

DIGITAL ACCOUNTING AND FINANCIAL REPORTING QUALITY



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**A PROJECT SUBMITTED TO THE DEPARTMENT OF ACCOUNTING IN
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DECLARATION

I Winner Osabuohien PHILIP declare that,

This study is based on a study undertaken by me in the Department of Accounting, Faculty of Management Sciences, University of Benin, Benin City, under the supervision of Dr. Toluwa OHIDOA (associate prof) of the Department of Accounting, Management Sciences, University of Benin, Benin City Nigeria. This work has not been submitted for the award of degree elsewhere. Ideas and views are product of my personal research and where the view of others has been expressed, they have been duly acknowledged. Any liability arising from this work is to be wholly borne by me alone.

Winner Osabuohien PHILIP

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Date

CERTIFICATION

We, certify that this research project was carried out by Winner Osabuohien PHILIP in the Department of Accounting, Faculty of Management Sciences, University of Benin, Benin City, Nigeria. It is adequate in scope and quality in partial fulfilment of the requirements for the award of Bachelor of Science (BSc.) degree in Accounting.

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DEDICATION

I dedicate this project work first and foremost to Almighty God, whose grace, wisdom, and strength have guided me through every step of this journey. Without His blessings, none of this would have been possible.

ACKNOWLEDGEMENT

First and foremost, I give all glory and thanks to Almighty God for His guidance, wisdom, and strength throughout the completion of this project. Without His grace, this achievement would not have been possible.

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ABSTRACT

This study examines the effect of digital accounting on the financial reporting quality (FRQ) of selected Public Limited Companies (PLCs) in Benin City, Edo State, Nigeria. In an increasingly digitalized financial landscape, organizations are expected to adopt technologies such as Enterprise Resource Planning (ERP) systems, Cloud-Based Accounting (CBA), Data Analytics (DAN), and Blockchain Integration (BLI) to enhance the transparency, accuracy, and reliability of their financial reports. The study focuses on assessing the individual and collective impacts of these digital accounting tools on financial reporting quality. A structured questionnaire was administered to 100 staff members across four selected PLCs: Okomu Oil Palm Plc, Presco Plc, Ellah Lakes Plc, and BEDC Electricity Plc. Data were analyzed using both SPSS (v22.0) and EViews (v10), employing descriptive statistics, correlation, variance inflation factor (VIF), and Ordinary Least Squares (OLS) regression techniques. The findings reveal that ERP system utilization and blockchain integration have significant positive effects on financial reporting quality, while cloud-based accounting and data analytics show positive but statistically insignificant relationships. Based on these findings, the study recommends increased strategic investment in ERP systems and blockchain technology, enhanced training in data analytics, and a reevaluation of cloud adoption frameworks to improve the overall quality of financial reporting in corporate settings.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The issue of financial reporting quality has remained central to corporate governance discourse in Nigeria, given its role in influencing investment decisions, corporate transparency, and economic sustainability (Salehi et al., 2023). In the Nigerian context, concerns over the reliability, relevance, and completeness of financial reports have persisted due to recurring incidents of misstatements, delayed disclosures, and regulatory infractions (Awodiran, 2022). Financial reporting quality is generally understood as the degree to which financial statements reflect the economic substance of transactions and support informed decision-making by users (Mesioye & Bakare, 2024).

Globally, corporate collapses such as Enron and WorldCom, and more recently, the Wirecard scandal in Germany, have reinforced the importance of credible financial disclosures in maintaining investor confidence and market stability (Ismaila Alao et al., 2024). In Nigeria, the Cadbury Nigeria Plc scandal exposed deep-seated issues of earnings manipulation and internal control deficiencies (Oyedokun & Durowaiye, 2022). These events have spurred reforms and the adoption of the International Financial Reporting Standards (IFRS), yet compliance and enforcement remain inconsistent (Johri, 2024).

With the limitations of traditional accounting systems and the rising demand for real-time, transparent reporting, digital accounting has emerged as a viable tool for improving financial reporting quality (Hussain & Khalid, 2024). Digital accounting refers to the application of technology-based solutions in recording, processing, and reporting financial transactions (Ibrahim & Tahir, 2024). Its evolution has been significantly influenced by the Fourth Industrial Revolution, which introduced technologies such as cloud computing, artificial intelligence, blockchain, and big data analytics into financial processes (Mbizi et al., 2022). The COVID-19 pandemic further accelerated the adoption of digital tools, as companies were compelled to transition to remote operations and automated systems for continuity and regulatory compliance (Amankwah-Amoah et al., 2021).

The dimensions of digital accounting are diverse, with certain technologies playing more central roles in financial reporting. Notably, Enterprise Resource Planning (ERP) systems integrate core business operations and improve consistency across financial data sets, enabling timely and accurate reporting (Hasanudin, 2024). Cloud-based accounting systems allow for secure and flexible access to financial data, enabling remote reporting and collaboration, which are particularly valuable in large organizations like PLCs (Atadoga et al., 2024). Data analytics capabilities empower firms to detect patterns, forecast trends, and uncover anomalies, thereby reducing risks associated with misreporting or manipulation (Bose et al., 2023). Meanwhile,

blockchain technology offers the potential for immutable and transparent financial records, enhancing audit trails and ensuring integrity in reporting processes (Adewale et al., 2022).

Given the increasing integration of digital accounting tools in corporate financial systems, there is a growing need to investigate how these technologies affect the quality of financial disclosures. Recent evidence suggests that firms leveraging ERP(Enterprise Resource Planning) systems, cloud platforms, and analytics tools report improved financial transparency, timeliness, and accuracy (Samson, 2025). However, other studies point to challenges such as inadequate infrastructure, cybersecurity risks, and digital skill gaps that may moderate these positive outcomes (Morshed & Khrais, 2025). The extent to which digital accounting improves financial reporting quality among Nigerian PLCs remains empirically underexplored. Therefore, this study aims to examine the effect of digital accounting on the financial reporting quality of Public Limited Liability Companies in Nigeria.

1.2 Statement of the Research Problem

The relationship between digital accounting practices and financial reporting quality has generated mixed empirical outcomes, indicating a lack of consensus in the literature. Several studies have reported a positive association, asserting that digital technologies enhance reporting accuracy, timeliness, and transparency. For example, Odunayo et al. (2023), Oladejo and Yinus (2020), Eshiet (2023), and Olaoye and Bello (2025) found that digital accounting positively impacts financial reporting quality in terms of faithful representation, relevance, and

understandability. Conversely, contradictory findings also exist. For instance, Akai et al. (2023) noted that some components of cloud accounting, such as software, had an insignificant effect; Ogunsola (2021) highlighted infrastructural challenges limiting digital transformation; Chimin (2024) found some digital investments had insignificant impacts; and Bangerter and Alfaro-Almagro (2024) identified implementation challenges that negatively influenced reporting outcomes. This divergence in findings underscores the need for further empirical exploration to clarify the effect of digital accounting on financial reporting quality within under-explored contexts and sectors.

Furthermore, the extant body of research predominantly focuses on Deposit Money Banks (DMBs), creating a concentration in industry-specific evidence. Studies such as those by Odunayo et al. (2023), Oladejo and Yinus (2020), Akai et al. (2023), Akpan et al. (2023), Ogunsola (2021), and Oyewobi (2024) investigate DMBs in Nigeria. However, studies focusing on Public Limited Liability Companies (PLCs) outside the banking sector remain limited, despite these entities playing a central role in capital markets and financial disclosure obligations. Existing research conducted among SMEs or non-Nigerian firms, such as Abdul'Aziz et al. (2024) in Indonesia and Ghalem (2024) in Algeria, may not adequately reflect the regulatory rigor, stakeholder expectations, and audit environments of Nigerian PLCs. Thus, this study seeks to fill this sectoral and contextual gap by examining the impact of digital accounting on financial

reporting quality among listed Public Limited Liability Companies in Nigeria, thereby contributing robust and context-specific insights to the existing literature.

In addition, previous studies have tended to emphasize broader or alternative variables such as perceived ease of use, cost of ICT deployment, firm size, perceived benefit, and cloud expenditure (e.g., Oladejo & Yinus, 2020; Ogunsola, 2021; Akai et al., 2023; Oyewobi, 2024; Chimin, 2024), often neglecting key digital accounting dimensions. Empirical research employing core digital accounting indicators such as Enterprise Resource Planning (ERP) system utilization, cloud-based accounting adoption, data analytics capability, and blockchain integration as explanatory variables remains scarce in the Nigerian context, particularly among publicly listed firms. This study addresses this empirical lacuna by adopting these more precise constructs as proxies for digital accounting, thereby offering a refined and operationalized model to examine their specific impacts on financial reporting quality in PLCs (Public Limited Liability Companies) . This contribution not only enhances conceptual clarity but also provides practical implications for digital transformation in corporate financial reporting among listed companies in Nigeria.

Therefore, in light of the aforementioned problem , the following research questions calved out to derive this study.

1.3 Research Questions

- i. To what extent does ERP (Enterprise Resource Planning) System utilization influence the financial reporting quality of listed firms in Nigeria?
- ii. How does Cloud-Based Accounting adoption affect the financial reporting quality of Public Limited Liability Companies?
- iii. What is the relationship between data analytics capability and the financial reporting quality of Public Limited Liability Companies?
- iv. To what extent does blockchain Integration influence the financial reporting quality of Public Limited Liability Companies?

1.4 Research Objectives

The broad objective of this study is to examine the effect of digital accounting on financial reporting quality. The specific objectives include to:

- i. examine the effect of ERP (Enterprise Resource Planning) System utilization on the financial reporting quality of PLCs .
- ii. assess the impact of cloud-based accounting adoption on the financial reporting quality of PLCs.
- iii. investigate the relationship between data analytics capability and the financial reporting quality of PLCs and

- iv. determine the effect of blockchain integration on the financial reporting quality of PLCs.

1.5 Research Hypotheses

The following null hypotheses shall be tested:

- i. ERP (Enterprise Resource Planning) System utilization has no significant effect on the financial reporting quality of PLCs.
- ii. Cloud-based accounting adoption has no significant effect on the financial reporting quality of PLCs.
- iii. Data analytics capability has no significant relationship with the financial reporting quality of PLCs.
- iv. Blockchain integration has no significant effect on the financial reporting quality of PLCs.

1.6 Scope of the Study

This study focuses on examining the relationship between digital accounting practices and financial reporting quality. Specifically, the study will ascertain the impact of Enterprise Resource Planning (ERP) system utilization, cloud-based accounting adoption, data analytics capability, and blockchain integration on the financial reporting quality of Public Limited Liability Companies (PLCs). Geographically, the study is limited to PLCs operating within Benin City, Edo State, Nigeria, thereby offering context-specific insights into a region that has received limited scholarly attention in this research domain. Temporally, the study is expected to

be completed within the 2025 academic year, with its findings expected to contribute to academic literature, policy formulation, and corporate practice regarding digital transformation and financial reporting.

1.7 Significance of the Study

The study will be of relevance to various stakeholders in diverse ways below:

Policymakers and Regulators: This study provides empirical evidence that can inform policy formulation and regulatory oversight related to corporate digital transformation and financial disclosure in Nigeria. By examining how specific digital accounting tools such as ERP systems, cloud-based platforms, data analytics, and blockchain affect financial reporting quality, the findings offer actionable insights for regulatory bodies like the Financial Reporting Council of Nigeria (FRCN) and the Securities and Exchange Commission (SEC). These agencies can leverage the results to develop frameworks or guidelines that promote the adoption of secure, transparent, and efficient digital accounting infrastructures among PLCs, thereby strengthening financial reporting integrity and investor protection in the country's capital market.

Corporate Managers and Practitioners: For corporate executives and financial managers, particularly in Public Limited Liability Companies, this study offers practical insights into the strategic value of digital accounting adoption in enhancing financial reporting quality. Understanding which digital tools are most impactful allows firms to prioritize investments in

technologies that support accuracy, timeliness, and regulatory compliance in financial disclosure. Furthermore, the findings can assist Chief Financial Officers (CFOs), internal auditors, and IT managers in aligning digital accounting strategies with governance and reporting goals, thereby improving operational efficiency, stakeholder confidence, and competitive positioning in increasingly digital business environments.

Investors and Financial Analysts: This research is valuable to investors, analysts, and other capital market participants who rely on the quality of financial reports for informed decision-making. By empirically establishing how digital accounting practices affect financial reporting quality, the study equips stakeholders with better tools to evaluate the transparency, reliability, and timeliness of financial disclosures from listed companies. This, in turn, can enhance due diligence processes, reduce information asymmetry, and facilitate more accurate valuation, ultimately contributing to more efficient capital allocation in the Nigerian capital market.

Academia and Researchers: For academics and researchers in accounting, finance, and information systems, this study contributes to the limited body of literature on the intersection between digital accounting and financial reporting quality within the Nigerian context, especially among non-bank PLCs(Public Limited Liability Companies). The study introduces a refined model incorporating ERP, cloud systems, data analytics, and blockchain—variables that are underexplored in local research. As such, it lays the foundation for future empirical studies, encourages methodological innovation, and supports comparative research across different

sectors and jurisdictions, thereby enriching scholarly discourse on digital transformation in corporate governance and reporting.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is organized into three primary sections: the conceptual review, the theoretical review, and the empirical review. The conceptual review offers an in-depth analysis and clarification of the central concepts and constructs pertinent to the study's subject matter. The theoretical review examines key theories that provide foundational insights and explanatory frameworks relevant to the research theme. The empirical review assesses existing scholarly studies and findings that relate directly to the current investigation. The chapter concludes by identifying the gaps present in the extant literature.

2.2 Conceptual Review

This section focuses on the conceptualisation of the respective variables of the study, commencing with the dependent variable financial reporting quality.

2.2.1 Financial Reporting Quality

Financial reporting quality is a broad and foundational concept in accounting and financial research that captures the overall usefulness, credibility, and integrity of financial statements provided by organizations (Mesioye & Bakare, 2024). Conceptually, it reflects the degree to which financial reports serve their fundamental purpose, namely, to provide information that is useful to existing and potential investors, lenders, and other stakeholders in making decisions

about providing resources to the entity (IASB, 2018). High-quality financial reporting conveys the economic substance of transactions and events, rather than merely their legal form, and does so in a manner that ensures transparency, accountability, and comparability. This concept is rooted in the normative expectation that financial statements should present a “true and fair view” of an entity’s financial condition, operating performance, and cash flows (de Iudícibus et al., 2023). As articulated by Auliyah and Agit (2024), financial reporting quality is inherently linked to the effectiveness with which accounting information reflects the firm’s underlying economic reality in a timely, coherent, and faithful manner.

From a conceptual standpoint, financial reporting quality is underpinned by a combination of qualitative characteristics outlined by standard-setting bodies, particularly the International Accounting Standards Board (IASB). These characteristics include relevance and faithful representation as fundamental qualities, supported by enhancing attributes such as comparability, verifiability, timeliness, and understandability (IASB, 2018). The presence of these attributes ensures that the information presented in financial reports meets the informational needs of a diverse set of stakeholders. In a broader sense, financial reporting quality extends beyond mere compliance with formal accounting standards to encompass the ethical, institutional, and informational functions of corporate reporting. It is not only a technical outcome of accounting processes but also a reflection of the broader governance environment, regulatory context, and organizational commitment to transparency (Power, 2021). Thus, the concept embodies both the

formal accuracy of reported numbers and their substantive ability to convey decision-useful insight into an entity's financial dynamics.

2.2.2 Measurement of Financial Reporting Quality

The measurement of financial reporting quality (FRQ) involves the use of both quantitative and qualitative approaches to evaluate the extent to which financial reports provide relevant, reliable, and decision-useful information.

2.2.2.1 Quantitative Measures

Quantitative approaches to measuring financial reporting quality are typically grounded in observable financial data, often using proxies that assess the extent to which reported figures reflect underlying economic performance (Jim-Suleiman & Ibiameke, 2021). One of the most widely used proxies is accruals quality, which captures the difference between accrual-based earnings and cash flows, under the premise that higher discretionary accruals may signal earnings manipulation (Christensen et al., 2022). Poor accruals quality, indicated by large and volatile accruals, is often associated with lower FRQ, as it suggests greater managerial discretion or estimation error. Other commonly adopted quantitative measures include earnings persistence, earnings predictability, and earnings smoothness, all of which relate to the consistency and sustainability of reported earnings over time (Jim-Suleiman & Ibiameke, 2021). These measures

aim to assess whether earnings are reflective of recurring performance or are distorted by one-off or opportunistic items.

Another quantitative approach is the use of earnings management indicators, such as the Modified Jones Model, which estimates abnormal accruals to detect the manipulation of earnings (Burlacu & Robu, 2024). Researchers also examine the association between reported earnings and future cash flows or stock returns to assess the informativeness and predictive ability of financial reports (Jackson, 2022). In more recent studies, market-based measures, including the value relevance of accounting numbers, are employed to capture the degree to which financial statement data explain variations in equity prices (Abdelrahim Ahmad Khader & Shareif Hussein Shanak, 2023). While these measures provide empirical rigor, they are not without limitations, as they often rely on assumptions about managerial behavior and are sensitive to estimation techniques.

2.2.2.2 Qualitative Measures

Qualitative measures of financial reporting quality focus on the presence and strength of qualitative attributes embedded in the financial statements, particularly those articulated in the IASB's Conceptual Framework for Financial Reporting—namely relevance, faithful representation, comparability, verifiability, timeliness, and understandability (IASB, 2018). These dimensions are often assessed through content analysis, expert evaluations, or structured disclosure checklists. For example, Beest, Braam, and Boelens (2009) developed a disclosure-

based index that qualitatively scores the extent to which financial reports meet these key attributes, offering a multidimensional view of reporting quality. Such assessments consider whether disclosures are complete, neutrally presented, and free from material error, thereby capturing the non-numeric dimensions of quality that influence user interpretation.

Furthermore, qualitative assessments often incorporate stakeholder perceptions and institutional contexts to evaluate FRQ more holistically. Researchers have examined the transparency and clarity of narrative disclosures such as management commentary, corporate governance reports, and notes to the financial statements (Nasution, 2025). These narrative elements contribute significantly to financial reporting quality by offering insight into the firm's strategy, risks, and future outlook. Additionally, the alignment of reporting practices with ethical standards, regulatory requirements, and voluntary disclosure initiatives (e.g., Integrated Reporting or Sustainability Reporting) has been used as a qualitative proxy for FRQ (Minutiello & Tettamanzi, 2022). Although inherently subjective, qualitative measures provide essential context to complement quantitative analyses and are particularly useful for evaluating the broader informational value of financial reports.

As a result of the utilisation of primary data instrument (questionnaire) for this study, the qualitative measure with questions framed around the IASB's Conceptual Framework for Financial Reporting is adopted.

2.2.3 Digital Accounting

Digital accounting refers to the broad integration of digital technologies into accounting systems, processes, and practices, transforming how financial information is recorded, processed, stored, and reported (Busulwa & Evans, 2021). Conceptually, it involves the use of digital tools such as cloud computing, big data analytics, artificial intelligence (AI), blockchain, and enterprise resource planning (ERP) systems to automate and enhance accounting functions traditionally performed manually or through standalone software (Brukhansky & Spilnyk, 2021). At its core, digital accounting signifies a paradigm shift from paper-based and semi-manual bookkeeping to real-time, data-driven, and interconnected financial ecosystems. It enables seamless data flows across organizational departments and external stakeholders, thereby supporting the dynamic generation and distribution of financial information. As Prasetianingrum and Sonjaya (2024) explain, the shift toward digital accounting reflects an evolution in accounting infrastructure, where digital technologies are embedded within the broader architecture of organizational decision-making, compliance, and strategic planning.

Furthermore, digital accounting is characterized by its capacity to enhance the accuracy, speed, and accessibility of financial data, as well as its potential to improve the traceability and auditability of financial transactions (Shaleh, 2024). It supports continuous accounting, real-time reporting, and integrated data analysis, which together foster more timely and informed financial decision-making. The concept encompasses both the technological dimension—the tools and

platforms used—and the procedural dimension—the redesign of accounting workflows to capitalize on automation, standardization, and connectivity (Rikhardsson & Yigitbasioglu, 2018). Importantly, digital accounting is not limited to internal reporting functions; it extends to external financial reporting, compliance monitoring, and stakeholder communication. As described by Gonçalves et al. (2022), digital accounting represents a foundational transformation in the profession, where accountants evolve into digital knowledge workers who interpret complex financial data rather than merely compile it. Hence, digital accounting is both a technological and conceptual development, redefining the scope, practice, and value proposition of accounting in the digital era.

2.2.3.1 ERP System Utilization

Enterprise Resource Planning (ERP) system utilization represents a foundational shift in the structure and function of accounting within organizations, integrating financial and non-financial data across business units into a unified digital infrastructure (Barna et al., 2021). Conceptually, ERP systems consolidate disparate processes—including accounting, procurement, inventory, human resources, and operations—into a centralized platform that fosters automation, standardization, and data transparency across the organizational hierarchy (Emma, 2024). The theoretical underpinning of ERP adoption in accounting lies in socio-technical systems theory, which posits that technological systems, when effectively embedded in organizational workflows, can reshape institutional logics and professional practices (Al Maruf, 2025). ERP systems not

only support transactional recording but also enable real-time financial monitoring, regulatory compliance, and strategic decision-making by providing integrated data streams that are accurate, timely, and standardized. In the digital accounting context, ERP utilization marks the transition from static, retrospective accounting to dynamic, forward-looking financial management.

Moreover, ERP systems act as digital control mechanisms that influence organizational behavior and internal governance structures. Their implementation often necessitates the redesign of accounting workflows, the reallocation of roles and responsibilities, and the reconfiguration of internal control frameworks (Vukman et al., 2024). As such, ERP usage is not merely a technical enhancement, but a transformative intervention that redefines the boundaries between operational and financial data, embeds accounting logic across business processes, and aligns financial reporting with strategic business objectives (Mehta, 2025). The broader academic discourse also highlights the challenges of ERP implementation—including system complexity, user resistance, and high costs—which can moderate the effectiveness of ERP systems in enhancing financial reporting quality (Ammar, 2025). Nevertheless, ERP utilization remains a cornerstone of digital accounting infrastructures, offering both operational efficiency and conceptual coherence in the collection and dissemination of financial information.

2.2.3.2 Cloud-Based Accounting

Cloud-based accounting refers to the deployment of accounting services, applications, and data storage on remotely hosted servers that can be accessed via the internet, enabling real-time collaboration, scalability, and flexibility in financial reporting processes (Tahmid, 2023). From a conceptual perspective, it marks a departure from the traditional, on-premises computing paradigm toward a service-oriented model that allows continuous access to financial systems regardless of geographical location (Guo, 2021). Cloud accounting systems align with the principles of platform theory and digital ecosystems, whereby software applications interact through interconnected interfaces, enabling seamless integration between accounting, taxation, auditing, and enterprise applications (Ammar, 2025). This model facilitates greater agility in financial data processing, reduces the need for physical infrastructure, and allows organizations to respond quickly to changing financial and regulatory environments.

Furthermore, cloud-based accounting introduces new dimensions to financial transparency, cybersecurity, and data governance. By decentralizing data storage and allowing for real-time data entry and retrieval, cloud systems enhance the timeliness and accessibility of financial information for both internal users and external stakeholders (Atadoga et al., 2024). Cloud environments also support automated backups, data encryption, and compliance with global financial regulations such as IFRS and Sarbanes-Oxley, which bolster trust in the integrity of financial records. In academic discourse, cloud accounting is increasingly associated with the

democratization of financial expertise, enabling small and medium-sized enterprises (SMEs) to adopt sophisticated accounting solutions without the capital outlays associated with traditional enterprise systems (Wen & De Leon, 2024). Consequently, cloud-based accounting is not merely a technical convenience but a strategic capability that redefines the scope, scale, and accessibility of financial management in digitally mature organizations.

2.2.3.3 Data Analytics Capability

Data analytics capability, within the realm of digital accounting, signifies an organization's ability to transform voluminous, complex financial and operational data into insightful, actionable knowledge (Imjai et al., 2024). It encompasses a spectrum of analytical tools and techniques, including business intelligence, statistical modeling, machine learning, and real-time dashboarding, that are used to enhance decision-making and performance evaluation in financial contexts (Basiru et al., 2023). From a conceptual standpoint, data analytics represents a fundamental reorientation of accounting practices from a backward-looking, compliance-driven orientation to a forward-looking, decision-support role. The resource-based view (RBV) of the firm provides a theoretical basis for understanding data analytics as a strategic asset, wherein analytic capabilities are regarded as critical resources that confer a sustainable competitive advantage in the digital economy (Barney, 1991; Côte-Real, Oliveira, & Ruivo, 2017).

In academic literature, data analytics capability is also linked to the emergence of "strategic accountants" or "data-driven financial managers," whose roles extend beyond financial

stewardship to include predictive modelling, scenario planning, and real-time performance management (Moll & Yigitbasioglu, 2019). The ability to visualize, interpret, and contextualize financial data through advanced analytics enhances not only the timeliness and accuracy of financial reporting but also its relevance to strategic decision-making. Moreover, analytics enable early detection of anomalies, fraud, and inefficiencies, thereby reinforcing internal control and audit functions (Ilori et al., 2024). The integration of analytics into accounting systems thus represents a convergence of computational technology and financial expertise, where accountants operate as interpreters of complex datasets within increasingly volatile and data-rich business environments.

2.2.3.4 Blockchain Integration

Blockchain integration in digital accounting refers to the incorporation of distributed ledger technologies (DLTs) to ensure secure, transparent, and immutable recording of financial transactions (Gietzmann & Grossetti, 2021). The core principle of blockchain lies in its decentralized, peer-to-peer network architecture, where consensus algorithms and cryptographic protocols validate each transaction before it is recorded in a tamper-resistant ledger (Dong et al., 2023). Conceptually, blockchain offers an alternative accounting infrastructure—one that challenges traditional centralized recordkeeping by facilitating “triple-entry accounting,” where a third, cryptographically assured record exists beyond the buyer’s and seller’s ledgers (Sarwar et al., 2024). This innovation introduces a new paradigm of trust and auditability, where transaction

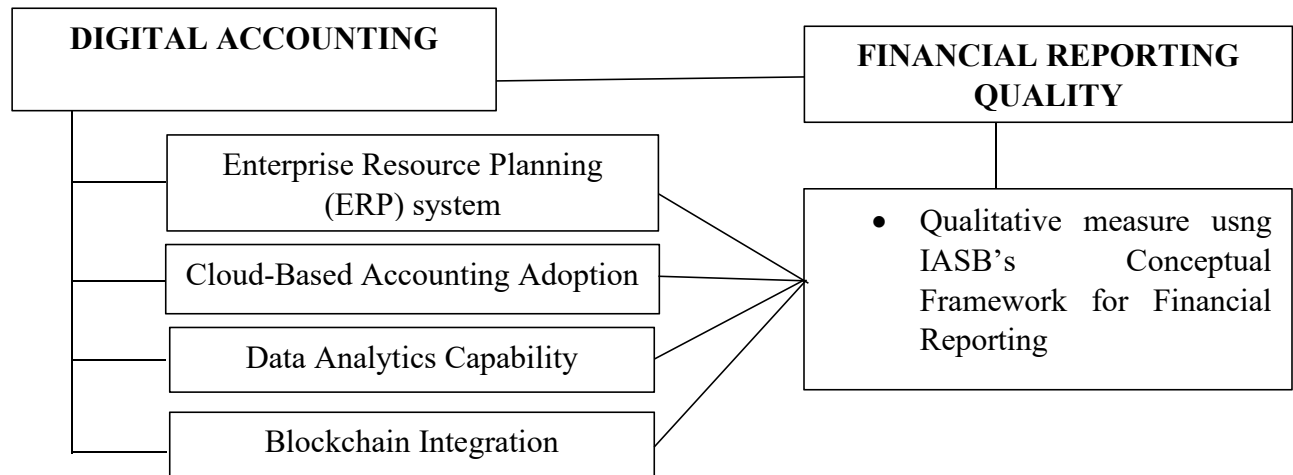
authenticity is inherently embedded in the technological design rather than reliant on external verification.

From a broader academic perspective, blockchain technology has been theorized within the framework of institutional and technological disruption, where it is seen as a transformative force that reshapes the institutional logics underpinning accounting practices, financial governance, and regulatory compliance (Eyo-Udo et al., 2025). Blockchain's integration into accounting systems promises greater transactional transparency, fraud prevention, and real-time auditability, particularly in environments where regulatory oversight is limited or trust is a critical concern. Moreover, smart contracts—self-executing code embedded within blockchain protocols—enable the automation of accounting entries based on predefined conditions, which further enhances the efficiency and reliability of financial processes (Peters & Panayi, 2016). Although still in early stages of adoption in most sectors, blockchain integration represents a profound reconceptualization of accounting infrastructure, offering the potential to redefine how financial information is generated, verified, and distributed in a digitally connected global economy.

2.3 Conceptual Framework

The conceptual framework which links the independent variables (Enterprise Resource Planning (ERP) system utilization, cloud-based accounting adoption, data analytics capability, and blockchain integration) of the study to the dependent variable (financial reporting quality) is presented in figure 2.1.

Figure 2.1 Conceptual Framework



Source: Researcher's conceptual framework (2025).

2.4 Theoretical Review

Based on the available literatures, four major theories are relevant to a study on digital accounting and financial reporting quality, including Technology-Organization-Environment (TOE) Framework, Technology Acceptance Model (TAM), DeLone and McLean Information Systems Success Model (ISSM), and Resource-Based View (RBV) of the Firm.

2.4.1 Technology-Organization-Environment (TOE) Framework

The Technology-Organization-Environment (TOE) framework, first proposed by Tornatzky and Fleischer (1990), provides a robust analytical structure for understanding the factors influencing organizational adoption of technological innovations. According to the TOE framework,

technology adoption is determined by three contextual dimensions: technological factors (e.g., relative advantage, compatibility, complexity), organizational factors (e.g., firm size, top management support, technological readiness), and environmental factors (e.g., competitive pressure, regulatory landscape). This tripartite approach offers a comprehensive lens to assess the adoption of digital accounting innovations such as ERP systems, cloud-based accounting, data analytics, and blockchain integration. The relevance of TOE is underscored in recent empirical studies which show that despite technological readiness, organizational inertia and environmental constraints can impede the full adoption of digital technologies. For instance, Ogba and Lasisi (2025) highlighted how cost and lack of expertise act as environmental inhibitors to digital adoption in Nigerian tertiary institutions, while Khoshabri et al. (2024) emphasize the role of cloud hardware and software capabilities in enabling cloud accounting.

The TOE framework has gained contemporary relevance in analyzing the adoption of emerging financial technologies in developing economies, especially in context-specific studies like those conducted in Nigeria, Egypt, and Jordan. Shittu (2024) applied a TOE-like lens to examine how cloud computing, mediated by data security and privacy, affects the financial reporting quality of SMEs, reinforcing the interplay between technological innovation and organizational context. Similarly, Wahed and Saif (2024) employed organizational-level analysis to understand how ERP implementation in Egyptian transport firms failed to significantly improve earnings management, underscoring the importance of contextual readiness. The integration of TOE with

digital accounting research allows for a nuanced evaluation of how both external forces (e.g., regulatory mandates, peer pressure) and internal dynamics (e.g., managerial commitment, IT capabilities) jointly shape financial reporting practices (Gonçalves et al., 2022; Busulwa & Evans, 2021).

2.4.2 Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM), originally developed by Davis (1989), posits that perceived usefulness and perceived ease of use are the primary determinants of user acceptance of new technologies. This model has been extensively used in accounting and financial research to evaluate user behavior toward information systems adoption, including ERP, cloud accounting, and data analytics platforms. The TAM framework is particularly suitable for understanding individual-level interactions with digital accounting systems and how these interactions influence organizational outcomes such as the quality of financial reporting. Sembiring et al. (2024) provide support for this framework by demonstrating that user knowledge significantly influences the quality of accounting information derived from ERP systems. Similarly, Akpan et al. (2023) noted that user perception of efficiency and data accessibility via cloud platforms enhances the quality of financial information, which aligns with TAM's central tenets.

Recent extensions of the TAM have integrated constructs like trust, system quality, and user experience to explain variations in technology utilization. For example, Abdelwahed et al. (2025) applied a modified TAM approach to assess the effect of big data analytics on audit quality,

revealing that user competence significantly affects perceived usefulness of analytical tools. Likewise, Akaegbobi (2025) found that user engagement with blockchain-based systems positively influences the reliability of financial reporting in manufacturing firms, further validating the model's utility in accounting contexts. As accounting practices become increasingly digitized, the TAM model remains relevant in capturing user attitudes and behavioral intentions, especially when integrated with constructs from the TOE and DeLone & McLean models to provide a more holistic understanding of technology adoption (Moll & Yigitbasioglu, 2019; Brukhansky & Spilnyk, 2021).

2.4.3 DeLone and McLean Information Systems Success Model (ISSM)

The DeLone and McLean Information Systems Success Model (1992; updated in 2003) is a seminal framework for evaluating the effectiveness of information systems, incorporating six interrelated dimensions: system quality, information quality, service quality, use, user satisfaction, and net benefits. This model is instrumental in examining how digital accounting systems contribute to financial reporting quality by evaluating both technical and user-related outcomes. Studies such as that of Khoshabri et al. (2024) underscore the significance of system and information quality in cloud accounting platforms, noting improvements in transparency, accuracy, and error reduction. Similarly, Yikarebogha and Onwuchekwa (2025) used a model reflective of ISSM dimensions to illustrate how cloud-based services like SaaS and IaaS

positively influence the qualitative characteristics of financial reports, such as comparability and reliability.

Moreover, ISSM has proven applicable in diverse organizational settings, including public and private sectors. For instance, Ogba and Lasisi (2025) revealed how ERP and data analytics tools enhanced financial reporting accuracy in tertiary institutions, reinforcing the model's focus on service and system quality. Abdelwahed et al. (2025) linked audit quality improvements to system usage and auditor competence, emphasizing the feedback loop between user satisfaction and system benefits as delineated in the ISSM. The model's robustness lies in its adaptability to newer technologies, such as blockchain and big data analytics, and its capacity to connect system-level characteristics to organizational outcomes. As organizations increasingly adopt integrated digital tools, the ISSM offers a validated framework to assess how these systems contribute to high-quality, timely, and reliable financial reporting (Prasetianingrum & Sonjaya, 2024; Shaleh, 2024).

2.4.4 Resource-Based View (RBV) of the Firm

The Resource-Based View (RBV) of the firm, advanced by Barney (1991), posits that a firm's competitive advantage stems from its ability to acquire, develop, and deploy valuable, rare, inimitable, and non-substitutable (VRIN) resources. In the context of digital accounting, this theory implies that financial reporting quality can be enhanced when firms strategically utilize digital technologies—such as ERP systems, cloud computing, data analytics, and blockchain—as

internal capabilities. For example, Sembiring et al. (2024) emphasize the role of user knowledge, IT infrastructure, and vendor support in driving ERP effectiveness, framing them as strategic assets. Likewise, Ekele (2024) illustrates how big data analytics serve as a rare and valuable resource in Nigeria's public financial management, significantly improving transparency and data integrity.

Recent research aligns with RBV's premise that technological capabilities, when properly integrated, can serve as dynamic capabilities to foster sustainable performance. As Oyewobi and Adeyemi (2024) demonstrate, cloud security investments enhance financial reporting in ICT firms, suggesting that not merely the presence but the strategic deployment of resources matters. Similarly, Abdelwahed et al. (2025) found that big data analytics contribute to audit quality only when complemented by auditor competence—a human resource component critical in the RBV framework. Furthermore, Akaegbobi (2025) and Rawashdeh (2025) emphasize blockchain's role in fostering trust and transparency, positioning it as a technological resource that strengthens reporting reliability. In essence, the RBV framework provides a theoretical lens through which digital accounting tools can be viewed not just as operational enablers, but as core resources that contribute to financial reporting excellence and firm-level competitiveness (Côte-Real et al., 2017; Basiru et al., 2023).

2.5 Theoretical Framework

This study adopts the Technology-Organization-Environment (TOE) Framework as its theoretical foundation. The TOE framework, developed by Tornatzky and Fleischer (1990), is particularly well-suited for examining the adoption and impact of digital accounting technologies—such as ERP systems, cloud-based accounting, data analytics, and blockchain—on financial reporting quality. Its tripartite structure considers technological characteristics (e.g., system compatibility and innovation), organizational readiness (e.g., firm size, managerial support, IT capacity), and environmental pressures (e.g., regulatory mandates, industry standards), making it a comprehensive and context-sensitive model. The justification for selecting the TOE framework lies in its demonstrated applicability in studies assessing digital transformation in diverse sectors and regions, including developing economies like Nigeria. By framing digital accounting adoption within the TOE context, the study captures the multifaceted nature of technological integration and how it influence financial reporting quality in public limited liability companies. This holistic approach enables a nuanced understanding of digital accounting implementation as both a technical and institutional phenomenon.

2.6 Empirical Review

Several previous literatures have sought to establish the effect of digital accounting on financial reporting quality. These studies are reviewed below.

2.6.1 ERP System Utilization and Financial Reporting Quality

Lestari and Musrady (2023) conducted a quantitative study to examine the influence of Enterprise Resource Planning (ERP) and eXtensible Business Reporting Language (XBRL) implementation on the timeliness of financial reporting among consumer sector firms listed on the Indonesia Stock Exchange between 2019 and 2021. Utilizing a purposive sampling technique, the study analyzed 345 firm-year observations. The findings reveal that, although ERP and XBRL implementation collectively influence the timeliness of financial reporting, ERP alone does not significantly affect the timeliness of financial report submissions. This suggests that while digital infrastructures are important, the specific design and integration of ERP systems may not inherently accelerate reporting processes unless accompanied by complementary technologies such as XBRL. The study underscores the need for a more strategic and holistic integration of ERP systems with other digital reporting tools to enhance financial reporting quality, particularly in terms of timeliness.

Sembiring et al. (2024) explored the joint effect of ERP adoption, information technology (IT) applications, and user competencies on the quality of accounting reports. The study employed a causal research design and collected primary data through structured questionnaires distributed to accounting information system users. Using multiple linear regression analysis, the results indicated that ERP adoption, when supported by user knowledge and robust IT infrastructure, significantly enhances the quality of accounting information. The study emphasized that the

effectiveness of ERP systems in improving financial reporting quality is not merely a function of technological deployment, but rather a product of supportive organizational factors, including top management commitment, system integration capabilities, vendor support, and continuous user training. This suggests that ERP systems must be viewed as socio-technical systems whose success depends on both technological and human elements.

Wahed and Saif (2024) examined the effect of ERP implementation on financial reporting quality in Egypt's transportation and logistics sector over a ten-year period (2011–2021). Using earnings management as a proxy for financial reporting quality and applying multiple regression analysis to data from four publicly listed logistics firms and the Egyptian National Railway Authority, the study found no significant relationship between ERP system implementation and reduced earnings management practices. The findings imply that, in certain sectors, ERP adoption may not automatically enhance the quality of financial reports, particularly when financial manipulation or weak regulatory environments persist. This study highlights the contextual nature of ERP effectiveness and raises important questions about whether technological implementation alone can serve as a safeguard for reporting integrity without corresponding institutional and governance reforms.

Nwekwo et al. (2024) investigated the effects of accounting software, including ERP and commercially available software (CAS), on the financial reporting of corporate organizations in Southeast Nigeria. Using a survey research design and analyzing primary data with the Mann-

Whitney U test, the study revealed that both ERP and CAS significantly influence the quality of financial reporting. ERP software, in particular, showed a statistically significant impact ($U=17.28$, $p<0.05$), indicating its potential to improve reporting accuracy, consistency, and compliance in corporate settings. The authors concluded that ERP systems contribute positively to the integrity and usefulness of financial statements, especially when well-implemented. Their results affirm the role of accounting technologies in improving reporting practices in developing economies, emphasizing the importance of accessibility and customization of such systems for local business environments.

Ogba and Lasisi (2025) conducted a comprehensive empirical investigation into the impact of digital technologies, including ERP systems, on financial reporting and decision-making in Nigerian tertiary institutions. Drawing on data from 1,200 respondents across finance and management roles, the study found that ERP systems, alongside other digital tools like cloud computing and analytics, substantially improved the efficiency, accuracy, and regulatory compliance of financial reporting processes. While digital technology showed clear benefits in enhancing financial operations, the authors also identified key barriers such as high implementation costs, limited technical expertise, and organizational resistance to change. The study provides a nuanced understanding of how ERP systems interact with institutional constraints and enablers in public-sector contexts, indicating that while ERP enhances financial

reporting quality, institutional readiness and change management are critical to realizing its full benefits.

2.6.2 Cloud-Based Accounting and Financial Reporting Quality

Shittu (2024) conducted a study to explore the effect of cloud computing technologies—namely Platform as a Service (PaaS), Software as a Service (SaaS), Infrastructure as a Service (IaaS), and Network as a Service (NaaS)—on the financial reporting quality (FRQ) of small and medium-sized enterprises (SMEs) in Nigeria. Employing Partial Least Squares Structural Equation Modeling (PLS-SEM), the study used primary data gathered from registered SMEs. The findings revealed that cloud computing significantly enhances FRQ, with SaaS being the most influential in improving reporting accuracy and timeliness. Moreover, data security and privacy were found to be significant mediators, especially in relation to PaaS and NaaS, indicating that secure digital infrastructure is essential for the effective use of cloud technologies in financial reporting. The study underscores that cloud computing, when supported by robust privacy and security frameworks, can meaningfully enhance the reliability and timeliness of financial disclosures in SME settings.

Khoshabri, Choubari, and Hir (2024) investigated the role of cloud accounting in enhancing financial reporting quality using Interpretive Structural Modeling (ISM). Drawing from insights provided by 18 experts in accounting and cloud systems, the study identified both hardware and

software dimensions of cloud accounting as instrumental to financial reporting outcomes. Hardware-related features such as process automation, upgrade flexibility, and virtualized servers contributed to structural efficiency, while software attributes like scalability, ease of use, and real-time reporting capabilities improved the precision, transparency, and reliability of financial data. The research concluded that the integration of these technological and operational components strengthens reporting quality by minimizing errors, enhancing analytical processing, and safeguarding data. Thus, cloud accounting is positioned not only as a tool for automation but as a transformative platform for achieving higher standards in financial communication.

Akpan et al. (2023) examined the influence of cloud accounting on the financial information quality of selected firms in Lagos State, Nigeria. The study employed a cross-sectional survey and analyzed primary data obtained from 400 professionals, including accountants, auditors, and IT specialists. Using Ordinary Least Squares (OLS) regression, the study found that cloud accounting significantly impacts three key aspects of financial reporting: data storage ($\beta = 0.828$, $p < 0.05$), data efficiency ($\beta = 0.647$, $p < 0.05$), and data mining ($\beta = 0.809$, $p < 0.05$). These findings suggest that cloud technologies enhance both the structural and functional quality of financial reports by increasing the accuracy and accessibility of financial information. The authors recommended increased investment in cloud-based platforms and professional training to maximize the benefits of automated financial systems.

Yikarebogha and Onwuchekwa (2025) studied the role of cloud accounting in enhancing the qualitative characteristics of financial reports among deposit money banks (DMBs) in Nigeria. Using a survey approach, data was collected from operational staff across 13 DMBs with physical presence in Bayelsa State. Analysis of data using OLS regression revealed that both SaaS and IaaS significantly enhance key qualitative characteristics of financial reports, such as relevance, comparability, and reliability. The study affirmed that the cloud environment facilitates standardized, timely, and transparent reporting. The authors concluded that cloud accounting, particularly through scalable and remotely accessible infrastructure, enables banks to produce high-quality financial reports that meet stakeholder expectations and regulatory standards.

Owolabi, Oyegoke, and Olalere (2023) examined the impact of cloud accounting on the financial reporting quality of Nigeria's deposit money banks (DMBs). Drawing from a purposively selected sample of ten DMBs over a ten-year period, the study identified a significant positive relationship between cloud accounting adoption and improvements in reporting quality. It was observed that cloud technology enhanced timeliness, accuracy, and data consistency, thereby supporting decision-making and external reporting functions. The study concluded that for DMBs to maintain reporting excellence, strategic investments in cloud infrastructure and policy reforms facilitating its adoption must be prioritized. This supports the growing consensus that cloud systems are foundational to high-quality financial disclosure in the financial services sector.

Oyewobi and Adeyemi (2024) analyzed the effect of cloud-based accounting information systems (AIS) on the financial reporting quality of listed Information and Communication Technology (ICT) firms in Nigeria. Employing a panel regression (random effects) model over a 10-year span (2013–2022), the study discovered that cloud-based AIS significantly improved financial reporting quality. However, it also revealed that while cloud security investment was a strong predictor of reporting quality, increased cloud expenditure did not have a statistically significant impact. This finding suggests that the effectiveness of cloud investments lies not in volume but in strategic allocation, emphasizing the importance of security-oriented expenditure over unstructured spending. The study highlights the need for efficient resource utilization to optimize the quality outcomes of cloud adoption.

Esawi, Shehab, and Benzerrouk (2025) investigated the impact of cloud computing on financial reporting quality in the Egyptian banking sector, using Banque Misr as a case study. The study applied regression analysis to questionnaire data from 96 employees and found that cloud computing characteristics—especially measured service and broad network access—had a significant positive impact on financial reporting quality. The adoption of cloud systems enhanced data comparability, transparency, and security, leading to more timely and accurate reports. The authors concluded that cloud technologies offer essential capabilities such as automation, resilience, and real-time access, which collectively promote higher financial reporting standards in the banking industry.

Shakatreh, Orabi, and Al Abbadi (2023) conducted a study to assess the effect of cloud computing on financial reporting quality among Jordanian commercial banks. Utilizing a quantitative design and collecting data from 96 bank personnel, the study explored cloud features such as on-demand self-service, broad network access, and measured services. The findings revealed that cloud computing features accounted for 49.7% of the variance in reporting quality, with "measured service" having the most substantial influence (43.5%). The study concluded that cloud computing contributes most significantly to comparability and reliability, two critical components of financial reporting quality. These results reinforce the idea that cloud infrastructure enhances the integrity and functionality of financial reporting processes in the banking sector.

2.6.3 Data Analytics Capability and Financial Reporting Quality

Abdelwahed, Abu-Musa, Badawy, and Moubarak (2025) investigated the impact of big data and data analytics (BD&A) adoption on audit quality in Egypt, using Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyze survey responses from 205 audit professionals. Although the study primarily targeted audit outcomes, its findings have broader implications for financial reporting quality (FRQ). The results revealed that BD&A significantly improved audit processes and auditor competence—two critical dimensions that directly affect the reliability and accuracy of financial reporting. While the study did not find a significant effect on audit fees, it confirmed both direct and indirect positive effects of BD&A on audit quality, thereby reinforcing

the idea that enhanced analytical capabilities can improve the integrity and trustworthiness of financial reports.

Ekele (2024) examined the role of big data and analytics in financial management within Nigeria's public sector, with particular emphasis on how these technologies influence the quality of financial reporting. Utilizing a field survey of 185 staff in the Auditor-General's office, the study adopted descriptive statistics and inferential tests (t-test, p-values) to determine the significance of data analytics dimensions. The results indicated that both data description and data diagnostics had statistically significant positive effects on financial reporting quality ($p < 0.05$). These findings underscore the potential of data analytics to enhance transparency, improve error detection, and strengthen public accountability in government financial reporting. The study contributes to the growing body of evidence that supports the adoption of analytical tools as mechanisms for improving financial governance.

Onyeka, Festus, Evelyn, and Edeh (2025) conducted an empirical study to determine the impact of big data attributes—volume, variety, and velocity—on the financial reporting quality of deposit money banks listed on the Nigerian Exchange Group. Based on a survey of 120 senior managers across 12 banks, the study employed descriptive, correlation, and regression analyses. Results showed that all three big data dimensions had significant and positive effects on FRQ. Specifically, the ability to handle large volumes of data, diverse data types, and high-frequency data streams improved the banks' capacity to produce timely, comprehensive, and accurate

financial statements. This study affirms that technological infrastructure and analytical capabilities are essential to improving data-driven decision-making and reporting accuracy in the banking sector.

Okeke and Eze (2025) assessed the effect of big data analytics on accounting information quality within the underexplored hospitality sector in Lagos, Nigeria. Data was collected from 102 accountants and 50 IT personnel through purposive sampling and subjected to descriptive and regression analyses. The study found that data velocity and variety had strong and significant positive effects on accounting information quality, while data volume had a weaker yet still positive effect. These results suggest that not all big data dimensions contribute equally to reporting quality. The speed and diversity of data, in particular, were critical for enhancing the relevance, timeliness, and accuracy of financial information in the hospitality industry, highlighting the sector's increasing reliance on real-time analytics for competitive and regulatory compliance.

Falana, Igbekoyi, and Dagunduro (2023) focused on how big data dimensions affect accounting information quality among selected Nigerian firms. With a population of 157 firms and a purposive sample of 20, the study used responses from 100 participants to conduct regression analysis. The empirical results indicated that data volume, variety, and velocity significantly influenced the timeliness of accounting information. These findings suggest that the nature and structure of data available to firms play a vital role in their ability to produce timely and relevant

financial reports. The study concluded that effective big data utilization is a strategic asset for improving the quality and usefulness of accounting disclosures, particularly in information-sensitive environments.

2.6.4 Blockchain Integration and Financial Reporting Quality

Olaoye and Bello (2025) examined the impact of digital accounting practices—particularly the integration of blockchain and artificial intelligence—on the financial reporting quality of medium-sized businesses (MSBs) in Nigeria. Drawing on data collected from 2,000 digital accountants through a mixed-methods approach, the study found that blockchain technologies significantly enhanced the transparency, accuracy, and timeliness of financial reporting. These findings suggest that blockchain integration fosters more reliable financial transactions and audit trails, helping MSBs overcome challenges related to financial complexity. The research emphasizes that blockchain-based solutions promote greater accountability by offering immutable records, which are crucial for ensuring the credibility of financial reports in fast-evolving digital economies.

Akaegbobi (2025) conducted a study on selected manufacturing firms in Anambra State, Nigeria, to determine the influence of blockchain components—specifically integration, distributive elements, and blockchain-based accounting systems—on the reliability of financial reporting. Employing a stratified sampling method with 207 respondents, and analyzing data using Pearson

Product Moment Correlation, the study revealed that all three blockchain components had statistically significant positive effects on financial reporting reliability. The findings emphasize that blockchain's decentralization and secure recordkeeping reduce discrepancies and improve trust in financial data. The study concluded that embedding blockchain in accounting systems leads to measurable improvements in financial report reliability, particularly in manufacturing sectors prone to data integrity issues.

Johnson and Okoye (2023) investigated the effect of blockchain distributive technology on financial reporting quality among professional accountants in Nigeria. Using a survey of 105 respondents in Abia and Enugu states and analyzing data through multivariate regression, the study found that blockchain's distributive characteristics significantly improved the transparency, reliability, and timeliness of financial reporting. The authors argued that distributed ledger technologies enable more consistent and tamper-resistant financial records, making financial statements more trustworthy. The study supports the notion that blockchain disrupts conventional reporting models by decentralizing control, enhancing data verifiability, and fostering real-time audit capabilities.

Umoren, Ukpeh, and Ewang (2024) evaluated the impact of blockchain technology on accounting practices in Nigeria using a qualitative research design and a structured questionnaire administered to accountants, finance professionals, and blockchain specialists. From the 86 valid responses, the study concluded that blockchain integration significantly improved core

accounting functions, particularly in the areas of real-time ledger updates, transparency, and audit trail accuracy. The authors noted that blockchain supports the evolution of accounting from a post-factum recording function to a proactive, real-time reporting mechanism. This underscores blockchain's potential to improve not only the quality but also the responsiveness of financial reporting processes.

Rawashdeh (2025) explored the role of blockchain technology and smart contracts in bridging the trust gap in financial reporting. Using structural equation modeling (SEM) based on data from accountants familiar with blockchain, the study found a significant positive effect of blockchain technology on trust in financial reporting (TFR), with smart contracts acting as a key mediating variable. The study demonstrated that blockchain enhances transparency and credibility in financial disclosures, while smart contracts automate compliance and reduce manual reporting errors. The findings contribute to the literature by emphasizing blockchain's ability to restore stakeholder trust through secure and self-executing systems embedded in financial reporting workflows.

Lootah (2024) investigated the impact of blockchain technology on financial reporting practices in the United Arab Emirates (UAE), focusing on accuracy, transparency, and fraud reduction. The study gathered data from a diverse group of professionals, including auditors, regulators, fintech experts, and academics, using a rigorously validated structured questionnaire. The results demonstrated strong positive correlations between blockchain adoption and improvements in

financial reporting accuracy ($r = 0.714$), transparency ($r = 0.698$), and fraud reduction ($r = 0.702$), all statistically significant at $p < 0.000$. These results reinforce the global perspective that blockchain fosters tamper-proof recordkeeping and real-time verification, thereby elevating the integrity and usefulness of financial information across institutional environments.

Table 2.1 presents the summary of the reviewed literature.

Table 2.1 Summary of Literature Reviewed

S/NO	Author(s)	Year	Topic	Methodology	Findings
1	Lestari & Musrady	2023	Impact of ERP and XBRL on accounting info quality	Quantitative; purposive sampling; 345 observations; regression	ERP and XBRL jointly affect timeliness; only XBRL significantly improves reporting timeliness
2	Sembiring et al.	2024	ERP adoption, IT use, and accounting report quality	Causal research; questionnaire; multiple linear regression	ERP, IT, and user knowledge significantly improve accounting info quality
3	Wahed & Saif	2024	ERP implementation and financial report quality in transport sector	Quantitative; regression analysis; 2011–2021 data	ERP has no significant effect on earnings management (proxy for FRQ)
4	Nwekwo et al.	2024	Effect of ERP and CAS on corporate financial reporting	Survey; Mann-Whitney test; Likert scale	ERP and CAS significantly improve financial reporting in corporate organizations
5	Ogba & Lasisi	2025	Digital technology and financial	Survey; 1,200 respondents;	ERP and digital tools improve reporting

			decision-making in tertiary institutions	mixed methods	accuracy and compliance; adoption hindered by infrastructure and cost
6	Shittu	2024	Cloud computing and FRQ of SMEs with DSP as mediator	PLS-SEM; primary data	Cloud computing improves FRQ via enhanced DSP; SaaS and NaaS have strong positive effects
7	Khoshabri et al.	2024	Role of cloud accounting in financial reporting	Interpretive Structural Modeling (ISM)	Cloud accounting improves FRQ through automation, data recovery, transparency, and analysis speed
8	Akpan et al.	2023	Cloud accounting and financial info quality in Nigeria	Cross-sectional survey; OLS regression	Cloud accounting significantly affects data storage, efficiency, and mining
9	Yikarebogha & Onwuchekwa	2025	Cloud accounting and qualitative characteristics of FRQ in DMBs	Survey; OLS and ANOVA	SaaS and IaaS positively influence qualitative attributes (e.g., relevance, comparability)
10	Owolabi et al.	2023	Cloud accounting and FRQ of Nigerian DMBs	Longitudinal; purposive sample of 10 banks	Cloud accounting positively impacts FRQ in deposit money banks
11	Oyewobi & Adeyemi	2024	Cloud AIS and FRQ in listed ICT firms in Nigeria	Panel regression (Random Effects)	Cloud AIS and security investment enhance FRQ; cloud expenditure has no significant effect
12	Esawi et al.	2025	Cloud computing and financial report quality in Egyptian	Quantitative; regression; 96 employees	Cloud computing improves FRQ by 49.7%; measured

			banks		service and access are most impactful
13	Shakatreh et al.	2023	Cloud computing and FRQ in Jordanian commercial banks	Quantitative survey; 96 respondents	Measured service and comparability most influenced by cloud; 49.7% variance explained
14	Abdelwahed et al.	2025	Big Data & analytics and audit quality	PLS-SEM; 205 auditors	Big Data has significant positive effect on audit process and competence; indirectly enhances FRQ
15	Ekele	2024	Big Data analytics in Nigerian public financial management	Survey; descriptive and inferential stats	Data description and diagnostics significantly improve FRQ in public sector
16	Onyeka et al.	2025	Big Data and FRQ in Nigerian listed banks	Survey; regression and correlation	Volume, variety, and velocity of data positively affect FRQ in banks
17	Okeke & Eze	2025	Big data analytics and accounting info quality in hospitality sector	Survey; regression analysis	Velocity and variety have strong positive effects on info quality; volume has moderate effect
18	Falana et al.	2023	Big Data and accounting info quality in Nigerian firms	Survey; regression analysis	Volume, variety, and velocity of data significantly improve timeliness of accounting info
19	Olaoye & Bello	2025	Blockchain, AI, and digital tools in MSBs' FRQ	Mixed-method; 2,000 accountants	Blockchain enhances accuracy, transparency, and timeliness in FRQ for MSBs
20	Akaegbobi	2025	Blockchain	Survey; stratified	Blockchain

			elements and FRQ in manufacturing firms	sampling; Pearson correlation	integration and accounting systems significantly improve reporting reliability
21	Johnson & Okoye	2023	Blockchain distributive tech and FRQ in Nigeria	Survey; multivariate regression	Blockchain distributive tech improves transparency, timeliness, and reliability
22	Umoren et al.	2024	Blockchain tech and accounting practices in Nigeria	Qualitative; structured questionnaire	Blockchain integration enhances efficiency of accounting practices
23	Rawashdeh	2025	Blockchain, smart contracts, and trust in financial reporting	SEM (AMOS 24); model testing	Blockchain and smart contracts significantly improve trust in financial reporting
24	Lootah	2024	Blockchain and FRQ in the UAE	Survey; regression and correlation	Blockchain improves accuracy (r=0.714), transparency (r=0.698), and fraud reduction (r=0.702); all significant

Author's Compilation (2025)

2.7 Research Gaps

Based on the review of the extant empirical literature on the nexus between digital accounting technologies and financial reporting quality, several notable research gaps are evident. First, the findings across studies remain inconclusive and mixed, particularly regarding the effectiveness of technologies like ERP systems and cloud-based accounting. For example, Lestari and

Musrady (2023) found that ERP systems do not significantly impact the timeliness of financial reports, while Sembiring et al. (2024) reported a strong and significant positive influence of ERP when combined with user knowledge and IT infrastructure. Similarly, in the domain of blockchain technology, Rawashdeh (2025) and Johnson and Okoye (2023) identified a positive relationship between blockchain and transparency in reporting, yet the underlying mechanisms and consistency across sectors remain under-explored. Moreover, the studies diverge in their methodological approaches—ranging from structural equation modelling (e.g., Abdelwahed et al., 2025) to OLS regression (e.g., Akpan et al., 2023)—which further complicates the comparability and generalizability of findings across contexts.

Secondly, gaps in contextual coverage, variables used, and sectoral focus also pose limitations in the existing body of knowledge. Many of the reviewed studies concentrate on specific sectors (e.g., banking, manufacturing, or hospitality), often excluding Public Limited Companies (PLCs) in less-represented regions such as Benin City, Nigeria, thereby creating a geographical and institutional void. Furthermore, certain variables such as data analytics capability and cloud security investment are insufficiently tested within comprehensive models that account for other influencing factors, such as governance structures or regulatory environments. For instance, although Ekele (2024) and Onyeka et al. (2025) highlight the role of big data in improving reporting quality, their sector-specific focus limits applicability. Similarly, studies by Ogba and Lasisi (2025) and Shittu (2024) underscore the potential of digital tools but reveal barriers such

as high implementation costs and lack of trained personnel, suggesting a need for integrative studies that examine both technological enablers and organizational inhibitors in financial reporting. Hence, the current study fills these gaps by focusing on a broader set of digital accounting technologies across a diversified population of PLCs within an under-researched Nigerian locale.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology employed in the study. It provides a comprehensive explanation of the research design, target population, sample size and sampling techniques, as well as the operationalization and measurement of key variables. Additionally, it describes the research instrument used, its validity and reliability, the sources of data collected, and the analytical techniques adopted for data analysis.

3.2 Research Design

This study adopted a descriptive research design, chosen for its effectiveness in analyzing the characteristics of a specific population and testing hypotheses (Cooper and Schindler, 2018). This approach maintains objectivity by preventing the researcher from manipulating the variables being investigated.

3.3 The Population of the Study

The study focuses on public limited liability companies (PLCs) whose registered corporate head-offices are located in Benin City, Edo State. A review of the Corporate Affairs Commission public register, Nigerian Exchange (NGX) filings and company disclosure websites (accessed 30 July 2025) shows that only four active PLCs currently meet these criteria:

Table 3.1 Population of PLCs in Benin City

#	Company	Registered head-office (Benin City)
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1	Lecturers in Accounting Department	University of Benin	
2	UBTH Accounting Sector	University of Benin Teaching Hospital	
3	M.Sc or P.hd Students in Accounting of Finance department	University of Benin	
4	Commercial Banks in Uniben	University of Benin	

Author's Compilation (2025)

Accordingly, the population for this research comprises employees of these four PLCs (N = 4).

3.4 Sample Size and Sampling Techniques

The study adopts both the census and the stratified sampling techniques. Adopting the census sampling technique, the study derives its sample from employees of the four PLCs. However, adopting the stratified sampling technique, the study conveniently selects 25 employees from each PLCs ensuring a total sample size of one hundred (100) for the study.

3.5 Sources of Data

The source of data for this study's analysis is the primary source. This entails the drafting and distribution of questionnaires to the study's sample.

3.6 Model Specification

This study's model was adapted from the study of Ogba and Lasisi (2025) which focused on the use of technologies such as accounting software, enterprise resource planning (ERP) systems, cloud computing, and data analytics tools to enhance financial management.

The modified model of this study which used Enterprise Resource Planning (ERP) system utilization, cloud-based accounting adoption, data analytics capability, and blockchain integration is stated in its functional form below;

$$FRQ = f(\text{Digital Accounting}) \text{-----}(3.1)$$

$$FRQ = f(\text{ERP,CBA,DAN,BLI}) \text{-----}(3.2)$$

$$FRQ = \beta_0 + \beta_1ERP + \beta_2CBA + \beta_3DAN+ \beta_3BLI + \varepsilon\text{-----}(3.3)$$

Where;

FRQ = Financial Reporting Quality,

ERP = Enterprise Resource Planning (ERP) system utilization,

CBA = Cloud-based accounting adoption,

DAN = Data analytics capability,

BLI = Blockchain integration,

β_0 - Slope

$\beta_1, \beta_2, \beta_3, \beta_4$ - Coefficients

ε – Error term

3.7 Operationalization and Measurement of Variables

The purpose of this study is to examine the effect of digital accounting on financial reporting quality. In this study, the dependent variable is financial reporting quality, while the independent variable is digital accounting, disaggregated into four core dimensions: Enterprise Resource Planning (ERP) system utilization, cloud-based accounting adoption, data analytics capability, and blockchain integration. Table 3.2 presents a detailed description of how these variables have been operationalized and measured within the context of the study.

Table 3.2: Operationalization and Measurement of Variables

S/N	Variables	Operationalisation	Measurement	Question Number
Personal Data				
1	Gender	Biological classification of respondents as male or female	2-point nominal scale	Q1
2	Age	Chronological age group of respondents	4-point ordinal scale	Q2
3	Marital Status	Marital condition of respondents	3-point nominal scale	Q3
4	Educational Qualification	Highest academic qualification attained	4-point ordinal scale	Q4
5	Years in Service for the Firm	Duration (in years) of employment in current firm	4-point ordinal scale	Q5
6	Job Position	Level or cadre within organizational hierarchy	5-point ordinal scale	Q6
Independent Variables (Digital Accounting Dimensions)				
7	ERP System Utilization	Degree of adoption and effective usage of Enterprise Resource Planning systems for managing accounting and financial data	5-point Likert-type scale	Q7 – Q11
8	Cloud-based Accounting	Extent to which cloud technologies are used for maintaining and processing	5-point Likert-type scale	Q12 – Q16

	Adoption	financial information		
9	Blockchain Integration	Level of implementation of blockchain tools and platforms in accounting transactions and records	5-point Likert-type scale	Q17 – Q21
10	Data Analytics Capability	Extent to which analytical tools and techniques are used to derive insights from accounting data for decision-making	5-point Likert-type scale	Q22 – Q26
Dependent Variable				
11	Financial Reporting Quality	Degree to which financial statements are timely, accurate, relevant, reliable, and faithfully represent financial performance.	5-point Likert-type scale	Q27 – Q31

Source: Author’s Compilation (2025)

3.8 Data Collection Instruments

In this study, data were gathered using self-administered questionnaires. This method was chosen to obtain direct insights into participants' perceptions, attitudes, and opinions regarding the study’s key variables. The use of questionnaires was particularly appropriate due to the complexity of the measurement items and the need to collect reliable, firsthand responses. The questionnaire was organized into two main sections. Section A focused on collecting demographic information to contextualize the participants' responses, while Section B was carefully structured to address and reflect the specific objectives of the study.

3.8.1 Validity of Research Instruments

The validity of the questionnaire used in this study was established through a thorough validation process, which was supervised by an academic expert with substantial experience in

the field of Accounting. The expert's feedback, professional recommendations, and evaluative comments were instrumental in refining and finalizing the research instrument. This approach aligns with established research methodology standards, which highlight the significance of expert evaluation in strengthening the credibility and accuracy of data collection tools (Creswell & Creswell, 2017). Accordingly, the validation adopted in this study was based on face validity.

3.8.2 Reliability of Research Instruments

The reliability of the research instrument in this study was evaluated using the Cronbach's Alpha coefficient, a statistical measure that indicates the internal consistency of a set of items within a questionnaire essentially assessing how well the items collectively measure the same underlying construct (Sekaran, 2003). According to existing literature, a Cronbach's Alpha value of 0.70 is generally considered acceptable for exploratory studies or when assessing theoretical constructs (Ehlers, 2000). While this threshold suffices for preliminary investigations, more stringent reliability standards suggest a value of 0.90 or above for research intended to yield conclusive findings.

3.9 Data Collection Procedures

The researcher administered a total of one hundred (100) questionnaires to employees of the four PLCs in Benin City, Edo State. These questionnaires were retrieved within the specified

timeframe from the designated respondents. The data obtained were carefully sorted, structured, and compiled to facilitate subsequent analysis and presentation.

3.10 Method of Data Analysis

In analyzing the core variables of this study, descriptive statistical techniques played a central role. These techniques including the computation of mean values, standard deviations, percentages, and frequency distributions were employed to summarize and describe the essential characteristics of the collected data. This descriptive layer served not only as a preliminary overview but also as a necessary step toward more complex statistical investigations (Mugenda, 2008). The data analysis was conducted using SPSS version 22.0, and results were presented in tabular form to ensure enhanced clarity and ease of interpretation.

To explore deeper relationships and test the research hypotheses, inferential statistical methods were adopted. Specifically, multiple regression analysis was applied to determine the nature and strength of associations among the study variables. The hypotheses were evaluated at a 95% confidence level, providing a robust basis for drawing conclusions within the study's empirical framework.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

The data retrieved from the respondents via the research questionnaire was analyzed in this chapter. The study targeted a sample of one hundred (100) respondents who were employees of

four public limited liability companies (PLCs) whose registered corporate head - offices are located in Benin City, Edo State, including Okomu Oil Palm Company Plc, Presco Plc, Ellah Lakes Plc, and BEDC Electricity Plc. Same number of questionnaires (100) were distributed, filled, retrieved and used for this study. This therefore indicated that 100% response rate was achieved for this study. The data collected was analyzed using a combination of SPSS version 22.0 and Eviews 10 software. The descriptive statistics was used to present the results while regression test was employed to make findings on the research hypotheses.

4.2 Demographic Profile of the Respondents

This section presents the demographic profile of the respondents

Table 4.1: Demographic Profile of the Respondents

Demographic Variables	Categories	Frequency (n)	Percentage (%)
Gender	Male	57	57.0
	Female	43	43.0
	Total	100	100.0
Age	20–30 years	39	39.0
	31–40 years	31	31.0
	41–50 years	17	17.0
	51 years and above	13	13.0
	Total	100	100.0
Marital Status	Single	46	46.0
	Married	51	51.0
	Others	3	3.0
	Total	100	100.0
Educational Qualification	SSCE	9	9.0
	OND/NCE	23	23.0
	HND/BSc	49	49.0

	MSc and above	19	19.0
	Total	100	100.0
Years in Service for the Firm	0–5 years	28	28.0
	6–10 years	33	33.0
	11–20 years	21	21.0
	21 years and above	18	18.0
	Total	100	100.0
Job Position	Junior Staff	22	22.0
	Senior Staff	17	17.0
	Supervisor	14	14.0
	Manager	22	22.0
	Executive/Director	25	25.0
	Total	100	100.0

Source: Researcher’s Fieldwork (2025)

Gender

The gender distribution of the respondents reveals a slight male predominance. Out of the total sample of 100 individuals, 57 respondents (57.0%) are male, while 43 (43.0%) are female.

Age

In terms of age distribution, the majority of the respondents fall within the 20–30 years category, accounting for 39 respondents or 39.0% of the sample. This is followed by those aged 31–40 years with 31 respondents (31.0%). Respondents aged 41–50 years represent 17.0% of the sample (17 individuals), while those aged 51 years and above comprise the smallest group with 13 respondents (13.0%). This distribution suggests a youthful workforce, with over two-thirds (70%) of the respondents under the age of 40, indicating a predominantly young and possibly tech-savvy employee base.

Marital Status

Regarding marital status, a slight majority of the respondents are married, totaling 51 individuals or 51.0% of the sample. Single respondents make up 46.0% (46 individuals), while 3 respondents (3.0%) identified as 'Others', possibly including divorced or widowed individuals.

Educational Qualification

The educational background of respondents shows that nearly half (49 respondents, 49.0%) hold HND/BSc degrees, making this the most represented academic qualification. OND/NCE holders account for 23 respondents (23.0%), while 19 respondents (19.0%) have attained MSc and higher qualifications. A small proportion, 9 respondents (9.0%), have SSCE as their highest qualification.

Years in Service for the Firm

In terms of tenure within their current firms, the highest percentage of respondents (33.0%) have been in service for 6–10 years. This is followed by those with 0–5 years of experience (28 respondents, 28.0%), then 11–20 years (21 respondents, 21.0%), and lastly, 18 respondents (18.0%) who have been in service for 21 years and above.

Job Position

Job position data show a relatively even distribution across the various organizational levels. Executive/Director roles are the most represented, with 25 respondents (25.0%), followed by both Manager and Junior Staff positions, each with 22 respondents (22.0%). Senior Staff account

for 17 respondents (17.0%), while Supervisors make up the smallest group with 14 individuals (14.0%).

4.3 Descriptive Statistics

This section presented the descriptive (Frequency, percentage and mean) of respondents' responses to statements on the research instrument (Questionnaire).

4.3.1 Descriptive Statistics using Eviews 10

The descriptive statistics retrieved from Eviews 10 is presented in Table 4.2

Table 4.2 Descriptive Statistics of Common Sample

	FRQ	ERP	CBA	DAN	BLI
Mean	4.158300	3.805800	3.673400	3.808400	3.793100
Median	4.170000	4.000000	3.830000	4.000000	3.915000
Maximum	5.000000	5.000000	5.000000	5.000000	5.000000
Minimum	1.670000	2.330000	2.000000	1.830000	2.000000
Std. Dev.	0.639814	0.607953	0.687969	0.659799	0.622544
Skewness	-0.969867	-0.412578	-0.311307	-0.511455	-0.178133
Kurtosis	4.530355	2.751328	2.540161	3.164697	2.705739
Jarque-Bera	25.43565	3.094664	2.496255	4.472794	0.889647
Probability	0.000003	0.212815	0.287042	0.106843	0.640937
Observations	100	100	100	100	100

Source: EViews 10 (2025)

The descriptive statistics presented in Table 4.2 provide key insights into the central tendency, dispersion, and distributional characteristics of the variables under investigation: Financial

Reporting Quality (FRQ), Enterprise Resource Planning (ERP), Cloud-Based Accounting (CBA), Data Analytics (DAN), and Blockchain Integration (BLI). Among these, FRQ recorded the highest mean value of 4.1583, indicating that respondents generally perceive financial reporting quality as high. This is closely followed by DAN (mean = 3.8084) and ERP (mean = 3.8058), suggesting that organizations moderately utilize data analytics and ERP systems in their accounting processes. CBA has the lowest mean score of 3.6734, implying relatively lower adoption or effectiveness of cloud-based accounting tools compared to the other digital accounting components. The medians for most variables are slightly higher than their means, further reinforcing the general tendency toward agreement with the items measured.

In terms of variability, the standard deviation is highest for CBA at 0.6879, indicating greater dispersion in respondents' perceptions regarding the use of cloud accounting. FRQ and DAN also exhibit moderately high standard deviations (0.6398 and 0.6598, respectively), suggesting some inconsistency in how financial reporting quality and data analytics are experienced or implemented across firms. All variables show a range between 2.00 and 5.00, with the minimum value for FRQ being the lowest at 1.67, and the maximum consistently at 5.00 for all indicators, implying that some respondents strongly disagreed while others strongly agreed, demonstrating diverse views on digital accounting tools. The distributions are mostly negatively skewed, especially FRQ (-0.9699), indicating that more responses are concentrated on the higher end of the scale, reinforcing the overall positive assessment.

The kurtosis values show that FRQ exhibits a leptokurtic distribution (4.5304), suggesting a sharper peak and heavier tails than a normal distribution, which is also supported by the significant Jarque-Bera statistic (25.4357, $p < 0.01$), indicating non-normality. In contrast, the other variables such as ERP, CBA, DAN, and BLI have kurtosis values closer to 3, indicating distributions that are more normally shaped. Their respective Jarque-Bera probabilities exceed 0.05, suggesting no significant deviation from normality. These results validate the reliability of responses and further imply that while financial reporting quality is perceived as high, its distribution is more peaked and skewed compared to other digital tools. This statistical evidence aligns with the broader implication that while digital accounting innovations are moderately adopted, financial reporting remains the most consistently rated component across organizations.

4.3.1 Descriptive Statistics using SPSS 22

The descriptive statistics retrieved from SPSS 22 is presented in Table 4.3-Table 4.7

Table 4.3: Financial Reporting Quality

S/N	Financial Reporting Quality	SA	A	U	D	SD	Mean
1	Our financial reports are prepared in accordance with relevant accounting standards.	41 (41.0%)	45 (45.0%)	9 (9.0%)	4 (4.0%)	1 (1.0%)	4.21

2	Financial statements produced are timely and regularly disseminated.	44 (44.0%)	42 (42.0%)	9 (9.0%)	2 (2.0%)	3 (3.0%)	4.22
3	Financial information disclosed is complete and transparent.	34 (34.0%)	46 (46.0%)	15 (15.0%)	4 (4.0%)	1 (1.0%)	4.08
4	Reports present a true and fair view of the organization's financial position.	34 (34.0%)	51 (51.0%)	10 (10.0%)	3 (3.0%)	2 (2.0%)	4.12
5	Users of financial reports can easily understand and interpret the data provided.	43 (43.0%)	42 (42.0%)	7 (7.0%)	7 (7.0%)	1 (1.0%)	4.19
	Overall Mean (Grand Mean)						4.16

Source: Researcher's Fieldwork (2025)

The interpretation of Table 4.3 reveals that respondents generally perceive the quality of financial reporting in their organization as high. A substantial majority either strongly agreed or agreed with all five statements related to financial reporting quality, as reflected in the overall grand mean of 4.16, indicating a positive consensus. Specifically, 86.0% affirmed that financial reports align with relevant accounting standards (mean = 4.21), and 86.0% also agreed that financial statements are prepared timely and disseminated regularly (mean = 4.22), the highest-rated item. Transparency and completeness of disclosed financial information were endorsed by 80.0% of respondents (mean = 4.08), while 85.0% agreed that the reports present a true and fair view of the organization's financial position (mean = 4.12). Finally, 85.0% of respondents found the financial reports easily understandable (mean = 4.19). These results suggest that the

organization maintains a strong financial reporting framework that adheres to professional standards, supports decision-making, and promotes accountability.

Table 4.4: Enterprise Resource Planning (ERP) System Utilization

S/N	Enterprise Resource Planning (ERP) System Utilization	SA	A	U	D	SD	Mean
6	Our accounting operations are fully integrated into the ERP system.	25 (25.0%)	56 (56.0%)	12 (12.0%)	3 (3.0%)	4 (4.0%)	3.95
7	The ERP system improves the accuracy of our financial transactions.	20 (20.0%)	52 (52.0%)	19 (19.0%)	7 (7.0%)	2 (2.0%)	3.81
8	Financial reports are generated more quickly due to ERP integration.	18 (18.0%)	48 (48.0%)	25 (25.0%)	4 (4.0%)	5 (5.0%)	3.70
9	Our ERP system enables real-time access to financial data.	22 (22.0%)	50 (50.0%)	19 (19.0%)	7 (7.0%)	2 (2.0%)	3.83
10	Employees are well-trained to use the ERP system for financial activities.	13 (13.0%)	60 (60.0%)	19 (19.0%)	5 (5.0%)	3 (3.0%)	3.75
	Overall Mean (Grand Mean)						3.81

Source: Researcher's Fieldwork (2025)

The interpretation of Table 4.4 indicates a generally positive but moderate level of Enterprise Resource Planning (ERP) system utilization in accounting operations, as reflected in the overall mean of 3.81. A significant majority of respondents (81.0%) agreed that their accounting operations are fully integrated into the ERP system (mean = 3.95), suggesting strong system adoption. Additionally, 72.0% acknowledged that the ERP system improves the accuracy of

financial transactions (mean = 3.81), while 66.0% agreed that ERP integration enhances the speed of financial report generation (mean = 3.70), although this item had the lowest mean score, indicating room for improvement. Furthermore, 72.0% confirmed that their ERP system allows real-time access to financial data (mean = 3.83), a crucial feature for timely decision-making. Lastly, 73.0% believed that employees are adequately trained to use the ERP system for financial functions (mean = 3.75). These results suggest that while ERP systems are being utilized effectively, there is still potential to enhance their performance, especially in the areas of speed and user proficiency.

Table 4.5: Cloud-Based Accounting Adoption

S/N	Cloud-Based Accounting Adoption	SA	A	U	D	SD	Mean
11	We use cloud-based software for managing financial data.	21 (21.0%)	49 (49.0%)	24 (24.0%)	5 (5.0%)	1 (1.0%)	3.84
12	Cloud accounting enhances collaboration among finance team members.	18 (18.0%)	48 (48.0%)	26 (26.0%)	5 (5.0%)	3 (3.0%)	3.73
13	Cloud-based tools have improved the accessibility of financial records.	14 (14.0%)	47 (47.0%)	24 (24.0%)	11 (11.0%)	4 (4.0%)	3.56
14	The use of cloud accounting has enhanced data security.	18 (18.0%)	45 (45.0%)	23 (23.0%)	10 (10.0%)	4 (4.0%)	3.63
15	Financial data stored in the cloud is regularly backed up and updated.	23 (23.0%)	39 (39.0%)	20 (20.0%)	12 (12.0%)	6 (6.0%)	3.61
	Overall Mean (Grand Mean)						3.67

Source: Researcher's Fieldwork (2025)

The interpretation of Table 4.5 reveals a moderate level of adoption and perceived effectiveness of cloud-based accounting systems among respondents, with an overall mean score of 3.67. A significant majority (70.0%) agreed that cloud-based software is used for managing financial data (mean = 3.84), indicating notable uptake of digital tools for financial operations. Similarly, 66.0% of respondents affirmed that cloud accounting enhances collaboration within finance teams (mean = 3.73), suggesting improved teamwork through shared access to digital platforms. However, while 61.0% agreed that cloud tools have improved financial record accessibility, 15.0% disagreed, and this item recorded the lowest mean score of 3.56, indicating some reservations. Regarding data security, 63.0% of respondents believed that cloud accounting has enhanced protection of financial information (mean = 3.63), yet 14.0% expressed concerns. Lastly, 62.0% agreed that cloud-based data is regularly backed up and updated (mean = 3.61), though a notable 18.0% disagreed or strongly disagreed. Overall, the results suggest that while cloud accounting is actively utilized and offers perceived benefits in accessibility, collaboration, and security, there remains a level of uncertainty or inconsistency in user experiences that warrants further attention.

Table 4.6: Data Analytics Capability

S/N	Data Analytics Capability	SA	A	U	D	SD	Mean
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16	We use analytical tools to identify financial trends and patterns.	15 (15.0%)	54 (54.0%)	19 (19.0%)	10 (10.0%)	2 (2.0%)	3.70
17	Data analytics helps management make informed financial decisions.	25 (25.0%)	51 (51.0%)	15 (15.0%)	9 (9.0%)	0 (0.0%)	3.92
18	Our accounting team utilizes dashboards and visualizations to interpret financial data.	21 (21.0%)	44 (44.0%)	22 (22.0%)	11 (11.0%)	2 (2.0%)	3.71
19	Predictive analytics is used in our financial planning processes.	21 (21.0%)	53 (53.0%)	19 (19.0%)	7 (7.0%)	0 (0.0%)	3.88
20	Data analytics has improved the accuracy of financial forecasting.	22 (22.0%)	52 (52.0%)	16 (16.0%)	9 (9.0%)	1 (1.0%)	3.86
	Overall Mean (Grand Mean)						3.81

Source: Researcher's Fieldwork (2025)

The interpretation of Table 4.6 indicates a strong and growing integration of data analytics capabilities within financial management processes, as reflected in the overall mean score of 3.81. A significant proportion of respondents (69.0%) reported using analytical tools to identify financial trends and patterns (mean = 3.70), demonstrating a proactive approach to data interpretation. Furthermore, 76.0% affirmed that data analytics aids management in making informed financial decisions (mean = 3.92), marking this as the highest-rated item and reflecting strong confidence in the strategic utility of analytics. The use of dashboards and data visualizations is also notable, with 65.0% of respondents acknowledging their role in interpreting financial data (mean = 3.71). Additionally, 74.0% of participants indicated that predictive

analytics is employed in financial planning (mean = 3.88), showing a forward-looking orientation in data use. Lastly, 74.0% agreed that data analytics enhances the accuracy of financial forecasting (mean = 3.86), indicating its impact on planning and budgeting. Overall, the results suggest that organizations are effectively leveraging data analytics to support financial decision-making, forecasting, and strategic planning, though a minority remains uncertain or unengaged with some tools.

Table 4.7: Blockchain Integration

S/N	Blockchain Integration	SA	A	U	D	SD	Mean
21	Our organization is aware of blockchain applications in accounting.	24 (24.0%)	51 (51.0%)	19 (19.0%)	5 (5.0%)	1 (1.0%)	3.92
22	Blockchain has been adopted for transaction verification in our accounting process.	19 (19.0%)	45 (45.0%)	25 (25.0%)	9 (9.0%)	2 (2.0%)	3.70
23	Blockchain improves the transparency of financial records.	22 (22.0%)	49 (49.0%)	18 (18.0%)	9 (9.0%)	2 (2.0%)	3.80
24	The immutability of blockchain enhances the credibility of financial data.	22 (22.0%)	48 (48.0%)	21 (21.0%)	7 (7.0%)	2 (2.0%)	3.81
25	Our financial records are less prone to fraud due to blockchain-based technologies.	18 (18.0%)	48 (48.0%)	23 (23.0%)	9 (9.0%)	2 (2.0%)	3.71
	Overall Mean (Grand Mean)						3.79

Source: Researcher's Fieldwork (2025)

The interpretation of Table 4.7 demonstrates a moderately high level of blockchain integration in accounting practices, as evidenced by the overall mean score of 3.79. Awareness of blockchain

applications is notably widespread, with 75.0% of respondents indicating that their organization recognizes its relevance in accounting (mean = 3.92), suggesting a strong foundational understanding. Regarding practical implementation, 64.0% affirmed that blockchain is used for transaction verification (mean = 3.70), though a quarter (25.0%) remained neutral, reflecting potential variability in adoption levels. Transparency in financial records, a key feature of blockchain, was acknowledged by 71.0% of participants (mean = 3.80), while 70.0% agreed that blockchain's immutability enhances the credibility of financial data (mean = 3.81). Additionally, 66.0% believed that blockchain technologies reduce the risk of fraud in financial records (mean = 3.71), though nearly a quarter (23.0%) were uncertain. These findings indicate that while blockchain is increasingly being recognized and partially implemented in financial systems, full-scale integration may still be evolving, with further capacity-building and system alignment likely needed to maximize its benefits.

4.4 Correlation Analysis

The correlation results shed some light on the nature and direction of the relationship between the dependent and independent variables. Although the correlation coefficient does not imply functional dependence between the variables, it is a good starting point for investigating the degree and direction of the relationship between the variables. The findings are presented and discussed further below:

Table 4.8: Correlation Analysis

Covariance Analysis: Ordinary
Date: 31/10/25 Time: 11:37
Sample: 0001 0100
Included observations: 100

Covariance	FRQ	ERP	CBA	DAN	BLI
Correlation					
t-Statistic					
Probability					
FRQ	0.405268				
	1.000000				

ERP	0.195305	0.365911			
	0.507171	1.000000			
	5.825572	-----			
	0.0000	-----			
CBA	0.222964	0.229805	0.468568		
	0.511654	0.554989	1.000000		
	5.895215	6.604634	-----		
	0.0000	0.0000	-----		
DAN	0.196743	0.165466	0.285570	0.430981	
	0.470760	0.416669	0.635474	1.000000	
	5.282204	4.537454	8.147497	-----	
	0.0000	0.0000	0.0000	-----	
BLI	0.204112	0.165509	0.251611	0.212289	0.383685
	0.517619	0.441720	0.593412	0.522048	1.000000
	5.988897	4.874084	7.298405	6.059227	-----
	0.0000	0.0000	0.0000	0.0000	-----

Source: Author’s Estimation from EView 10, 2025.

The correlation analysis presented in Table 4.8 reveals significant and positive relationships between financial reporting quality (FRQ) and all digital accounting components examined. The

strongest correlation exists between FRQ and blockchain integration (BLI) with a coefficient of 0.518, followed closely by cloud-based accounting (CBA) at 0.512, and data analytics (DAN) at 0.471, all statistically significant at $p < 0.01$. These findings suggest that higher adoption and utilization of these technologies are associated with improved financial reporting quality. Enterprise resource planning (ERP) also shows a positive correlation with FRQ ($r = 0.507$, $p = 0.000$), reinforcing its relevance in enhancing reporting processes. Furthermore, the intercorrelations among the independent variables—particularly between CBA and DAN ($r = 0.635$), and CBA and BLI ($r = 0.593$)—indicate substantial integration among digital tools within organizational systems. The consistently high t-statistics and low p-values across all relationships confirm their statistical significance, underscoring the collective impact of digital technologies on the quality of financial reporting in contemporary accounting environments. Furthermore, none of the variables have a coefficient value greater than 0.80, indicating the presence of a multicollinearity problem, which denotes a situation in which some of the explanatory variables in a model are correlated, limiting and altering the efficiency of the regression results. However, we would perform a Variance Inflation Factor Test to confirm the existence of a multicollinearity problem.

4.4.1 Multicollinearity Analysis

The presence of multicollinearity among independent variables indicates that they are perfectly correlated. If the independent variables have a perfect correlation, the parameter coefficients will

be indeterminate. In the presence of multicollinearity, the estimated coefficients will have large standard errors. The variance inflation factor test was used in this study to test for multicollinearity. The end result is as follows:

Table 4.9 Variance Inflation Factor Test

Variable	Coefficient Variance	Centered VIF
ERP	0.010488	1.492948
CBA	0.012354	2.251938
DAN	0.010622	1.780947
BLI	0.011186	1.669627
C	0.152702	NA

Source: Author’s Estimation from EView 10, 2025.

Table 4.9 presents the Variance Inflation Factor (VIF) test used to detect multicollinearity among the independent variables in the regression model. The results indicate that all the VIF values are below the conventional threshold of 5.0, suggesting that multicollinearity is not a concern in this model. Specifically, the highest VIF is recorded for Cloud-Based Accounting (CBA) at 2.25, followed by Data Analytics (DAN) at 1.78, Blockchain Integration (BLI) at 1.67, and Enterprise Resource Planning (ERP) at 1.49. These values reflect acceptable levels of correlation among predictors, meaning that none of the variables is excessively linearly related to others. Consequently, the regression estimates derived from these variables are likely to be stable and reliable, allowing for a meaningful interpretation of the individual contributions of each digital accounting dimension to financial reporting quality.

4.5 Diagnostics Test

The reliability of the estimation and data analysis econometric models was determined using the Serial Correlation, Heteroskedascity, and Ramsey RESET tests, and the results are presented below.

4.5.1 Test for Serial Correlation

Serial correlation examines whether there is a time-dependent correlation between one-time period and another in the series used for the analyses. The presence of time period correlation will result in serial correlation, which will have a significant impact on the reliability of model estimation. It may result in a high significant value, inefficient estimation, exaggerated goodness of fit, and incorrect coefficient of regression sign (positive or negative). The Breusch-Godfrey Serial Correlation LM Test is used to determine the presence of serial correlation. The null hypothesis states that there is no serial correlation.

The Decision Rule: The decision rule is to reject the null hypothesis if the p.value is less than 0.05

Table 4.10: Breusch-Godfrey Serial Correlation LM Test

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	0.381825	Prob. F(2,93)	0.6837
Obs*R-squared	0.814441	Prob. Chi-Square(2)	0.6655

Source: Author's Estimation from EView 10, 2025.

The Breusch-Godfrey Serial Correlation LM Test in Table 4.10 examines the presence of autocorrelation in the residuals of the regression model. The results show an F-statistic of 0.3818 with a probability value of 0.6837, and an Obs*R-squared value of 0.8144 with a probability of 0.6655. Since both p-values are greater than 0.05, the null hypothesis of no serial correlation is not rejected, indicating that the model does not suffer from autocorrelation. This implies that the residuals are independently distributed, enhancing the reliability of the regression estimates. The absence of serial correlation suggests that the model specification is appropriate, and the regression results can be interpreted without concerns about biased standard errors or inefficient parameter estimates.

4.5.2 Heteroskedasticity Test

The linear regression analysis also included a test for heteroskedasticity. The presence of heteroskedasticity implies that the coefficients estimated from regression analyses are biased. The presence of heteroskedasticity indicates that the model's error variance from the data observations is unequal. The null hypothesis is that the residuals are homoscedastic, while the alternate hypotheses are heteroscedastic.

The Decision Rule: The decision rule is to reject the null hypothesis if the p. value is less than 0.05 level of significance.

Table 4.11: Breusch-Pagan-Godfrey Test

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	1.710017	Prob. F(4,95)	0.1493
Obs*R-squared	6.777401	Prob. Chi-Square(4)	0.1481
Scaled explained SS	5.293338	Prob. Chi-Square(4)	0.2585

Source: Author’s Estimation from EView 10, 2025.

The Breusch-Pagan-Godfrey test in Table 4.11 is used to detect heteroskedasticity, which refers to the presence of non-constant variance in the error terms of the regression model. The F-statistic value is 1.710017, and the associated p-value (Prob. F) is 0.1493, which is greater than the typical significance level of 0.05. This suggests that there is no significant evidence of heteroskedasticity based on the F-statistic.

4.5.3 Stability Diagnostics

Table 4.12: Ramsey RESET Test

Ramsey RESET Test
 Equation: UNTITLED
 Specification: FRQ ERP CBA DAN BLI C
 Omitted Variables: Squares of fitted values

	Value	df	Probability
t-statistic	1.236201	94	0.2195
F-statistic	1.528193	(1, 94)	0.2195
Likelihood ratio	1.612664	1	0.2041

Source: Author’s Estimation from EView 10, 2025.

The Ramsey RESET test in Table 4.12 is used to assess the specification of the regression model, checking whether there are any omitted variables or incorrect functional forms. The results show a t-statistic of 1.2362 (p = 0.2195), an F-statistic of 1.5282 (p = 0.2195), and a Likelihood Ratio

of 1.6127 ($p = 0.2041$). Since all p -values are greater than 0.05, the null hypothesis—that the model is correctly specified—is not rejected. This indicates that there is no significant misspecification in the regression model, implying that the functional form is appropriate and that no essential variables have been omitted. As a result, the model can be considered well-specified for analyzing the impact of internal governance factors on audit effectiveness.

4.6 Regression Analysis and Hypothesis Testing

The research hypotheses were tested utilising regression analysis in order to achieve the current study's objectives. The hypotheses were evaluated with an Alpha level of significance of 0.05 (Decision rule: computed level of significance <0.05 , reject null hypothesis; computed level of significance >0.05 , accept null hypothesis).

Table 4.13: OLS result

Dependent Variable: FRQ

Method: Least Squares

Date: 31/10/25 Time: 11:37

Sample: 0001 0100

Included observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ERP	0.281797	0.102410	2.751659	0.0071
CBA	0.108548	0.111147	0.976614	0.3312
DAN	0.150231	0.103063	1.457660	0.1482
BLI	0.256116	0.105762	2.421625	0.0173
C	1.105199	0.390771	2.828250	0.0057
R-squared	0.397446	Mean dependent var	4.128300	
Adjusted R-squared	0.372075	S.D. dependent var	0.639814	
S.E. of regression	0.506999	Akaike info criterion	1.528093	

Sum squared resid	24.41960	Schwarz criterion	1.658352
Log likelihood	-71.40465	Hannan-Quinn criter.	1.580811
F-statistic	15.66554	Durbin-Watson stat	1.960799
Prob(F-statistic)	0.000000		

Source: Author’s Computation Using E-View Version 10.0

The Ordinary Least Squares (OLS) regression results in Table 4.13 examine the impact of four digital accounting variables—Enterprise Resource Planning (ERP), Cloud-Based Accounting (CBA), Data Analytics (DAN), and Blockchain Integration (BLI)—on Financial Reporting Quality (FRQ). The model demonstrates a good overall fit, with an R-squared value of 0.397, indicating that approximately 39.7% of the variation in financial reporting quality is explained by the combined influence of the independent variables. The adjusted R-squared of 0.372 confirms the model’s explanatory strength after adjusting for the number of predictors. The F-statistic (15.67, $p < 0.001$) further confirms the joint statistical significance of the model.

Among the independent variables, ERP ($\beta = 0.2818$, $p = 0.0071$) and BLI ($\beta = 0.2561$, $p = 0.0173$) show statistically significant and positive effects on financial reporting quality, suggesting that greater utilization of ERP systems and blockchain technologies contributes to improvements in the accuracy, transparency, and timeliness of financial reports. In contrast, CBA and DAN, though positively signed ($\beta = 0.1085$ and $\beta = 0.1502$ respectively), are statistically insignificant at the 5% level ($p = 0.3312$ and $p = 0.1482$, respectively), indicating weaker or inconclusive evidence regarding their individual effects on FRQ in this model.

The Durbin-Watson statistic of 1.96 suggests the absence of autocorrelation in the residuals, supporting the reliability of the estimates. The constant term ($C = 1.1052$, $p = 0.0057$) is also significant, reflecting the base level of financial reporting quality when all predictors are held at zero. Overall, the regression results highlight that while all digital tools contribute positively, ERP and blockchain integration are the most influential digital accounting practices in enhancing financial reporting quality within the sampled organizations.

4.7 Test of Hypotheses

In this section, the hypotheses formulated earlier in the study were tested for empirical significance and the results are presented below. The t value in the OLS result which measures the individual significance of the variable and the probability values were used.

H₀: ERP System Utilization has no significant effect on the financial reporting quality of PLCs.

Based on the regression output, ERP has a coefficient of 0.2818 with a p-value of 0.0071, which is less than 0.05. Therefore, the null hypothesis is rejected, and the alternative hypothesis is accepted. This indicates that ERP system utilization has a statistically significant and positive effect on the financial reporting quality of publicly listed companies.

H₀: Cloud-Based Accounting Adoption has no significant effect on the financial reporting quality of PLCs.

The coefficient for CBA is 0.1085, with a p-value of 0.3312, which is greater than 0.05. Hence, the null hypothesis is accepted, and the alternative hypothesis is rejected. This suggests that

cloud-based accounting adoption does not have a statistically significant effect on the financial reporting quality of PLCs within the context of this study.

H₀: Data Analytics Capability has no significant relationship with the financial reporting quality of PLCs.

The coefficient for DAN is 0.1502 with a p-value of 0.1482, which exceeds the 0.05 threshold. Thus, the null hypothesis is accepted, and the alternative hypothesis is rejected. This implies that, although data analytics capability has a positive influence, the relationship is not statistically significant at the 5% level.

H₀: Blockchain Integration has no significant effect on the financial reporting quality of PLCs.

The coefficient for BLI is 0.2561, and the p-value is 0.0173, which is less than 0.05. Therefore, the null hypothesis is rejected, and the alternative hypothesis is accepted. This indicates that blockchain integration has a significant and positive effect on the financial reporting quality of PLCs.

4.8 Discussion of Findings

4.8.1 ERP System Utilization and Financial Reporting Quality

The findings from the OLS regression analysis reveal that ERP system utilization has a significant positive effect on financial reporting quality (FRQ), with a coefficient of 0.2818 and a p-value of 0.0071, which is statistically significant at the 5% level. This result aligns with several empirical studies that have emphasized the value of ERP systems in enhancing financial

reporting, especially when integrated effectively within an organization. For instance, Sembiring et al. (2024) found that ERP systems significantly improve accounting report quality, but only when supported by complementary factors such as user competence and IT infrastructure. This supports the notion that the statistical significance observed in the current study may stem from an environment where ERP systems are not only deployed but also well-managed. Similarly, Nwekwo et al. (2024) affirmed the positive impact of ERP systems on reporting integrity and compliance, which aligns with the observed improvement in FRQ. However, the result contrasts with Wahed and Saif (2024) and Lestari and Musrady (2023), who reported no significant effect of ERP implementation on financial report timeliness, highlighting that the benefits of ERP may be context-specific or dependent on the interaction with other technologies like XBRL. Thus, while the current study confirms a direct beneficial effect of ERP on reporting quality, it also implicitly supports the view that organizational readiness and proper ERP integration are crucial enablers of such outcomes.

4.8.2 Cloud-Based Accounting and Financial Reporting Quality

The regression analysis indicates that Cloud-Based Accounting (CBA) does not have a statistically significant effect on financial reporting quality, as evidenced by its p-value of 0.3312, which is above the 5% threshold. This result contrasts sharply with a wide body of literature that emphasizes the transformative role of cloud accounting in enhancing FRQ. For instance, Shittu (2024) and Akpan et al. (2023) found that cloud technologies significantly improve the accuracy,

timeliness, and storage of financial information, especially in SMEs and private firms. The disparity between the present finding and existing literature may be explained by differences in sectoral focus, implementation maturity, or organizational capacity to leverage cloud features such as real-time access, data backup, and collaborative tools. Yikarebogha and Onwuchekwa (2025) and Esawi et al. (2025) showed that in regulated sectors like banking, cloud accounting directly enhances comparability and transparency, while Oyewobi and Adeyemi (2024) stressed that the effectiveness of cloud adoption depends on security investments rather than mere expenditure. The insignificant finding in this study may suggest either low strategic investment in cloud-based tools or underutilization of their capabilities within the studied firms, thereby limiting their measurable effect on financial reporting quality despite their theoretical potential.

4.8.3 Data Analytics Capability and Financial Reporting Quality

The study finds that data analytics capability (DAN) has a positive but statistically insignificant effect on financial reporting quality, with a coefficient of 0.1502 and a p-value of 0.1482. This result diverges from numerous empirical studies, such as Onyeka et al. (2025) and Ekele (2024), who found strong positive effects of data analytics on the timeliness, accuracy, and transparency of financial reports. One plausible explanation for this deviation is that while data analytics tools may be present within the surveyed firms, their full potential might not be realized due to insufficient training, data governance issues, or lack of integration with core accounting functions. Abdelwahed et al. (2025) argued that data analytics significantly enhances audit and

financial reliability when embedded into decision-making processes, which may not yet be fully operationalized in the firms under study. Similarly, Okeke and Eze (2025) highlighted that not all dimensions of big data analytics contribute equally to reporting quality, suggesting that the analytical infrastructure within these organizations may not be sufficiently robust or mature to yield statistically significant improvements. Therefore, although the direction of the relationship is positive, the lack of statistical significance signals the need for deeper institutional investment in analytical capabilities, training, and strategic deployment to unlock measurable gains in financial reporting quality.

4.8.4 Blockchain Integration and Financial Reporting Quality

The regression result shows a significant positive effect of blockchain integration on financial reporting quality, with a coefficient of 0.2561 and a p-value of 0.0173, indicating that blockchain adoption contributes meaningfully to enhancing financial transparency and data integrity. This aligns closely with the findings of Olaoye and Bello (2025), Johnson and Okoye (2023), and Lootah (2024), all of whom emphasized blockchain's role in increasing accuracy, reducing fraud, and promoting real-time audit capabilities. The present result supports the argument that blockchain's features—immutability, decentralization, and transparency—are instrumental in producing more reliable and verifiable financial information. Akaegbobi (2025) also confirmed that blockchain-based systems enhance financial reporting reliability, especially in environments prone to manipulation and discrepancies. The effectiveness of blockchain in this context suggests

that the organizations surveyed may already have begun embedding distributed ledger technologies into their accounting systems, thereby reinforcing trust and credibility in their financial reports. Moreover, the consistency with global studies such as Rawashdeh (2025) further validates blockchain as a disruptive innovation capable of bridging the trust gap in corporate financial disclosures. In conclusion, the finding not only confirms blockchain's statistical significance but also reinforces its practical importance in elevating the standards of financial reporting in both developing and advanced institutional environments.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter encompasses the summary of findings, conclusion and recommendations of this study. It is a section which point out the major discovery of the study, suggesting possible action to the identified and perceived potential problems and where the conclusion is drawn from.

5.2 Summary of Findings

This study examined the effect of digital accounting on financial reporting quality. The study targeted a sample of one hundred (100) respondents who were employees of four public limited liability companies (PLCs) whose registered corporate head - offices are located in Benin City, Edo State, including Okomu Oil Palm Company Plc, Presco Plc, Ellah Lakes Plc, and BEDC Electricity Plc. Same number of questionnaires (100) were distributed, filled, retrieved and used for this study. The data collected was analyzed using E-views 10 and SPSS version 22.0. The descriptive statistics was used to present the results while regression test was employed to make findings on the research hypotheses.

These are the findings on the effect of digital accounting on financial reporting quality:

- i. The findings from the OLS regression analysis reveal that ERP system utilization has a significant positive effect on financial reporting quality (FRQ), with a coefficient of 0.2818 and a p-value of 0.0071, which is statistically significant at the 5% level.

- ii. The regression analysis indicates that Cloud-Based Accounting (CBA) does not have a statistically significant effect on financial reporting quality, as evidenced by its p-value of 0.3312, which is above the 5% threshold.
- iii. The study finds that data analytics capability (DAN) has a positive but statistically insignificant effect on financial reporting quality, with a coefficient of 0.1502 and a p-value of 0.1482.
- iv. The regression result shows a significant positive effect of blockchain integration on financial reporting quality, with a coefficient of 0.2561 and a p-value of 0.0173, indicating that blockchain adoption contributes meaningfully to enhancing financial transparency and data integrity.

5.3 Conclusion

This study focused on evaluating the effect of digital accounting tools specifically ERP systems, cloud-based accounting, data analytics capability, and blockchain integration on the financial reporting quality (FRQ) of selected Public Limited Companies (PLCs) in Benin City, Edo State. The findings revealed that ERP system utilization and blockchain integration significantly enhance financial reporting quality, indicating their positive roles in improving the accuracy, reliability, and transparency of financial disclosures. Conversely, cloud-based accounting and data analytics, though positively related to FRQ, did not exhibit statistically significant effects within the studied firms. These results suggest that while digital technologies generally support

improved financial reporting, their actual impact is dependent on effective implementation, institutional readiness, and strategic alignment. Therefore, the study concludes that selective and well-integrated digital accounting systems are critical for enhancing financial reporting practices among corporate entities.

5.4 Recommendations

Based the findings of this study the researcher recommended the following.

- i. Based on the finding that ERP system utilization significantly enhances financial reporting quality, it is recommended that PLCs should continue to invest in robust ERP solutions and ensure their full integration across accounting and financial functions. This should be complemented with continuous user training, regular system upgrades, and top management support to optimize ERP capabilities for financial reporting efficiency and compliance.
- ii. Given that cloud-based accounting was found to have no statistically significant effect on financial reporting quality, organizations are encouraged to review their current cloud strategies. Efforts should be directed towards investing in more secure, scalable, and user-friendly cloud platforms. Additionally, companies should focus on improving cloud adoption frameworks, including employee training, cybersecurity protocols, and regulatory alignment, to enhance its value contribution to financial reporting.

- iii. Since data analytics capability showed a positive but insignificant influence on FRQ, it is recommended that organizations should strengthen their data analytics infrastructure. This includes deploying more advanced analytical tools, fostering a data-driven culture, and providing accounting professionals with analytics training. Doing so will enable organizations to better utilize data for predictive insights, anomaly detection, and improved financial decision-making, ultimately enhancing reporting quality.
- iv. Given the significant positive effect of blockchain integration on FRQ, firms should explore the broader application of blockchain technology in their accounting systems. This includes leveraging blockchain for real-time ledger updates, audit trails, and fraud prevention. Regulatory bodies and industry associations should also support blockchain adoption by providing technical guidelines and establishing compliance frameworks that facilitate its secure integration into mainstream financial reporting processes.

5.5 Contribution to Knowledge

This study contributes to the growing body of knowledge on digital accounting by empirically demonstrating the distinct roles of ERP systems and blockchain integration in enhancing financial reporting quality in the Nigerian corporate context. It provides evidence that not all digital tools have equal effects, thereby enriching academic discourse on the contextual effectiveness of digital technologies in accounting. By focusing on publicly listed companies in

Nigeria, the study fills a geographical and sectoral gap in literature, offering practical insights for firms in emerging economies aiming to digitize their financial reporting systems.

5.6 Area for Further Research

While this study focused on the private corporate sector in Benin City, future research should consider expanding the scope to include public sector institutions, SMEs, and financial services firms across multiple geopolitical zones in Nigeria. Such studies could examine whether institutional differences, regulatory environments, and technological maturity levels influence the impact of digital accounting on financial reporting quality.

Moreover, future investigations could adopt a longitudinal research design to assess the long-term effects of digital accounting adoption on financial reporting quality. This would provide a more dynamic understanding of how technological integration evolves over time and its cumulative influence on the quality, consistency, and credibility of financial disclosures. Future studies may also explore the mediating role of organizational culture, regulatory compliance, and cybersecurity in shaping the relationship between digital accounting tools and financial reporting outcomes.

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APPENDIX i

	FRQ	ERP	CBA	DAN	BLI
Mean	4.158300	3.805800	3.673400	3.808400	3.793100

Median	4.170000	4.000000	3.830000	4.000000	3.915000
Maximum	5.000000	5.000000	5.000000	5.000000	5.000000
Minimum	1.670000	2.330000	2.000000	1.830000	2.000000
Std. Dev.	0.639814	0.607953	0.687969	0.659799	0.622544
Skewness	-0.969867	-0.412578	-0.311307	-0.511455	-0.178133
KurtBLIis	4.530355	2.751328	2.540161	3.164697	2.705739
Jarque-Bera	25.43565	3.094664	2.496255	4.472794	0.889647
Probability	0.000003	0.212815	0.287042	0.106843	0.640937
Sum	412.8300	379.4800	370.3400	382.8400	381.3100
Sum Sq. Dev.	40.52681	36.59110	46.85684	43.09814	38.36854
Observations	100	100	100	100	100

Covariance Analysis: Ordinary

Date: 31/10/25 Time: 11:37

Sample: 0001 0100

Included observations: 100

Covariance

Correlation

t-Statistic

Probability

	FRQ	ERP	CBA	DAN	BLI
FRQ	0.405268 1.000000 ----- -----				
ERP	0.195305 0.507171 5.825572 0.0000	0.365911 1.000000 ----- -----			

CBA	0.222964	0.229805	0.468568		
	0.511654	0.554989	1.000000		
	5.895215	6.604634	-----		
	0.0000	0.0000	-----		
DAN	0.196743	0.165466	0.285570	0.430981	
	0.470760	0.416669	0.635474	1.000000	
	5.282204	4.537454	8.147497	-----	
	0.0000	0.0000	0.0000	-----	
BLI	0.204112	0.165509	0.251611	0.212289	0.383685
	0.517619	0.441720	0.593412	0.522048	1.000000
	5.988897	4.874084	7.298405	6.059227	-----
	0.0000	0.0000	0.0000	0.0000	-----

Dependent Variable: FRQ

Method: Least Squares

Date: 31/10/25 Time: 11:37

Sample: 0001 0100

Included observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ERP	0.281797	0.102410	2.751659	0.0071
CBA	0.108548	0.111147	0.976614	0.3312
DAN	0.150231	0.103063	1.457660	0.1482
BLI	0.256116	0.105762	2.421625	0.0173
C	1.105199	0.390771	2.828250	0.0057
R-squared	0.397446	Mean dependent var	4.128300	
Adjusted R-squared	0.372075	S.D. dependent var	0.639814	
S.E. of regression	0.506999	Akaike info criterion	1.528093	
Sum squared resid	24.41960	Schwarz criterion	1.658352	
Log likelihood	-71.40465	Hannan-Quinn criter.	1.580811	
F-statistic	15.66554	Durbin-Watson stat	1.960799	
Prob(F-statistic)	0.000000			

Variance Inflation Factors

Date: 31/10/25 Time: 11:37

Sample: 0001 0100

Included observations: 100

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
ERP	0.010488	60.24823	1.492948
CBA	0.012354	68.16700	2.251938
DAN	0.010622	62.34669	1.780947
BLI	0.011186	64.94004	1.669627
C	0.152702	59.40598	NA

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	0.381825	Prob. F(2,93)	0.6837
Obs*R-squared	0.814441	Prob. Chi-Square(2)	0.6655

Test Equation:

Dependent Variable: RESID

Method: Least Squares

Date: 31/10/25 Time: 11:37

Sample: 0001 0100

Included observations: 100

Presample missing value lagged residuals set to zero.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
----------	-------------	------------	-------------	-------

ERP	-0.001298	0.103243	-0.012573	0.9900
CBA	-0.002332	0.112756	-0.020685	0.9835
DAN	0.007325	0.104177	0.070309	0.9441
BLI	-0.003484	0.106883	-0.032599	0.9741
C	-0.001948	0.393618	-0.004949	0.9961
RESID(-1)	0.020143	0.104527	0.192709	0.8476
RESID(-2)	-0.089646	0.105026	-0.853567	0.3955
R-squared	0.008144	Mean dependent var	-6.55E-16	
Adjusted R-squared	-0.055846	S.D. dependent var	0.496651	
S.E. of regression	0.510331	Akaike info criterion	1.559915	
Sum squared resid	24.22072	Schwarz criterion	1.742277	
Log likelihood	-70.99576	Hannan-Quinn criter.	1.633720	
F-statistic	0.127275	Durbin-Watson stat	2.002303	
Prob(F-statistic)	0.992682			

Ramsey RESET Test
Equation: UNTITLED
Specification: FRQ ERP CBA DAN BLI C
Omitted Variables: Squares of fitted values

	Value	df	Probability
t-statistic	1.236201	94	0.2195
F-statistic	1.528193	(1, 94)	0.2195
Likelihood ratio	1.612664	1	0.2041

F-test summary:

	Sum of Sq.	df	Mean Squares
Test SSR	0.390648	1	0.390648
Restricted SSR	24.41960	95	0.257048
Unrestricted SSR	24.02895	94	0.255627

LR test summary:

	Value
Restricted LogL	-71.40465
Unrestricted LogL	-70.59832

Unrestricted Test Equation:

Dependent Variable: FRQ

Method: Least Squares

Date: 31/10/25 Time: 11:38

Sample: 0001 0100

Included observations: 100

Variable	Coefficien t	Std. Error	t-Statistic	Prob.
ERP	1.009307	0.597300	1.689783	0.0944
CBA	0.408491	0.266751	1.531357	0.1290
DAN	0.525844	0.320756	1.639387	0.1045
BLI	0.944363	0.566646	1.666585	0.0989
C	-1.344829	2.019848	-0.665807	0.5072
FITTED^2	-0.318758	0.257852	-1.236201	0.2195

R-squared	0.407085	Mean dependent var	4.128300
Adjusted R-squared	0.375547	S.D. dependent var	0.639814
S.E. of regression	0.505596	Akaike info criterion	1.531966
Sum squared resid	24.02895	Schwarz criterion	1.688277
Log likelihood	-70.59832	Hannan-Quinn criter.	1.595228
F-statistic	12.90775	Durbin-Watson stat	1.986403
Prob(F-statistic)	0.000000		

APPENDIX ii

DEPARTMENT OF ACCOUNTING

FACULTY OF MANAGEMENT SCIENCES
UNIVERSITY OF BENIN, BENIN CITY, EDO STATE

Dear Respondent,

APPEAL FOR THE COMPLETION OF QUESTIONNAIRE

My name is WINNER OSABUOHIEN PHILIP, a student of the University of Benin, Benin City, Department of Accounting. I am undertaking a study titled "**Digital Accounting and Financial Reporting Quality**" as mandated by my program. You have been chosen as a participant in this research. Please be assured that your responses will remain anonymous and confidential, solely utilized for academic purposes.

Thank you for your cooperation.

Yours faithfully,

SECTION A: RESPONDENTS' DEMOGRAPHICS

Please tick (✓) the appropriate box or provide brief responses where applicable.

Q1. Gender:

- Male Female

Q2. Age:

- 20–30 years 31–40 years 41–50 years 51 years and above

Q3. Marital Status:

- Single Married Others

Q4. Educational Qualification:

- SSCE OND/NCE HND/BSc MSc and above

Q5. Years in Service for the Firm:

- 0–5 years 6–10 years 11–20 years 21 years and above

Q6. Job Position:

- Junior Staff
 Senior Staff
 Supervisor
 Manager
 Executive/Director

SECTION B: DIGITAL ACCOUNTING AND FINANCIAL REPORTING QUALITY

Please indicate the extent to which you agree with the following statements. Tick (✓) the number that best reflects your opinion.

Scale:

1 = Strongly Disagree 2 = Disagree 3 = Undecided 4 = Agree 5 = Strongly Agree

i. Enterprise Resource Planning (ERP) System Utilization

S/N	Statement	1	2	3	4	5
7	Accounting operations are fully integrated into the ERP system.					
8	The ERP system improves the accuracy of our financial transactions.					
9	Financial reports are generated more quickly due to ERP integration.					
10	ERP system enables real-time access to financial data.					

11	Employees are well-trained to use the ERP system for financial activities.					
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ii. Cloud-Based Accounting Adoption

S/N	Statement	1	2	3	4	5
12	Cloud-based software are used for managing financial data.					
13	Cloud accounting enhances collaboration among finance team members.					
14	Cloud-based tools have improved the accessibility of financial records.					
15	The use of cloud accounting has enhanced data security.					
16	Financial data stored in the cloud is regularly backed up and updated.					

iii. Data Analytics Capability

S/N	Statement	1	2	3	4	5
17	Analytical tools are used to identify financial trends and patterns.					
18	Data analytics helps management make informed financial decisions.					
19	Accounting team utilizes dashboards and visualizations to interpret financial data.					
20	Predictive analytics is used in our financial planning processes.					
21	Data analytics has improved the accuracy of financial forecasting.					

iv. Blockchain Integration

S/N	Statement	1	2	3	4	5
22	Organization are aware of blockchain applications in accounting.					
23	Blockchain has been adopted for transaction verification in our accounting process.					
24	Blockchain improves the transparency of financial records.					
25	The immutability of blockchain enhances the credibility of financial data.					
26	Financial records are less prone to fraud due to blockchain-based technologies.					

v. Financial Reporting Quality

S/N	Statement	1	2	3	4	5
27	Financial reports are prepared in accordance with relevant accounting standards.					
28	Financial statements produced are timely and regularly disseminated.					
29	Financial information disclosed is complete and transparent.					
30	Reports present a true and fair view of the organization's financial position.					
31	Users of financial reports can easily understand and interpret the data provided.					

THANK YOU FOR YOUR TIME AND COOPERATION!

Your responses will be treated with utmost confidentiality and used strictly for academic purposes.