitting, processing, storing and retrieving accounting data. Availability of additional non-accounting software such as word processing, spreadsheet and database, assists employees to process accounting data.

1.2 THE ISSUE

The transformation from a manual system to a computer-based system however, creates a new issue on how secured is the computer-based accounting system? Although the computer-based system adds value to Accounting Department, the security over the processing of accounting transactions should be taken into consideration in order to produce reliable information, that meet internal and external reporting requirements. The reliability of financial information depends on the security of the computer system. Inadequate security of the accounting information