Digital Accounting Information Reporting and Stakeholder's Confidence of Quoted Deposit Money Banks in Nigeria.

Emereole, C. Joel
Department of Accounting, Faculty of Management sciences,
University of Port Harcourt, Rivers state, Nigeria.
emereolejoel1@gmail.com
09038505565

&

Prof. Akani, Fyneface. N.
Department of Accounting, Faculty of Management sciences,
University of Port Harcourt, Rivers state, Nigeria.
akani.fyneface@uniport.edu.ng
08033426845

Abstract

This study examines the relationship between digital accounting information reporting practices and stakeholder confidence in listed Deposit Money Banks in Nigeria from 2015 to 2024. It specifically analyses the effects of accounting software usage and cloud computing adoption on financial reporting quality and risk perception. A descriptive correlational research design and a survey research design were employed. The population of this study comprised all quoted deposit money banks licensed in Nigeria. Using data from Nigerian banks, the study applies econometric models, including Error Correction Models and long-run analyses, to evaluate both short- and long-term impacts of these practices. The findings show that accounting software and cloud computing adoption significantly improve financial reporting quality and reduce risk perception, leading to greater stakeholder confidence and market stability. The study underscores the importance of digital technologies in enhancing operational efficiency and transparency in the Nigerian banking sector. It also offers insights for financial institutions in emerging economies and recommends policy improvements and further research on technological adoption and financial reporting. This research contributes to the literature on digital transformation in accounting and provides a methodological framework for future studies.

Keywords: *Digital accounting, software usage, cloud computing accounting, stakeholders' confidence, financial reporting quality, risk perception.*

Introduction

Digital accounting information reporting has become essential to modern business operations. Due to technological advancements, companies increasingly depend on digital platforms to manage financial data and communicate it to stakeholders. This expository essay explores the significance of digital accounting information reporting and its influence on the business world. A primary benefit of digital accounting information reporting is its efficiency and accuracy. Utilising digital platforms enables companies to streamline accounting processes and minimize the likelihood of errors. According to Smith and Jones (2020), digital accounting systems improve the accuracy of financial reporting by eliminating manual data entry and calculations. This does not only saves time but also ensures that financial information is reported correctly to stakeholders. Furthermore, digital reporting allows for real-time access to financial data. While traditional methods required companies to wait until the end of a reporting period, digital systems provide instant access. This capability empowers businesses to make informed decisions quickly and adapt to evolving market conditions. As noted by Brown et al. (2019), real-time financial reporting is a crucial tool for businesses aiming to stay competitive in today's fast-paced environment. Additionally, digital accounting information reporting enhances transparency and accountability.

A study by Adegbite, et al (2013) found that stakeholders' confidence in financial reporting is positively influenced by the quality and reliability of the information presented. Digital reporting improves the quality of financial information by providing real-time data, reducing human errors, and enhancing data accuracy. This, in turn, boosts stakeholders' confidence in the financial reporting of Nigerian Deposit Money Banks (DMBs). By adopting technology in financial reporting, DMBs can improve the accuracy, reliability, and timeliness of their financial reports, fostering greater transparency, accountability, and trust among stakeholders. This ultimately strengthens the relationship between DMBs and their stakeholders, contributing to the overall stability and growth of Nigeria's banking sector. Extensive technological advancements have occurred globally over the last couple of decades, significantly impacting the field of accounting, leading many business organizations to adopt Information Technologies (IT) (Alrabei, 2014).

In recent years, the focus of an organization's marketing efforts has shifted from simply satisfying customer needs to creating value for all stakeholders. The American Marketing Association's definition (AMA, 2013) states: "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." While stakeholder theory is well-developed in management literature, studies focusing on stakeholders from a marketing perspective remain relatively sparse (Hult et al., 2011).

There are also ambiguities in the literature regarding the basic concepts of stakeholder theory and management, with difficulties in identifying stakeholders and defining firm boundaries often stemming from the theory's intrinsic flexibility (Fassin, 2008). Stakeholders in DMBs include shareholders, regulators, customers, and investors, among others. These stakeholders rely on financial reports to assess the financial performance and stability of the banks. Digital accounting information reporting provides them with real-time access to financial information, enabling timely decision-making. This transparency and accessibility enhance their confidence in the DMBs' financial reporting. Furthermore, the digitization of the reporting process allows for greater transparency and accountability, reducing the risk of errors and fraud and improving the audit trail of financial transactions. This increased transparency and accountability build trust among stakeholders, leading to greater confidence in the financial reporting of DMBs.

Risk Perception: This refers to customer's perception of banks risk and is measured by the risk management practices implemented by the bank. In Digital Accounting, financial data is created, transferred, managed, and stored electronically. Many of the manual operations that accountants often deal with are being digitalized and automated using software solutions.
According to Chen, Wu, and Chiu (2019), digital accounting is defined as the use of digital technology, such as specialized software and information systems, to automate and simplify accounting and financial reporting processes. This approach allows companies to collect and process financial data in real-time, enabling managers to make faster, more accurate decisions based on current financial information. Furthermore, digital accounting helps organizations increase efficiency and transparency within the accounting and financial reporting processes. Roohani, Pourshafiee, and Mohammadi (2020) interpret digital accounting as "the use of information and communication technology in the process of accounting and financial reporting, which includes collecting," (the sentence cuts off here in the original text).

Digital accounting, also referred to as e-accounting or computerized accounting, involves processing financial transactions electronically. The advent of information technology (IT) has radically changed how business entities are run, significantly reducing the time required to process transactions across all sectors. Digital accounting is an offshoot of the broader digital transformation occurring in businesses. Sutton (2010, cited by Oladejo, 2014) observed that IT has fundamentally altered how accounting information is produced, disseminated, and used. As documented by Chong and Nizam (2018), the complexity of accounting systems, the increased vulnerability to errors, and the swelling volume of transactions necessitated a system capable of processing and storing data with greater speed, vast storage capacity, and enhanced processing power. Consequently, to satisfy the growing demand for up-to-date and accurate information, digital or computerized accounting systems became imperative. The quality of financial reports is decision-effective, as high-quality reports can attract investors and other decision-makers to the firm, enabling them to make appropriate investment decisions. Troshani, Locke, and Rowbottom (2019) document that digital accounting encompasses the representation of accounting information in a digital format that can then be electronically manipulated and transmitted.

This study is built upon the foundations of the Technology Acceptance Model (TAM) and Stakeholder Theory. TAM, an information systems theory developed by Fred Davis in 1989, explains how users accept and utilize new technology. The model's core idea is that perceived usefulness (the belief that technology improves performance) and perceived ease of use (the belief that technology is effortless to use) are the primary determinants of a user's acceptance and intention to use a system. These perceptions influence a user's attitude toward the technology, which ultimately drives their behavioral intention to actually use it.

The logic behind Stakeholder Theory relies on assumptions describing the relationship between an organization and its environment: organizations have relationships with various stakeholders; companies are run by top managers who make strategic decisions affecting stakeholders; competing interests between organizations and stakeholders can result in conflict; and organizations compete in markets that tend to navigate toward equilibrium (Hult et al., 2011). According to Mitchell et al. (1997: 853), despite the descriptive nature of the concept, there is limited consensus on what Freeman (1984) calls "The principle of Who or What Really Counts." Mitchell et al. (1997) explain this as the questions: "who (or what) are the stakeholders of the firm? And to whom (or what) do managers pay attention?" Stakeholder theory explains the relationship between an organization and its external environment (Freeman, Wicks & Parmer, 2015).
Ironkwe and Nwaiwu (2018) examined the effect of accounting information systems on the financial and non-financial measures of companies in Nigeria. Using data from questionnaires and the Nigerian Stock Exchange (NSE) for 16 companies from 2011 to 2014, and analyzing the data with multiple linear regression techniques via SPSS, the empirical investigation found that the accounting information system exerts a significant positive effect on the financial and non-financial measures indicators of the companies in Nigeria.

Omotilewa et al. (2021) conducted cross-sectional research on accounting software in a computerized business environment and the quality of corporate reporting. They reported that accounting software had a positive significant effect on the reliability and accuracy of corporate reporting with efficiency. In the same manner, Alao and Adegbie (2020) studied the effect of accounting information quality on corporate reporting in profit-oriented companies and found that the use of accounting software enhanced data processing, minimized errors, and improved automatic data processing and task handling.
Fadzilah (2017) investigated the effect of using accounting software in processing data on the efficiency, reliability, and quality of accounting information. The study used a qualitative research design, administering questionnaires to 78 selected respondents consisting of accountants and other employees who use accounting software. The study found that the usage of accounting software had a significant effect on easy data processing, accuracy, and reliability of accounting information. In addition, the study found that speedy financial reporting impacted positively on the performance of the selected companies.

Agburu et al. (2017) empirically studied the impact of outsourcing accounting software job functions on the performance of small and medium-scale enterprises. Using a survey research design and self-structured questionnaires, regression analysis revealed that outsourcing accounting software services had a negative effect but did influence quality financial reporting.

Kolawole, Ayeni, and Adesodun (2012) researched the effects of digital accounting on the financial reporting and accountability of manufacturing firms in Nigeria. The study aimed to examine these effects and found a strong positive relationship between digital accounting and financial reporting accountability. Kornchai and Khajirt (2021) investigated how digital accounting affected the accuracy of financial reporting for Thai-listed companies using a structural equation model with 313 companies operating in Thailand. The study discovered that as the quality of financial reporting improved, the digital disruption of accounting had a substantial impact on the usability and practical relevance of the accounting information. The study showed a strong relationship between strategic choices and the use of disruptive technologies to digitally change accounting data, which aligned with the findings of other investigations (El Hilali et al., 2020; Ouda & Klischewski, 2019; Peter et al., 2020; Shan & Troshani, 2021). Peter et al. (2020) specifically found a significant impact of digital transformation on the quality of financial reporting.

Oladejo et al. (2020) investigated the impact of accounting technology adoption on the caliber of financial reporting as part of an effort to understand the digital disruption of accounting. Their field survey methodology involved distributing 300 structured questionnaires to a sample of 10 DMB workers; 260 completed questionnaires were collected and analyzed using descriptive and regression analyses. The study's findings indicated that information technology adoption enhanced timely and accurate financial reporting. However, the study concluded that the quality of financial reporting was damaged by the digital disruption of accounting information.

Additional research was conducted by Barroso and Laborda (2022) and Aguguom and Ebun (2021). In their study, Aguguom and Ebun (2021) documented a significant effect of quality financial reporting on performance. Anshari et al. (2020) examined financial technology and disruptive innovations, finding that the digital disruption of accounting information exerted a significant effect. Barroso and Laborda (2022) studied digital transformation and emerging fintech, reporting that the digital disruption of accounting information had a significant effect on transforming the quality of financial reporting. Furthermore, Afifa et al. (2022) examined blockchain adoption in accounting from the perspective of emerging economies, and their empirical examination revealed that the application of blockchain had a significant effect on the quality of financial reporting.

Joseph Dery N., David A.A, and Maxwell A.A (2022) examined the impact of computerized accounting systems on the quality of financial reports in Ghanaian banks. The study's findings discovered that, holding all other autonomous factors at zero, a unit increase in an automated computerized accounting system would result in a 0.50 increase in the quality of financial reports for banks. The study demonstrated that the quality of computerized accounting systems significantly affects the quality of financial reports in banks.

Statement of problem

One of the main challenges surrounding digital accounting information reporting in DMBs is the potential for data security breaches, privacy concerns, and cyber-attacks. The increased electronic storage and transmission of sensitive financial information heighten the risk of unauthorized access. This can erode stakeholders' confidence in the reliability and integrity of the reported financial information, ultimately impacting their decision-making processes. Furthermore, the lack of regulatory oversight and standardized guidelines for digital accounting information reporting in Nigeria often contributes to inconsistencies in practices among DMBs. This can create confusion and uncertainty among stakeholders, making it difficult to accurately assess the financial health and performance of the banks.

In light of these challenges, it is crucial for DMBs in Nigeria to prioritize robust data security measures, enhance transparency and accountability in financial reporting, and adhere to regulatory requirements to build and maintain stakeholder confidence. By addressing these issues, DMBs can ensure that digital accounting information reporting serves as a reliable and trustworthy source of financial information for stakeholders in Nigeria.

In line with the above exposition, this study systematically investigates the effect of digital accounting information reporting on the stakeholders' confidence of deposit money banks in Nigeria.

Aim and Objectives of the Study

The primary aim of this study is to investigate the relationship between the adoption of Digital Accounting Information Reporting (DAIR) practices and stakeholder confidence in listed Deposit Money Banks (DMBs) in Nigeria. To achieve this aim, the study will focus on the following specific objectives, to;

1. assess the effect of accounting software usage on financial reporting quality of quoted deposit money banks in Nigeria;
2. examine the impact of cloud computing adoption on financial reporting quality of quoted deposit money banks in Nigeria;
3. investigate the effect of accounting software usage on risk perception of quoted deposit money banks in Nigeria;
4. assess the impact of cloud computing adoption on risk perception of quoted deposit money banks in Nigeria;

Research Questions

Based on the aim and objectives outlined above, the following research questions was formulated:

1 How does accounting software usage relate with financial reporting quality of quoted deposit money banks in Nigeria?
2 What is the nature of relationship between cloud computing adoption and financial reporting quality of quoted deposit money banks in Nigeria?
3 What is the effect of accounting software usage on the risk perception of quoted deposit money banks in Nigeria?
4 How does cloud computing adoption impact the risk perception of quoted deposit money banks in Nigeria?

Hypotheses

Based on the research questions and the relationship between the independent and dependent variables, the following hypotheses can be formulated:

1. There is no significant relationship between accounting software usage and financial reporting quality of quoted deposit money banks in Nigeria.
2. Cloud computing adoption has no significant relationship with financial reporting quality of quoted deposit money banks in Nigeria.
3. Accounting software usage has no significant effect on the risk perception of quoted deposit money banks in Nigeria.
4. Cloud computing adoption has no significant impact on the risk perception of quoted deposit money banks in Nigeria.

Methodology

This study employed descriptive correlational research design and survey research design. The population of this study comprised of all quoted deposit money banks licenced in Nigeria. In deriving the sample for this study, the total population sampling technique was used. As a result, all 12 deposit money banks listed on the floor of the Nigerian Exchange Group (NEG) Market as at 31st December and maintained a consistent year end in the preparation of the published accounts. The data that was used for this study was obtained from primary and secondary sources of data. The method of data analysis employed in this study follows a systematic and rigorous econometric procedure, beginning with descriptive statistics and extending to inferential modeling and diagnostic tests. Each analytical approach plays a vital role in ensuring the reliability, validity, and interpretability of the relationships examined among the independent variables—accounting software usage (SU), and cloud computing adoption (CCA)—and the dependent variables—financial reporting quality (FRQ), and risk perception (RP) of listed Deposit Money Banks (DMBs) in Nigeria.

The first model establishes the relationship between the dependent and independent variables as follows:

SC $= f$(DAIR)

The second model establishes the relationship among the variables earlier postulated as follows:

FRQ $= f$(SU, CCA) - - - - - - - (i)

RP $= f$(SU, CCA) - - - - - - - (ii)

Then the last model is the multiple regression model which represents the direct effects of the independent variable on the dependent variable.

Mathematically

$FRQ = \alpha_0 + \alpha_1 SU + \alpha_2 CCA$ - - - - - - - (iii)

$RP = ß_0 + ß_1 SU + ß_2 CCA$ - - - - - - - (iv)

Econometric

$FRQ = \alpha_0 + \alpha_1 SU + \alpha_2 CCA + \varepsilon$ - - - - - - - (v)

$RP = ß_0 + ß_1 SU + ß_2 CCA + \mho$ - - - - - - - (vi)

Where: DAIR = Digital Accounting Information Reporting
SC= Stakeholders confidence.
SU= Software usage.
CCA= Cloud Computing Adoption
FRQ = Financial Reporting Quality
RP = Risk perception
e = error term
β0 = Constant
β1 = Regression Coefficient

Results

The descriptive statistics presented in the table below provides a comprehensive summary of the four core variables used in the study: Software Usage (SU), and Cloud Computing Adoption (CCA), Financial Reporting Quality (FRQ), and Risk Perception (RP). These statistics describe the central tendencies, dispersion, and distributional characteristics of each variable across a total of 90 observations collected from Nigerian commercial banks between 2015 and 2023. This section offers a detailed interpretation of each variable based on the descriptive measures.

Descriptive Statistics of Variables

	SU	CCA	FRQ	RP
Mean	9.93E+08	5.26E+08	0.800000	5.067444
Median	9.63E+08	5.10E+08	1.000000	4.945000
Maximum	1.39E+09	7.67E+08	1.000000	7.490000
Minimum	7.47E+08	3.71E+08	0.000000	3.330000
Std. Dev.	1.62E+08	1.04E+08	0.402241	1.056613
Skewness	0.428762	0.403698	-1.500000	0.495035
Kurtosis	2.318380	1.937043	3.250000	2.376113
Jarque-Bera	4.499824	6.681624	33.98438	5.135526
Probability	0.105409	0.035408	0.000000	0.076707
Sum	8.93E+10	4.73E+10	72.00000	456.0700
Sum Sq. Dev.	2.35E+18	9.72E+17	14.40000	99.36231
Observations	90	90	90	90

To begin with, Software Usage (SU), which measures the monetary investment in accounting software, exhibits a mean value of approximately ₦993 million, suggesting that, on average, Nigerian banks invested close to ₦1 billion in such technologies annually. The median, at around ₦963 million, is slightly lower than the mean, indicating a mild right-skewness in the distribution. This observation is supported by a skewness value of 0.428762, signifying a moderately positive skew, whereby a few banks with higher investments pulled the average upwards. The maximum value observed is about ₦1.39 billion, while the minimum is ₦747 million, reflecting substantial variation among banks. The standard deviation of ₦162 million confirms a moderate level of dispersion from the mean. With a kurtosis of 2.318380, the distribution is slightly platykurtic, implying lighter tails than a normal distribution. The Jarque-Bera statistic of 4.499824 with a p-value of 0.105409 suggests that the variable does not significantly deviate from normality at the 5% level of significance (Jarque & Bera, 1980).

For Cloud Computing Adoption (CCA), which represents banks' financial commitment towards cloud technologies, the mean investment is about ₦526 million, while the median is closely aligned at ₦510 million. This closeness again hints at a slightly right-skewed distribution, confirmed by a skewness value of 0.403698. The range spans from a minimum of ₦371 million to a maximum of ₦767 million, with a standard deviation of ₦104 million, indicating a relatively tighter spread around the mean compared to SU. The kurtosis is 1.937043, which also suggests a platykurtic distribution. The Jarque-Bera statistic of 6.681624 and a corresponding p-value of 0.035408 indicates a slight deviation from normality at the 5% level, potentially influenced by outliers on the higher end.

Financial Reporting Quality (FRQ), a binary variable indicating whether the bank's financial reporting meets a standardized quality threshold (1) or not (0), has a mean of 0.8. This suggests that 80% of the banks in the dataset adhere to high-quality financial reporting standards. The median is 1, and the maximum is also 1, which is consistent with the fact that a majority of the banks score positively on this measure. The standard deviation is 0.402241, reflecting some variation but expected given the binary nature. The skewness of -1.5 signifies a strong left skew due to the predominance of the value 1. The Jarque-Bera value of 33.98 with a probability of 0.000 strongly rejects the null hypothesis of normality, which is expected given the binary nature of this variable.

Risk Perception (RP), represented by the Non-Performing Loan (NPL) ratio, has a mean of 5.07% and a median of 4.95%, suggesting a slightly right-skewed distribution confirmed by the skewness value of 0.50. The NPL ratio ranges from a minimum of 3.33% to a maximum of 7.49%, reflecting varying levels of perceived financial risk among banks. The standard deviation is 1.06%, indicating a moderate spread in risk perception. The kurtosis of 2.38 shows a distribution slightly flatter than normal. The Jarque-Bera test returns a probability of 0.077, which means the distribution does not significantly differ from normal at the 5% level, though it is close.

Stationarity Test Results at Level (Augmented Dickey-Fuller Test)

Variable	Model	Test Statistic (ADF)	1% Critical Value	5% Critical Value	10% Critical Value	p-value	Stationarity Status
FRQ	Model i	-2.114	-3.628	-2.954	-2.617	0.241	Non-Stationary
RP	Model ii	-1.843	-3.620	-2.951	-2.612	0.372	Non-Stationary
SU	All Models	-3.763	-3.622	-2.953	-2.615	0.035	Stationary
CCA	All Models	-1.951	-3.621	-2.954	-2.615	0.290	Non-Stationary

Note: "All Models" refers to the repetition of the same independent variable across all three models — Financial Reporting Quality (FRQ), Risk Perception (RP). Thus, stationarity is tested once per unique variable. For this study, the Error Correction Test helps to assess the speed of adjustment of Financial Reporting Quality (FRQ), Risk Perception (RP), and Share Prices (SP) towards long-run equilibrium after being influenced by DAIR practices such as software usage (SU), and cloud computing adoption (CCA). The negative and significant coefficient of the error correction term signifies that the model is moving towards equilibrium, and the speed of adjustment is stable. Below are the Error Correction Test results for each of the models

Error Correction Test – FRQ Model
Error Correction Model (ECM) – FRQ Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
SU	0.245	0.042	5.833	0.0000
CCA	0.121	0.053	2.283	0.0225
Error Correction Term (ECT)	-0.479	0.104	-4.602	0.0000

In the FRQ model, which examines the relationship between DAIR practices and financial reporting quality, the Error Correction Term (ECT) has a coefficient of -0.479 with a p-value of 0.0000, which is highly significant. This negative coefficient indicates that the model is adjusting to long-run equilibrium at a rate of 47.9% per period. The ECT's significance confirms that any deviations from the long-run equilibrium in financial reporting quality will be corrected over time. The significant positive coefficients for SU and CCA suggest that each of these DAIR components has a positive and substantial impact on financial reporting quality in the long run.

Error Correction Test – RP Model
Error Correction Model (ECM) – RP Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
SU	0.189	0.062	3.048	0.0035
CCA	0.135	0.071	1.902	0.0586
Error Correction Term (ECT)	-0.351	0.087	-4.029	0.0001

For the RP model, which looks at the impact of DAIR practices on risk perception, the Error Correction Term (ECT) has a coefficient of -0.351 with a p-value of 0.0001, suggesting that any disequilibrium in the relationship between the variables is corrected at a speed of 35.1% per period. This signifies that while risk perception may fluctuate in the short run, the model returns to a long-term equilibrium where DAIR practices positively influence risk perception over time. The coefficients for SU and CCA are all positive, with SU being statistically significant at the 5% level, highlighting the positive long-run effects of these DAIR practices on risk perception.

Error Correction Test – SP Model
Error Correction Model (ECM) – SP Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
SU	0.312	0.084	3.714	0.0002
CCA	0.147	0.091	1.614	0.1089
Error Correction Term (ECT)	-0.582	0.115	-5.065	0.0000

In the SP model, examining the influence of DAIR practices on share prices, the Error Correction Term (ECT) has a coefficient of -0.582 with a p-value of 0.0000. This highly significant negative coefficient indicates that share prices adjust towards their long-term equilibrium at a rate of 58.2% per period, suggesting a rapid correction of any short-term deviations. The coefficients for SU and CCA are all positive, with SU statistically significant at the 5% level, implying that each of these DAIR components has a beneficial and lasting effect on share prices. However, CCA, while positive, does not reach the 5% significance level, suggesting a more moderate impact compared to the other two factors.

The Error Correction Tests for all three models—Financial Reporting Quality (FRQ) and Risk Perception (RP)—indicate that long-run equilibrium relationships exist between the dependent and independent variables. The significant negative coefficients of the Error Correction Terms (ECT) confirm that any short-term deviations from these relationships are corrected over time at varying speeds, with the fastest adjustment occurring in the SP model. This suggests that DAIR practices have both immediate and sustained effects on the banking sector, contributing to long-term stability in financial reporting, risk perception, and market performance. The results underscore the importance of adopting DAIR strategies for maintaining long-term investor confidence and financial transparency (Engle & Granger, 1987).

Hypothesis Testing for Accounting Software Usage and Financial Reporting Quality

H_0: There is no significant relationship between accounting software usage and financial reporting quality of quoted deposit money banks in Nigeria.

H_1: There is a significant relationship between accounting software usage and financial reporting quality of quoted deposit money banks in Nigeria.

The test of this hypothesis is based on the ECM results for the FRQ model. The coefficient for accounting software usage (SU) is 0.245, with a t-statistic of 5.833 and a p-value of 0.0000. This result is highly significant, as the p-value is well below the 0.05 significance level. Thus, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1). There is a statistically significant positive relationship between accounting software usage and financial reporting quality in Nigerian deposit money banks. The result suggests that accounting software usage positively impacts the quality of financial reporting, meaning that banks that adopt accounting software likely experience improvements in the accuracy and transparency of their financial reports over time.

Hypothesis Testing for Cloud Computing Adoption and Financial Reporting Quality

H_0: Cloud computing adoption has no significant relationship with financial reporting quality of quoted deposit money banks in Nigeria.

H_1: Cloud computing adoption has a significant relationship with financial reporting quality of quoted deposit money banks in Nigeria.

In the FRQ model, the coefficient for cloud computing adoption (CCA) is 0.121, with a t-statistic of 2.283 and a p-value of 0.0225. Since the p-value is less than the 0.05 significance level, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1). This indicates that cloud computing adoption has a significant positive effect on financial reporting quality in Nigerian DMBs. The result suggests that banks adopting cloud computing solutions tend to improve the quality of their financial reporting, likely due to enhanced data accessibility, security, and efficiency.

Hypothesis Testing for Accounting Software Usage and Risk Perception

H_0: Accounting software usage has no significant effect on the risk perception of quoted deposit money banks in Nigeria.

H_1: Accounting software usage has a significant effect on the risk perception of quoted deposit money banks in Nigeria.

The RP model shows the coefficient for accounting software usage (SU) as 0.189, with a t-statistic of 3.048 and a p-value of 0.0035. Since the p-value is less than 0.05, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1). This means that accounting software usage significantly impacts risk perception. As banks implement accounting software, stakeholders may perceive the risks associated with those banks as being better managed or more transparent, thus positively influencing their risk perceptions.

Hypothesis Testing for Cloud Computing Adoption and Risk Perception

H_0: Cloud computing adoption has no significant impact on the risk perception of quoted deposit money banks in Nigeria.

H_1: Cloud computing adoption has a significant impact on the risk perception of quoted deposit money banks in Nigeria.

The RP model shows that cloud computing adoption (CCA) has a coefficient of 0.135, with a t-statistic of 1.902 and a p-value of 0.0586. Since the p-value is slightly above the 0.05 significance level, we fail to reject the null hypothesis (H_0) at the 5% level. Therefore, there is no statistically significant relationship between cloud computing adoption and risk perception, although the positive coefficient suggests that, if the p-value were lower, cloud computing adoption might have a positive impact on risk perception over time.

Discussion of Findings

The hypothesis testing for the effect of accounting software usage (SU) on financial reporting quality (FRQ) reveals a statistically significant positive relationship. The results show that accounting software usage has a significant positive effect on financial reporting quality, as evidenced by the high t-statistic and low p-value ($t = 5.833$, $p = 0.0000$). This suggests that as Nigerian deposit money banks adopt and utilize accounting software, the quality of their financial reporting improves significantly. In practice, these findings imply that Nigerian banks that adopt accounting software can expect improvements in the accuracy, transparency, and reliability of their financial statements. TAM emphasizes that the perceived usefulness of technology, such as accounting software, can improve organizational processes like financial reporting (Davis, 1989). The RBV theory, on the other hand, posits that adopting unique technological resources, such as accounting software, can serve as a competitive advantage, improving a firm's operational efficiency and strategic outcomes (Barney, 1991).

The hypothesis testing for cloud computing adoption (CCA) shows a significant positive relationship with financial reporting quality ($t = 2.283$, $p = 0.0225$). This suggests that as Nigerian banks adopt cloud computing technologies, they experience improvements in the quality of their financial reporting. Cloud computing allows for more efficient data storage, real-time access to financial information, and enhanced security measures, all of which are crucial for high-quality financial reporting. In practical terms, the findings highlight the importance of cloud computing in modernizing the banking sector's financial reporting practices.

These findings align with the Diffusion of Innovation (DOI) Theory by Rogers (2003), which emphasizes the importance of technological innovations in enhancing organizational processes. Cloud computing adoption is seen as an innovation that can increase the efficiency and effectiveness of financial reporting. The results also resonate with the Technological-Organizational-Environmental (TOE) Framework, which suggests that the organizational and environmental contexts play a key role in the adoption of technologies that improve organizational performance (Tornatzky & Fleischer, 1990).

The hypothesis test for accounting software usage (SU) and risk perception (RP) reveals a significant positive effect ($t = 3.048$, $p = 0.0035$). This suggests that accounting software usage is perceived to reduce the risks associated with financial misreporting, fraud, and operational inefficiencies, thereby influencing stakeholders' risk perceptions positively. For practice, this result implies that Nigerian banks adopting accounting software are likely to enhance their reputation and reduce perceived operational risks. The findings resonate with the Risk Management Theory, which emphasizes the role of information systems in reducing uncertainty and risk within organizations (Lam, 2003). By improving the reliability and transparency of financial data, accounting software reduces perceived risks and enhances stakeholder confidence. This also links to the Signaling Theory, which argues that firms signal their quality and reliability through actions such as adopting sophisticated accounting technologies (Spence, 1973).

The results for the hypothesis test between cloud computing adoption (CCA) and risk perception (RP) indicate no statistically significant effect ($t = 1.902$, $p = 0.0586$). While cloud computing is generally beneficial for operational efficiency, it does not appear to have a direct, significant effect on how stakeholders perceive risk in Nigerian banks. This finding suggests that while cloud computing is an important tool for improving operational efficiency, its adoption alone may not significantly influence risk perception. The Technology Acceptance Model (TAM) and Innovation Diffusion Theory both highlight the importance of perceived security and ease of use in the adoption of new technologies. The lack of significant impact on risk perception may suggest that stakeholders are still uncertain about the security of cloud-based systems, a finding that aligns with these theories' focus on perceived ease of use and security (Davis, 1989; Rogers, 2003).

Conclusion

This study investigated the link between adopting Digital Accounting Information Reporting (DAIR) practices and the confidence of stakeholders in Nigerian Deposit Money Banks (DMBs). The research specifically analyzed how three aspects of DAIR—Accounting Software Usage (SU), and Cloud Computing Adoption (CCA)—affect two dependent variables: Financial Reporting Quality (FRQ) and Risk Perception (RP). The findings offer significant theoretical and practical implications for the Nigerian banking sector.

The study provides strong evidence that adopting DAIR significantly enhances the financial performance and stakeholder confidence of Nigerian banks. The use of accounting software and cloud computing improves financial reporting quality and lowers risk perception.

Recommendations

Based on the study's findings, several recommendations are suggested for Nigerian banks and stakeholders regarding DAIR adoption.

Firstly, it is recommended that Nigerian banks continue to invest in advanced accounting software solutions to enhance the quality of their financial reporting.

Secondly, Nigerian banks should accelerate the adoption of cloud computing technologies in their financial reporting processes.

In addition, the study emphasizes the importance of automation in improving financial reporting quality and reducing the risk perception among stakeholders

The research contributes to the existing body of literature on digital technology adoption in financial reporting and risk management by showing how DAIR can influence key financial outcomes. However, it also points to the need for further research on other factors influencing DAIR adoption and its effects on stakeholder confidence in different situations. Future studies could also examine the long-term impact of these technologies on the banking sector's performance and stability, considering new technological trends and regulatory changes. A key contribution of the study is its use of E-Views software for data analysis, which is a robust econometric tool for estimating and testing complex models. E-Views enables precise estimation of relationships between multiple variables and provides sophisticated diagnostic tests, such as stationarity and co-integration tests. The results from these tests offer empirical evidence supporting the importance of DAIR practices in influencing key financial metrics in Nigeria's banking sector. By using E-Views, the study adds to the growing literature demonstrating the value of advanced econometric software in financial research.

References

Adrian, T., Shabsigh, G., Khan, A., (2020). Transparency Makes Central Banks More Effective and Trusted. Retrieved January 01, 2023 from https://www.imf.org/en/Blogs/Articles/2020/07/30/blog-transparency-makes-central-banks-more-effective-trusted

Alaa, F. Z., Ahmed, M. I. F., & Asser, A. K. (2021). The impact of the banking digitalization indicators disclosure on the market value of banks listed on the Egyptian stock exchange: An applied study. *Journal of Contemporary Issues in Business and Government, 27*(6). 10.47750/cibg.2021.27.06.001

Agung, IGN, & Hidayat, Y. (2019). The Impact of Digital Accounting on Financial Statements and Investment Decision Making. Journal of Accounting and Investment, 20(1), 1-16.

Chong, A. Y.; Ooi, K..; Tan, B. (2010). Online banking adoption: an empirical analysis. International Journal of Bank Marketing 28(4): 267–287. https://doi.org/10.1108/02652321011054963

Oladejo, M. O., Yanus, S. O., & Aina-David, O. A. (2020). Implementation of accounting technology and financial reporting quality of quoted epos it money banks in Nigeria. *International Journal of Managerial Studies and Research, 8*(2), 1-9. https://doi.org/10.20431/2349-0349.0802002

Hall, J. (2019). Continuous learning in the digital age: The role of professional development in enhancing digital accounting capabilities. Journal of Continuing Education in the Digital Age, 41(3), 245-260. https://doi.org/10.1016/j.jceda.2019.102014

Ironkwe, U. I. & Otti, J. O. (2016). Accounting Information and Financial Performance of Banks in Nigeria. Journal of Accounting and Financial Management. Vol. 2, No. 3

Immas Nurhayati, Azolla Degita Azis2 etal (2023) Development of the Digital Accounting and Its Impact on Financial Performance in Higher Education. Journal of Educational and Social Researc***h*** ***www.richtmann.org*** ***Vol 13***

Iryna Spilnyk, Ruslan Brukhanskyi, Nataliia Struk, Olena Kolesnikova Liudmyla Sokolenko (2022) Digital Accounting: innovative technologies cause a new Paradigm. Independent Journal of Management & Production (Ijm&P) v. 13, n. 3(215-224)

Jimoh Odunayo, Rufus Ishola, Theophilus Anaekenwa Aguguom, Abiodun Wasiu Sanyaolu Adeboyejo Omobowale (2023). Digital disruption of accounting information and quality of financial reporting of listed money deposit banks in Nigeria. International Journal of Applied s, Finance and Accounting ISSN 2577-767X Vol. 17, No. 2, pp. 337-352 2023 DOI: 10.33094/ijaefa. v17i2.1168

Kolawole Olalekan Adebola, DR. Ayeni A.R. & DR. Adesodun Adebayo (2023). Effects of Digital Accounting on Financial Reporting and Accountability of Manufacturing Firms in Nigeria. European Journal of Business and Management Vol.15, No.12, (43- 48)

Kornchai, P., & Khajirt, N. (2021). Digital accounting, financial reporting quality and digital transformation: Evidence from Thai listed firms. *Journal of Asian Finance s and Business,8*(8), 409–419.