CHAPTER 6:

CONCLUSIONS AND RECOMMENDATIONS

This chapter contains the final efforts which the researcher has prepared in this study, in which the first section will present the results of the data collected from the respondents who responded to the questions surrounding the problematic issues of applying modern and advance AIS process that considered the basic of the second section the recommendations which the researcher look forward to contribute in developing the Accounting Information Systems for the petroleum companies in Yemen to join with modern technology to secure and enhance the superior level to meet up the Yemeni environment requirements better than the current position.

6.1. CONCLUSIONS:

The conclusions is based on the study entries, and based on the opinion of the individuals’ respondents in petroleum companies which has resulted in a set of findings as follow:

6.1.1. The Findings of the Theoretical Study:

1. Although numerosness of concepts and types of the information system all authors and scholars stand in the general basics.

2. Accounting Information System (AIS) is the most and the major part of the Management Information System (MIS).

3. Existence of multi studies and researches has been found in literature review related to this study from different sides and angles.
4. The accelerated development in information technology, and increase in the organizations resulted to apply information technology for processing the accounting transactions and preparing the financial statements.

5. The Arabic countries have huge reserves and considered the important countries of producing and exporting the petrol in the world. Consequently, the existence of the petroleum companies in Arabic countries are numerous.

6. Existence of accounting standards and accounting concepts to treat the accounting petroleum according to its activity nature (extractive industry).

7. Yemen considers the new player in exploring and exporting the petroleum, and has great hopes of the future with petroleum companies, and consequence of increasing the exploring process in Yemeni promises fields will be reflected to increase of the petroleum companies in Yemen.

6.1.2. The Findings of the Practical Study:

1. The majority of the petroleum companies in Yemen haven't applied Enterprise Resource Planning (ERP), System Application Production (SAP) and other modern Accounting Information system. Nevertheless, the characteristics and advantages have been mentioned in chapter 3, section 1. Consequently, the first hypothesis has been refused.

2. Nevertheless, the respondents’ answers were 53% have the plans to develop the current Accounting Information Systems (AIS). The researcher attributed that percentage to apply the legacy systems in petroleum companies. The researcher considered that percentage is insufficient, in which those companies should have plans to replace or develop the current legacy systems to utmost i.e.100%.
3. The training courses of the petroleum companies' employees in the financial departments aren't sufficient to run and treat with modern accounting information system, because the Ministry of Oil doesn't obligate those companies to train the accounts employees as obligated to those companies to train the technical employees, according to the results of testing the second hypothesis, in which has been refused.

4. The petroleum companies apply legacy and common protecting techniques to maintain its accounting information systems in which the high percentages has been appeared, on the other hand, the low percentages of the modern and advance protecting techniques has been appeared too.

5. No standard or ideal percentages of the petroleum companies' security policies to protect its accounting information systems of the risks and threats, and to maintain the offsite backup of its accounting information systems to face the natural disasters, which the results of testing of the third hypothesis has been indicated to refuse it.

6. The International Accounting Standards (IAS) are not fully applied by petroleum companies in Yemen, in which the results revealed, only 36% of petroleum companies apply the IAS, 33% apply the Accounting standards of the nature of the native country’s company, and 31% apply General Accepted Accounting Principles (GAAP); based on the testing of the fourth hypothesis. The results have been refused.

7. Most reports issued by petroleum companies in the English language, which the accounting systems are not modern to support multi languages such as Arabic language.

8. The majority of petroleum companies don't fully disclose the social responsibilities and accomplish it's full role of the social responsibilities as (students and employees trainings, environment policy protection and donations), and some companies disclose
in its websites about its process in the world totally and don’t accurately detail the
disclose of its different processes, and also don't disclose in separate reports concerned
with the social responsibilities in Yemen.

9. The researcher has managed interviews with some of the principals in the Ministry of
Oil and Minerals, which indicated the delays in the reports offered by the petroleum
companies sometimes and also, indicated that trying to perpetrate the tax evasion by the
petroleum companies as well.

10. Other interviews with some of the principals in the Tax Authority, which indicated
the Tax Authority hasn't any role in controlling or checking the income tax of the
petroleum companies, which the Ministry of Oil had taken the Tax Authority role in this
issue as the researcher had explained previously in this study analyzed in section 3 of
chapter 5.

11. The researcher has studied some production sharing agreements between the
Ministry of Oil and the petroleum companies, in which it was found that there is
wasting of Yemeni wealth by wasting taxes three times by exemption the companies
affiliated to the petroleum company and its contractors and subcontractors.

12. The sharing agreements didn't clearly mention the petroleum company's obligations
toward the social responsibilities such as training of the Yemeni employees in financial
departments, and environment protecting policies.

13. Also the sharing agreements didn't clearly mention any accounting packages,
accounting systems and accounting standards the company should apply.
14. Basically, the analysis of the collected data regarding the fifth hypothesis, and also based on the interviews that the researcher has managed to reveal, refused the hypothesis.
6.2. RECOMMENDATIONS:

On the light of the study entries and its findings and results, the following are the study suggestions:

1. The researcher recommends the petroleum companies that still apply legacy systems to convert applying modern and advanced accounting information systems (AIS) such as Enterprise Resource Planning (ERP) systems, and System Application Production (SAP) for oil and gas accounts, and other modern systems such as Case-based Reasoning (CBR) and Decision Support Systems (DSS) to accompany the new era of changes, which the applying of modern accounting information systems should be one of the petroleum companies qualifications additional to the technical qualifications. The modern accounting systems abilities should accompany with technical abilities as an important condition of the company qualifications to practice its activities in Yemen.

2. In connection with the government companies currently have applied the uniform accounting system to reissue a standard accounting system to suit with the petroleum companies' activities nature, because the current uniform accounting system applied in all government companies regardless nature of the different activities of those companies.

3. Continually training internally and externally of the accountants in the petroleum companies to enable them to practice modern and advanced accounting information systems.

4. The financial staff in the petroleum companies should be appointed in coordination with the Ministry of Oil, to ensure the integrity of the financial transactions and to minimize the accountings manipulation chances by the petroleum company, and should
train them, therefore the sharing agreements don’t mention the training of accounts and financial employees as mentioned the training of the technical employees.

5. Reforming the security techniques and policies in petroleum companies for accompanying the era technology, and to protect its accounting systems of the modern technology threats and risks.

6. The researcher recommends the petroleum companies for taking steps in the direction of the Disaster Recovery Plans (DRP) to protect its accounting systems from natural disasters.

7. The petroleum companies should apply the International Accounting Standards (IAS) with the considerations of the Yemeni environment.

8. The current disclosure levels of the social responsibilities of the petroleum companies are not sufficient; the researcher recommends the petroleum companies to increase the disclosure levels of the social responsibilities.

9. Increasing the current social responsibilities more than the other branches in other countries of the world, because Yemen is a developing country needs more efforts to become developed country.

10. Imposing the fine in case of delayed reports offered by the petroleum companies after a specific time.

11. The companies should disclose its tax and social responsibilities accounts in accurate details on the websites in all company branches spread over the world as a separate and independent branch. i.e. not disclosure only the compound accounts of the all company branches as one set.
12. Increasing the accountants' numbers and training courses in the Ministry of Oil (Petroleum Accounting Dept.) to face the important duties and heavy responsibilities had granted to accountants in Petroleum Accounting Department concerning the checking and controlling of the multi petroleum companies working in Yemen.

13. Preparing separate financial statements concerning the environment protecting policies and social responsibilities.

14. In the petroleum sharing agreements, the Ministry of Oil should specify the accounting method; accounting standards and accounting packages which the petroleum company should apply.

15. In the petroleum sharing agreements, the Ministry of Oil should clearly specify the petroleum company's social responsibilities especially environmental protection policies, students and employees training courses, and the categories should get the donations from the petroleum companies.

16. In the petroleum sharing agreements, the Ministry of Oil should put clearly a specified statement of the recovered expenses terms, to avoid the disputes between the Ministry delegates and the company delegates which almost recovered expenses terms are repeated and known.

17. Taking recourse to the Tax Authority during formatting the petroleum sharing agreements regarding the taxable terms.

18. The coordination between the Ministry of Oil and the Tax Authority to enable the Tax Authority to practice its duties and apply the law tax, especially the Ministry of Oil hasn't specialists’ staff to account and collect the taxes.
19. Amendment the paragraphs in the petroleum sharing agreements concerning the taxes exemptions of the petroleum company, its affiliated companies, contractors and subcontractors.
6.3. SUGGESTIONS FOR FURTHER RESEARCH:

The study is limited only in accounting information systems in petroleum companies in Yemen, and through the theoretical and practical study revealed some future research possibilities as follow:

1. Study about Environmental Accounting in petroleum companies in Yemen, and its impacts on the environment.

2. Study about Financial and Social disclosure in petroleum companies in Yemen.

3. Similarly, this study can be applied for another sector, i.e. not in petroleum companies.

4. Similarly, this study can be applied for another country.

5. Study the drawbacks of the petroleum sharing agreements in Yemen concerning of the financial and accounting issues in those agreements.

6. Study of the development of the current uniform accounting system applied by government companies to fit the companies in different activities.