

**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.

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