ACCOUNTING INFORMATION AS A TOOL FOR SUSTAINABLE DEVELOPMENT OF ENTERPRISES

USMAN MOHAMMED BATURE

Federal Polytechnic, Bauchi School of Business Studies Department of Accountancy

ABSTRACT
The primary role of accounting is to provide useful information for the decision making needs of investors, lenders, owners, managers and others both inside and outside an enterprise. Since the aim of any enterprise is to make profit then accounting information is indispensable to achieving this goal. The objective of the paper is to look at how accounting information will bring about sustainable development to business enterprises, data for this research was obtained from secondary sources. The result of the finding were presented in a narrative form. It was discovered that most enterprises in Nigeria do not keep proper accounting record and even those that keep do not know the importance of accounting information. It is therefore, recommended that government should make it compulsory for all enterprises to present accounting information (financial statement) as a pre-requisite for accessing loan facilities.

Keyword: Accounting information, Sustainable development, Decision making, Enterprises.

INTRODUCTION
Enterprise development is fundamental to poverty alleviation, job creation, economic growth and human development, it can help the entrepreneur make ends meet, achieve financial security, accumulate wealth, become a leader and set example for others, creates jobs and incomes in his or her community, generate tax revenues for government. In countries with support structures in place, SMES (Small and Medium Scale Enterprises) can account for significant percentage of both employment and gross domestic product (GDP). In high income countries SMES account for more than 60% of both employment and GDP in low income countries, they account for nearly 80% of employment but less than 20% GDP. As a result, whether entrepreneurs start their business because they cannot find jobs (“necessity entrepreneurship”) or because they see market opportunities (“opportunity entrepreneurship”), helping them grow is a development imperative. However, enterprise cannot develop without management planning and decision and that cannot be achieved without good account information. That is why account information is seen as a food for management planning and decision making.

It is therefore pertinent that good accounting information be made available for proper and accurate decision making, maximization of profitability and optimal utilization of scarce resources.

According to Okoli (2012) accounting information is not only necessary for evaluation of the past and keeping the present on course; it is useful in planning the future of the enterprise. Similarly, Mbanefo (1997) in Okoli (2012), opined that This planning we may conventionally call budget/budgetary target, which gives meaning and direction to operation of the organization within a defined period. At the end of the budget period, the actual results are compared with budgeted performance and discrepancies (variance) are analyzed for the purpose of exposing the causes so as to prevent re-occurrence.

The aim of this paper is to examine how the use of accounting information serves as a tool for sustainable development to enterprises.

LITERATURE REVIEW
Mbanefo (1997) in Okoli (2012) defines accounting as a measurement and communication system to provide economic and social information about an identifiable entity to permit users to make informed judgments and decision leading to an optimum allocation of resources and the accomplishment of the organization objective.

Chong (1996) in Jawabreh (2012) opined that accounting information help managers to understand their task more clearly and reduce uncertainty before making their decisions.
According to Niswonger and Fees (1969) in Okoli (2012), accounting is the process of identifying, measuring and communicating economic information to permit informed judgment and decision by users of the information.

According to Okoli (2012), the major purpose of the use of the accounting information is to minimize risk, failure, uncertainties and also stay ahead of competitors. Notwithstanding the immense benefit of use accounting information, it is generally acknowledged that most unqualified accountant generate inaccurate information and so result in failure of organization to achieve desired goal. There are cases of managers refusing the use of accounting information because of their inability to interpret such data, thereby making the organization to remain at status quo ante.

**IMPORTANCE OF ACCOUNTING INFORMATION**

According to Okoli (2012), the importance of accounting information comprises the following:

i. It provides quantitative information about economic activities. The information is primarily financial in nature and intended to be useful in making economic decision.

ii. Accounting information is needed not only by management in directing affairs of an organization but also by shareholders, who require periodic financial statement in order to appraise management performance.

iii. Accounting information is needed by government for efficient distribution and use of the nation’s resources thus, it plays an important role in all economic and social systems.

iv. It helps in checking irregularities and misappropriation

v. Accounting information is the livewire of any organization without which it is likely to remain static or in worse cases die.

**USERS OF ACCOUNTING INFORMATION**

Users of accounting information may be both internal and external to the organization. The Internal users (primary users) include the following:

i. **Management**: for analyzing the organization performance and position and taking appropriate measures to improve the company result.

ii. **Employees**: for assessing the company profitability and its consequence on their future remuneration and job security.

iii. **Owners**: for analyzing the viability and profitability of their investment and determine any future course of action.

Accounting information is presented to internal users usually in the form of might account, budgets, forecasts and financial statement.

External users (Secondary users) include the following:

a). **Creditors**: for determining the credit worthiness of the organization. Terms of credit are set by creditors according to the assessment of their customer’s financial health. Creditors include suppliers as well as lenders of finance such as banks.

b). **Tax authorities**: for determining credibility of the tax returns filed on behalf of the company.

c). **Investors**: for analyzing feasibility of investing in the company. Investors want to make sure that they earn a reasonable return on their investment before they commit any financial resources to the company.

d) **Customers**: for assessing the financial position of its suppliers which is necessary for them to maintain a stable source of supply in long term.

e). **Regulatory Authorities**: for ensuring that the company’s disclosure of accounting information is in accordance with the rules and regulations set in order to protect the interest of the stakeholders who rely on such information in forming their decision.

Accounting information is presented to external users usually in the form of financial statement.

**CHARACTERISTICS OF ACCOUNTING INFORMATION**

According to Riley (2012) before accounting information can be regarded as useful in satisfying the need of various user group, it should satisfy the following criteria:
Understandability: This implies the expression with clarity of accounting information in such a way that it will be understandable to users.

Relevance: This implies that to be useful; accounting information most assists a user to confirm, or may be revised a view usually in the context of making decision.

Consistency: This implies consistent treatment of similar items and application of accounting policies.

Comparability: This implies the ability for users to be able to compare similar company’s in the same industry group and make comparisons of performance over time.

Reliability: This implies that the accounting information that is presented is truthful, accurate, complete (nothing significant is missed out) and capable of being verified.

Objectivity: This implies that accounting information is prepared and reported in “neutral way”.

In other word it is not biased toward a particular users group or vested interest.

METHODOLOGY
This paper employed documentary research techniques, data was obtained from secondary sources such as journals, Conference papers, text books and unpublished research projects.

DISCUSSION OF FINDINGS
From the relevant literature reviewed it was discovered that accounting information is the livewire of every organization without which it is likely remain static or in worse case die. In Nigeria it is evident that most Small, medium and large enterprises do not have qualified accountant as such the issue of using accounting information is not there.

Furthermore, it was also discovered that accounting information help managers to understand their task more clearly and reduce uncertainly before making their decision, but most of enterprise owners here in Nigeria assume that accounting information is just use to determine profit or loss and nothing more. In addition most business owner do not know how interpret account data let alone to use it for sustainable development.

Finally enterprise owners in Nigeria employ the service of unqualified account that always supply them with wrong information for their decision that also contribute to the collapse of the business.

CONCLUSION
A good accounting information serve as food for management planning and decision making, which is the foundation for sustainable development of enterprises, whether large, small or medium. Based on this research we can attribute the problem of mortality and non sustainable development of enterprise, to lack of or non proper usage of account information. Therefore for enterprises to achieve sustainable development they must embrace the usage accounting information religiously and accordingly.

RECOMMENDATION
In view of the foregoing, the following are recommended:

i. The government should make tendering of accounting information a pre-requisite for accessing loan by enterprises irrespective of whether small, large or medium.

ii. A seminar on the importance of accounting information should be introduced to Enterprises and attendance should be made compulsory and this should be a joint effort of government and relevant unions of enterprises.

iii. Business owners should always seek for professional advice when it comes to the interpretation of accounting information so that a reliable decision can be achieved.

REFERENCE

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