

Most critics hold that there are paucity of accounting records maintained by co-operative societies. This study therefore investigate the level and the adequacy of accounting records of co-operative societies. To determine this, the fundamental objective of the study among others are.

1. To identify and disclose whether adequate accounting records are kept by co-operative societies.
2. To determine the impact of the present level of accounting record's on profitability and viability of co-operative societies.

The entire cooperative societies in Enugu North local government area (registered) was the study population from which 98 was selected. A set of structured questionnaire was administered to the sample out of which 72 responded. Oral interview were also used to collect useful data and information which could not have been portrayed by the questionnaire.

The collected data were classified, analysed and interpreted by the use of tables, percentage, product moment of correlation and chi-square (test of goodness of fit) was used in testing the hypothesis.

From the analysis of data the major findings are that.

- a. co-operative societies do not really maintain adequate accounting system.
- b. There is weakness in the internal control system of co-operative societies.
- c. Co-operative societies make use of their members as their accounting staff usually the secretary.
- d. Most co-operative societies do not company with the established accounting standards.
- e. The present level of accounting records in co-operative societies affect the profitability and viability of co-operative societies.

Based on the findings some of these recommendation were made.

- i. co-operative societies should employ experienced competent and trained accounting staff to improve their accounting system.
- ii. The accounts of co-operative societies should be audited by external auditors like corporate organization.
- iii. The management of co-operative societies (committee) should receive management training and also every member of the co-operative should be educated.

## PROPOSAL

The growing complexities and challenges of the global co-operative societies has in recent times increased like wilhel fire. The queve which is almost a culture in the country, fraudulent activities etc there, the need now arises on

how these problems can be solved.

The research work is designed to analyse the role of co-operative societies and operational performance in local government areas reference to Enugu North.

It also helps other people to know the full meaning of co-operative societies in Nigeria and what they should achieved on it. Before forming co-operative society they will make sure that they investigate the level of adequacy of accounting records of co-operative societies.

It will help them to know that they should tried to keep adequate accounting records of books and also to determine the impact of the present level of accounting records on profitability and viability of co-operative societies.

An oral interview is used to collect useful data and information which could not have been portrayed by the questionnaire. From the analysis of data my major finding is that co-operative societies do not really maintain adequate accounting system; also that co-operative societies make use of their members as their accounting staff usually the secretary finally that most co-operative societies do not comply with the established accounting standards.

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## CHAPTER ONE

## INTRODUCTION

Co-operative societies are part of the aim of government, they are nurtured by the government the government believe that through co-operative societies that the standard of living of the masses will improve. They are meant to enhance the economic and social well being of the populace as this will help to record economic growth and subsequent development, that is why the government sponsor and run some of the activities of co-operative societies. For instance the government employ co-operative field staff to disseminate the gospel of co-operation, to nurture co-operative by giving them directives and prepare them for registration and also to audit the accounts of co-operative, societies.

Co-operative societies are business organization though in the class of non profit seeking form of business organization whether a business is profit oriented or non profit oriented, it should hare an accounting system.

Against this background, this research is designed to study the accounting system of co-operative societies how the information presented by the accounting system is utilized. Ie whether it is used in making decisions for the businesses.

## 1.2 STATEMENT OF PROBLEMS

Some of the problems attendant to co-operative societies which militated against the accounting system of co-operative societies in Enugu North local government area are as follows.

- 1. Paucity of accounting records and information
- 2. Lack of fund to employ trained accountant to manage the accounts of co-operative societies.
- 3. lack of management education to the committee members who are

managers of the societies and the general members who potential committee members.

### 1.3 THE OBJECTIVES OF THE STUDY

The objectives of the study are as follows:

- i. To identify and disclose whether adequate accounting records are maintained in co-operative societies.
- ii. To determine the impact of the present level of accounting records on the profitability and viability of co-operative societies.
- iii. To offer possible recommendation that would enhance the utility of accounting records kept in co-operative societies.

### 1.4 RESEARCH HYPOTHESIS

As to realize the objective of this study the following hypothesis have been formulated.

- i. Co-operative societies do not maintain an adequate accounting system.
- ii. The internal control system of co-operative societies is not adequate.
- iii. Most co-operative societies do not comply with the established accounting standards.
- iv. The present level of accounting records of co-operative societies have an adverse effect on its profitability and viability.

### 1.5 SIGNIFICANCE OF THE STUDY

This study will be of immense benefit to the co-operative, pre and post co-operators, student public and the government.

- i. To co-operators, the study will help them to formulate a proper and better accounting system that will help in the growth and the realization of the goals and objectives of co-operative societies.
- ii. To pre member of co-operative societies, it will serve as a guide in understanding the accounting system of co-operative societies which will serve as a guide in formulating their own accounting system when forming a new society.
- iii. to post members, it helps them to see what was lacking in the accounting system and in the running of the fund of co-operative societies and the correction might be a temptation to delve back in to co-operation.
- iv. To the student and public, it will serve as a research literature to the public and also to students in accountancy and co-operative department who may decide to research more on this topic.
- v. To the government the study will serve as a guide to policy making as regards to co-operative societies and also in structuring laws and rules for co-operative society.

### 1.6 DEFINITION OF TERMS

**CO-OPERATIVE SOCIETY:** Co-operative society may be defined as a form of business where in persons voluntarily associate themselves as human beings on basis of equality for the promotion of their economic and /or social standards.

**CO-OPERATION:** This service as another word for co-operative society.

**COMMITTEE:** This “means” the governing body of a registered society to whom the management of its affairs is entrusted”.

**COUNCIL OF INSPECTION:** They are “elected council of members who are not members of the committee to whom the supervision of the committee is entrusted”.

**DIVIDEND:** This is “a share of the net surplus of a registered society divided among its members in proportion to the paid up share capital held by them”.

**MEMBER:** This include a person joining in application for the registration of a society or admitted to membership after the registered in accordance with the bye laws and rules”.

**MEMBER BONUS:** “Means a share of the net surplus of a registered society divided among its members in proportion to the volume of business done by them with the society from which surplus of the society was derived”.

**Net surplus:** means the difference between income received or accrued during the financial year and the total of expenditure made or accrued during the year and provisions and allowances for the depreciation of fixed assets or the written off of losses or bad debts and for the creation or maintenance of reserves against bad debts or depreciation of stocks.

**HONORARIUM** “Means a share of the net surplus of a registered society divided amongst some or all of the members of the committee, or the council of inspectors or scrutinizers of the society in recognition of services for which otherwise no payment is received”.

**ACCOUNTING:** Defined by osisioma as “A language of business employed to communicate financial information it has the responsibility of keeping track of the essential information affecting the financial activities of an organization of interpreting the information in terms of relative success or failure and of helping to plan the course of future action”.

**INTERNAL AUDIT:** Internal audit is described as a review of operations and records, sometimes continuous undertake within a business by specially assigned staff.

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