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DIGITAL ACCOUNTING PRACTICES AND QUALITY OF FINANCIAL REPORTS

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ABSTRACT

Digital accounting has replaced the manual ways of processing financial transactions in almost all organisations. Digital accounting practices are very relevant in the processing of financial transactions. One of the many benefits of digital accounting is the improvement in the quality of financial reports. However, this role has often been overlooked. This study was therefore conducted to investigate whether the application of digital accounting practices hasany effect on the quality of financial reports. The main objective of this study was to investigate whether there is any relationship between the digital accounting practicesand the quality of financial reports. The independent variable in the study was the digital accounting practices which was measured by software application, network application and humanware application; while the dependent variable was the quality of financial statements which was modelled by the five attributes of financial reports: relevance, comparability, faithful representation, verifiability and understandability. The study adopted survey research design and the data were obtained from primary sources through questionnaires administered on randomly selected professional accountants in Akwa Ibom State, Nigeria. Seventy out of eighty questionnaires were retrieved. The data were analysed with SPSS version 20 using correlation and regression models. The results of analysis showed that all the components of independent variable were positively and significantly related to the quality of financial reports. However, the humanware component showed a very high positive correlation portraying the importance of humanware in digital accounting practice. The study concluded that digital accounting practices affect the quality of financial reports of firms. The study recommends amongst others, the adoption of digital accounting in all aspects of the processing of financial statements.

KEYWORDS

Digital accounting; financial statement quality; software package; network package; humanware package.

Introduction

The advent of computers has brought about changes in the ways entities process financial transactions. These changes have resulted in the reduction in manual processing of transactions and as well enhance increase in the computerised processing of transactions across all spheres of life. In the same development the introduction of digital technologies has brought about increase in the processing of accounting information through computers. This has facilitated the processing of financial transactions and the release of reports as quickly as possible. Phornlaphatrachakorn and Nakakasindhu (2021) define digital accounting as the creation of representation and transfer of financial information in an electronic format. It is the processing of financial data into financial information which is useful for decision making. Oladejo (2014) opined that digital accounting is also called e-accounting and it involves the representation of accounting information in the digital format, which can thereafter be electronically manipulated and transmitted.

Digital accounting involves the processing of financial information through a network of computer operations. It involves the input of financial data into the computer system and manipulating the inputted data in order to obtain various outputs which may be in form of reports. Thus through the use of computers the manual processes of information has been largely reduced. The advent of digital accounting follows a global trend in which almost all activities in any organisation are processed through computer facilities. The migration from the manual system to the digital system is necessitated by the perceived benefits derivable from such system. Digital accounting which is also called computerized accounting system involves the computerisation of accounting information systems which is established to facilitate decision making (Abdulle, Zainol& Ahmad, 2019).

The importance of digital accounting cannot be overemphasised. With digital accounting the role of bookkeepers will largely disappear while accounting staff are largely concerned with the preparation of data for input into the computer, analysis of the dataand printing of the results in form of reports such as payrolls and stock reports, cost summaries and other reports generated from computers. The importance of digital accounting is emphasised by Phornlaphatrachakorn and Nakakasindhu (2021) that it enables firms to complete functional tasks more quickly and accurately, as well as interpret and report data and information faster, more efficiently, and more effectively. Further more the users of computers can obtain information accurately to make critical decisions and upgrade accounting systems to support increased scales of operations. Through digital accounting access to vital financial information can be obtained real timeby logging into the system from anywhere and at anytime.

Shuraki, Pourheidari andAzizkhani (2021) documented that financial reporting quality refers to the reports that are more complete, neutral and free from errors and provide more useful predictive or confirmation information about firm's underlying economic position, event and performance. The rationale behind the desire for qualitative financial report stems from the usefulness of such reports to the users. Phornlaphatrachakorn andNakakasindhu (2021) maintained that the provision of high-quality financial reporting information is important because it will positively influence capital providers and other stakeholders in making investment, credit, and similar resource allocation decisions enhancing overall market efficiency. High quality reporting provides decision useful information, which confidently represents the economic reality of a company's activities during the reporting period as well as the company's financial condition at the end of the reporting period.

The major reason for the quest to provide qualitative accounting information is for the users of such information to be influenced to take far reaching investment decision. Consequently, it is expected that the provision of decision relevant information will motivate the investors to act differently from when such information was not available. The provision of qualitative financial report cannot be achieved without the application of computers and networks facilities. Thus there is a link between the adoption of digital accounting practices and the quality of financial reports. This view was corroborated by Abdulle, Zainol and Ahmad (2019) who averred that the implementation and adoption of computerised accounting system for any organisation will enable management to improve decision making, internal controls and financial information; as well as enabling financial reports to be designed and processed on a standardised manner and on time.

The provision of qualitative financial reports is important for so many reasons. The quality of the financial information obtained from the deployment of digital accounting should enable relevant users to take decisions that are beneficial to them.As documented by Dagilience andSutiene (2019), digital accounting system is traditionally known as a system that an organisation uses to collect and process its financial information so that it can be used by decision-makers, thus enhancing organisational performance.

The adoption of digital accounting is expected to lead to improvement in the quality of financial information. This is also expected to influence the quality of decisions taken by users of such financial report. The deployment of digital technology in the processing of financial transactions should result in the production of relevant and useful information that is produced and made available to user on time. Though there are studies conducted in this important area with diverse and contradictory results, none of the studies adopted the components of digital accounting as proxies. This study therefore bridges this gap and contributes to knowledge in two ways and addresses the seeming lack of agreement among previous researchers on the outcome of the application of digital accounting and quality of financial reports.

Review of Related Literature

Concept of digital accounting

Digital accounting which is also called e-accounting or computerised accounting is concerned with the processing of financial transactions through electronic means. The advent of information technology (IT) has brought radical changes to the way business entities are run or managed. This has reduced the time in which transactions are processed. This transformation cuts across all sectors of the economyincluding how financial transactions in organisations are processed. Digital accounting therefore is an off-shoot of digital transformation that is going on in business entities. As observed by Sutten (2010) cited by Oladjo (2014) information technology has radically changed the manner in which accounting information is produced, disseminated and used.As documented by Chong and Nizam (2018), due to complexity of the accounting system increasing vulnerability to errors and the swelling volume of accounting transactions, a system that could process and store accounting data with increased speed, vast storage and processing capacity was necessitated. Thus, to satisfy the increase demand for up-to-date and accurate information, digital or computerized accounting system became imperative.

Digital accounting is considered as the process of conducting financial transactions of an organisation through electronic means. It refers to the formation, representation and transmission of financial data in an electronic format. It also involves the use of software in the processing, storage and retrieval of financial transactions. Digital accounting enables the production of quality financial reports in a timely and appropriate manner. Through these activities value is added to the firm. This value translates to the market value created by the perception of users of the financial reports of the firm. This is in view of the fact that users of the financial reports may be attracted to the firm through the quality of its financial reports. Thus the quality of financial reports is decision-effective as it enables investors and other decision-makers take appropriate investment decisions.

Troshami, Locke and Rowbottom (2019) document that digital accounting which is also called e-accounting encompasses the representation of accounting information in the digital format which then can be electronically manipulated and transmitted. Digital accounting refers to the creation, representation and transfer of financial information into electronic format. Instead of using papers, all accounting transactions are conducted in an electronic environment. Digital accounting does not eliminate the role of accountants or dismiss the importance of accounting routines, rather it values and empowers accounting professional by making their work efficient.

In another development digital accounting, also known as e-accounting, computer-based accounting system have been defined by Oladejo and Yinus (2020) as any accounting system that utilizes ICT application tools and devices in gathering, recording, analysing, processing, interpreting, communicating accounting transactions and information concerning economic events to enable stakeholders to make informed decisions. In this vein e-accounting encompasses the use of spreadsheets, accounting software and web-based accounting. Gelinas, Sutton and Hunton (2005) defines electronic accounting system as a computer-based system which combines accounting principles and concepts as well as the concept of information system to record, process, analyse and produce financial information to its users for making economic decisions.

Importance of digital accounting

The advent of information technology across the globe makes it imperative for all the sectors of any functional system to embrace information technology as part of its processes. This is in view of the role played by information system in the processing, manipulation, storage, retrieval and communication of financial reports to appropriate users. The importance of digital technology in the smooth-functioning of an accounting system cannot be over emphasized. Accordingly, Phornlaphatrachakorn and Kalasindhu (2021) document that digital technology improves communication and collaboration content management, access to analytics data and social networking as well as staff and customer experience.

One of the primary benefits of digital accounting system is that it provides remote access to company's financial data. This means that less professional are needed in the office. Thus cloud-based solutions and digital accounting software enable access to the system anywhere and at any time. Digital accounting provides the users the comfort of running different automated financial tests on easily accessible data and allows for the setting up of financial statements within a short period of time.

Digital or computerised accounting system (CAS) is an information technology solution that helps companies organise and take charge of their accounting needs. The CAS digitally keeps track of the flow of money that comes in and out of the company, which gives its leaders and other stakeholders a deeper understanding of the business' overall financial situation.

Components of digital accounting system.

Digital accounting encompasses various activities that culminate in the achievement of firm's objectives. The various activities are usually developed into application packages.Consequently, to have a smooth system,the application packages must be integrated into the in-house application and data architecture. Consequently, the in-house program modification of the application packages has to be initiated. The main aims of installing application packages are to improve organizational performance and to ensure consistent quality across the business. Thus organisations seeking improvement in productivity and quality across lines of business with an eye on capitalizing an industry best practices and improving security and system integrity should continue to adopt application packages and will deepen operational efficiencies and customer satisfaction.

Digital accounting information system is a vital organization mechanism which is critical for effectiveness of decision management and control in organisation. The accounting information system combines the factors of qualified human resources, best software and hardware and database quality in order to remain effective. Consequently, the digital accounting practices can be decomposed into digital accounting software, digital networking applications and humanware.

Software packages

A software package is a multiple applications or code modules that work together to meet various goals and objectives in an organisation. It can also be defined as the readymade software program designed in a standardized format for solving various problems that are common to users (Ulrich, 2006). He also defines application packages as a collection of software programs that have been developed for the purpose of being licensed to third party organisations. They are written by users themselves or they are acquired from manufacturers as packages. They are generally designed to support commonly performed business functions and appeal to the multiple types of organisations. They perform business specific functions. Some of the various forms of application is the human resource management (HRM), accounting functions, and others.

Abdulle, Zainol and Ahmad (2019) argued that computerised accounting software deals with software that are developed and used to process accounting information system with the ultimate aim of enhancing easier decision making. Digital accounting software is the software specifically developed to handle the processing of financial transactions. This implies the automation of routine accounting tasks. The major benefit of this system is that it helps in reducing time of processing transactions and also improves efficiency through the elimination of the manual process. Thus by elimination of manual processes, time will be freed for other purposes. The importance of digital software can be evaluated from three angles. The first is that digital accounting software can reduce manual input and automatically generate invoices. Secondly, it can provide the platform for the control of accounting processes. It can help in the generation of reports. Thirdly, it can assist in the preparation of payroll.Technology advancement have enhanced the accountant’s ability to interpret and report data faster, more efficiently and more effectively than ever before.

The application software is useful in several areas of accounting function. Ranging from the processing of raw transactions details and producing various reports such ledgers, trial balance, statement of financial position (balance sheet), statement of comprehensive income (profit or loss account), budgets, and so on. It also processes payrolls and produce different reports such as net pay, deductions and tax payable. The details of each personnel are maintained in the software. Thus the software play a crucial accounting roles in any organisation. Examples of software application packages include QuickBooks, Peachtree and Sage.

Network application packages

Another component is the digital networking package. This is concerned with the use of digital technologies to build social network. It supports digital switching and digital transmission of voice, video and other network services. It has marketplaces, data networks, and communication networks that provide a platform that align the network to business needs. The networking devices include switches, routers and access points from the core of digital networks. A network application package is defined as the network application running on one host providing communication to another application running on a different host.

Network applications provide linkages with various users and thus by this users at different locations can access the system without any hindrance. A network package allows for exchange of information, reports and other information in a computer environment.

Humanware packages

The human aspect of the computer or digital accounting system are often neglected by researchers. Indeed the computers are machines which can aid in the processing of transactions and the production of reports at any point in time. However, without the human element nothing can be achieved. This is because computer can do nothing on their without being operated by human being. Thus the human application ware represent the application of human element in the management and operations of digital system. The digital systems are highly sophisticated and capital intensive and where they are not properly handled they will produce the expected results.

The humanware application packages can be seen as the human elements that introduced in the processing of accounting transaction through computers. It is the recognition accorded to the human contributions to the management and control of operations of digital system. Just like the computer systems, the human elements are also very important in the achievement of the desired quality of financial performance of any organisation. Humanware oftentimes could be very costly and where appropriate personnel are not deployed the expected results will not be achieved.

Overview of quality of financial reports

The quality of financial reports pertains to the quality of information in the financial reports, including the disclosures and notes to the accounts. Financial reporting quality is a broad concept that does not just refer to financial information but also includes other non-financial information that is useful for making decisions. According to International Accounting Standard Board (IASB, 2009) financial reporting quality represents financial statements that provide accurate and fair information about the underlying financial position and economic performance of an entity.

Quality of financial reports can vary from the highest to the lowest. High-quality financial reports provides information that is useful to analysts in assessing the company's performance and prospects. It provides decision-useful information, which is relevant and faithfully represents the economic reality of the company's activities during the reporting period as well as the company' financial condition at the end of the period. The importance of high quality financial reports stem from the usefulness of such report. Herath&Albarqi (2017) asserted that the higher the quality of financial report the more significant are the benefits to be gained by investors and users of financial reports.

On the other hand, low-quality financial reporting contains inaccurate, misleading, or incomplete information. Extreme lapses in financial reporting quality have great impact on the decision made by investors and this may result in losses and reduction in the confidence of the financial system.

As documented in the IASB (2010) the elements of assessing the financial reporting quality is related to the faithfulness of the objectives of and quality of disclosed information in the company's financial reports. These qualitative characteristics will lead to the acceptance of the financial statement as being either of high quality of low quality. It is in the regard that Gajevsky (2015) posited that the emphasis should be on having transparent financial reports, and not having misleading financial reports to users, not to mention the importance of precision and predictability as indicators of high-quality financial reports.

As stated in the IASB framework, financial reporting quality should be assessed in terms of relevance, faithful representation, understandability, comparability, verifiability and timeliness. These characteristics are classified into two: fundamental qualitative characteristics and enhancing qualitative characteristics Herath andAlbarqi (2017).

Overview of the relationship between digital accounting and quality of financial reports

The application of digital accounting in the processing of financial data is expected to result in improvement in the quality of financial reports. This stems from the benefits of application of application of digital system in handling accounting activities in the organisation. Accounting functions encompass series of activities which are sometimes repetitive. The accounting process involve the aggregation of transactions and processing them into information which is useful to the various users for decision making. The information generated are sometimes stored for future use or may be transferred to other sources. All these activities are properly fitted to be used by computer aided system.

Comparatively with the manual system which was prone to errors, loss of vital information trail, waste of time and poor quality of reports, the digital accounting system overcomes the various challenges of manual system. This is achieved by the proper storage and retrieval of information, reduction in processing time, speedy transmission of information to appropriate users and speedy production of reports in various manners. All these activities result in value added to the organisation which ultimately results in the quality of financial reports.

Moreover, the deployment of digital accounting allows remote access to users of financial reports from different locations at the same time. Thus different users can function in different locations and still carry on operations without limitation. Also reports are communicated to various users in different locations through net application without hindrance. All these were not possible with manual accounting practices. Consequently, the value addition of digital accounting cannot be quantified.

Theoretical framework

This study is anchored on resource based view theory. According to this theory propounded by Pfeffer and Salancick in 1978, the organizations exert positive control over their operating environment by gathering resources needed for the survival of the organization. The theory draws the attention of corporate entity to their internal resources as a means by which they can organize their processes in order to achieve competitive advantage. Those internal resources that can give the entity competitive advantage must be unique, valuable, rare, imperfectly imitable (firm-specific) and not substitutable.

Relating the resource dependence theory in this study, digital accounting provides invaluable resources to the firmwhich when properly utilised will enhance the activities of the organisation and improve the quality of the financial performance of the firm.The managers as part of their core responsibilities are expected to harmonise all the resources available for the improvement of the performance of the firm. In this vein, the adoption of digital accounting is explained by the value it adds to such firms. The digital world is one of the greatest resources available to any organisation. Consequently, the deployment of the digital resources available to the entity and the proper utilisation of such resource could portend a great advantage to the firm in achieving their organisational objectives.

Empirical framework

Various studies have been conducted on digital accounting and quality of financial statements.
AL-Okaily, et al (2022) conducted a study on the effect of digital accounting systems on the decision-making quality in the banking industry in Jordan. The data for the study were derived from the questionnaires administered on 187 decision-makers who use digital accounting systems. The study adopted quantitative research approach to test the models based on partial least squares model. The findings of the study reveal that data and information quality have significant impact on the overall decision making quality with the digital accounting systems.

Oladejo (2014) carried out the assessment of e-accounting practices in the Nigerian deposit money banks (DMBs). The study adopted survey research design with structured questionnaires administered on some selected staff of deposit money banks in the country. The data were analysed using STATA 10 statistical packages. Their findings reveal that DMBs have put in place accounting software to generate their financial information. Their results also show that e-accounting significantly improve accounting procedures in Nigerian deposit money banks in terms of better cash management, cost savings, improved audit trails and convenient financial reporting and security.

Phornlaphatracchakorn and Kalasindhu (2021) investigated the effect of digital accounting on the financial reporting quality, accounting information usefulness and strategic decisions effectiveness. The study used survey research design and in order to obtain the opinion of users of digital accounting, questionnaires administered on 768 respondents with 331 retrieved; while a ten-item scale was developed to measure reporting quality. The data were analysed using structured equation model and multiple regression analysis. The results of findings show that digital accounting practice has significant effect on financial reporting quality, accounting information usefulness and strategic decision effectiveness.

Pungboonponoch andNakyam (2022) conducted a study on the effect of digital accounting on the quality of financial reports. The main objective of the study was to analyse the relationship between digital accounting and quality of financial reports. Survey research design was adopted and questionnaires were administered on 275 certified public accountants. The data were analysed using percentages, mean, standard deviation, correlation and simple multi regression to test the hypothesis. The results of their findings indicate that digital accounting is related to the quality of financial reports. It concluded that digital accounting provides benefits by making operations more effective and efficient.

Oladejo and Yinus (2020) investigated the impact of e-accounting practices on financial reporting quality of selected banks in Nigeria. The data for were obtained from primary sources through questionnaires administered on randomly selected personnel of ten deposit money banks. Also secondary data were obtained from financial statements of the selected banks for the years 2010 to 2017. The data collected were analysed using descriptive statistics and inferential statistics. The results showed that bank size, cost of ICT deployment, perceived benefits influence e-accounting adoption and that e-accounting practice enhance accounting procedures and improved the timeliness of report generation and financial reporting quality of banks. The study recommended that deposit money banks put more effort in developing mechanisms that strengthen e-accounting usage to promote users confidence on the financial statements published by banks.

Akesinro and Adetoso (2016) examined the effect of computerised accounting systems on the performance of Nigerian banking sectors. The dependent variable of the study was the banks' profitability and customer service delivery while the independent variable was the computerized accounting system. The data for the study were obtained from primary sources through questionnaires administered on selected staff of banks. The data were analysed through correlation using SPSS. The results of analysis of analysis indicate that computerized system has positive effect on profitability of as well as customer patronage. The study recommends that computerized accounting system should be adopted by all banks in Nigeria.

A study by Itang (2021) found that computer accounting system adoption has positive and significant relationship with financial reporting quality in terms of relevance, faithful representation, comparability, verifiability and understandability. The study concluded that computerized accounting system enhances the quality of financial reporting quality. Chong and Nizam (2018) conducted a study to investigate the impact of accounting software on business performance of Malaysian Firms. Their findings reveal that AIS characteristics of efficiency, reliability, ease of use data quality and accuracy influence the use of AIS and thereby affect firm's performance.

Methodology

This study is conducted toestablish whether there is any relationship between digital accounting practices and financial reporting quality. The dependent variable for the study is the financial reporting quality and the independent variable is the digital accounting practice. In order to achieve the objective of the study, three hypotheses are developed to establish the specific effect of the components of digital accounting on the financial reporting quality.

The first hypothesis is to evaluate whether there is any effect of the application of software packages on the quality of financial statement

H_{01}: The adoption of software application packages does not have any significant effect on the quality of financial reports.

In the same direction, the second hypothesis is postulated to examine whether the application of network packages is positively related to the quality of financial reports.

H_{02}: There is no significant relationship between network application packages and quality of financial report.

The third hypothesis is postulated to show whether the application of humanware packages will lead to improvement in the quality of financial reports.

H_{03}: Humanware packages application do not significantly affect the quality of financial report.

Data collection

The data for the study were obtained through questionnaires.The questions were designed to obtain respondents' opinion on digital accounting and quality of financial reports. The questions were organised to cover for digital accounting practices which was proxied by software application, network application and humanware application;while that of quality of financial reports was modelled in line with prior study of Itang (2021) to cover relevance, faithful representation, comparability, verifiability and understandability. The questionnaires were administered on eighty

(80) randomly selected members of Institute of Chartered Accountants of Nigeria (ICAN) and Association of National Accountants of Nigeria (ANAN) in Akwa Ibom State, Nigeria. However, only seventy two (70) responses representing ninety 87.5) percent were retrieved. The questions were reviewed for consistency by experts who agreed that relevant areas of the study were covered.

Method of data analysis

The data were analysed using correlation and ordinary least squares regression models. These methods are appropriate as the study attempts to establish the cause and effect relationships between practice of digital accounting and quality of financial reports. The data obtained were analysed using statistical packages for social sciences (SPSS) version 20.

Model development

The study attempts to establish the relationship between digital accounting practices and quality of financial reports. The independent variable was the digital accounting practices (DAP) which was proxied by software application packages (SAP), networking applications packages (NAP) and humanware application packages (HAP).

The first model establishes the relationship between the independent variables:

$$DAP = f(SAP, NAP, HAP) \quad - \quad - \quad - \quad - \quad - \quad (i)$$

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

$$FRQ = f(DAP) \quad - \quad - \quad - \quad - \quad - \quad - \quad - \quad (ii)$$

Then the last model is the multiple regression model which establishes the relationship among the variables earlier postulated as follows:

$$FRQ = ß_0 + ß_1SAP + ß_2NAP + ß3HAP - \quad - \quad - \quad - \quad - \quad - \quad - \quad (iii)$$

Where: FRQ= Financial Reporting Quality.

DAP= Digital accounting practice.

SAP= Software applications packages.

NAP = Network applications packages

HAP = Human ware application packages

And $ß_0$, $ß_1$,$ß_2$and $ß_3$ will be obtained from the analysis of the data.

Data Analysis

The data generated for the study were analysed using SPSS version 20. The results of the analysis are shown in the table below:

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.574	20.901		.267	.803
	SAP	.069	.903	.079	-.077	.942
	NAP	.083	.998	.071	.083	.938
	HAP	.907	.482	.996	1.883	.133

a. Dependent Variable: FRQ

The beta factor of the components of digital computer application were positive indicating that they have positive relationship with quality of financial reports. From the result in the table above the beta value of software application stood at 0.079. This shows that a change in the software application will result in 7.9 percent change in the quality of financial reports. Also the beta value of network application package stood at 0.071 implying that a change in network application package will result in 7.1 percent change in the quality of financial report. Finally the beta factor of human application package stood at 0.996. This implies that a change in the human application package will result in 99.6 percent change in the quality of financial report. This result shows the importance of human elements in the digitalization process of an organisation.

Test of hypothesis

The various hypotheses earlier postulated are tested in order to determine whether to accept or not.

Hypothesis One

This hypothesis is stated as follows:

H_{01}: There is no significant relationship between the adoption of software application packages and quality of financial reports in deposit money banks.

The result of analysis of data relating to the above hypothesis is shown in the table below:

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.214	14.862		.351	.735
	SAP	.926	.084	.969	11.084	.000

a. Dependent Variable: FRQ

From the result of analysis above, the t-value of 11.084 is greater than 0.00, we reject the null hypothesis and accept the alternate hypothesis which states there is significant relationship between the adoption of software application packages and quality of financial reports in money deposit banks in Nigeria.

Hypothesis two

This hypothesis is stated as follows:

H_{02}: The adoption of network application packages does not significantly affect the quality of financial report of deposit money banks in Nigeria.

The result of analysis of data is as indicated in the table below:

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-15.155	14.119		-1.073	.314
	NAP	1.190	.093	.976	12.794	.000

a. Dependent Variable: FRQ

From the result of analysis, the t-value of 12.794 is higher than 0.000 which implies that the null hypothesis should be rejected and accept the alternate hypothesis. This means that there is significant relationship between the quality of financial report and the adoption of network application packages.

Hypothesis three

This hypothesis states as follows:

H_{03}: The adoption of human ware application packages does not significantly affect the quality of financial report of deposit money banks in Nigeria.

The analysis if data relating to the hypothesis is as contained in the table below.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.964	10.203		.683	.520
	HAP	.900	.058	.988	15.567	.000

a. Dependent Variable: FRQ

The result of the analysis shows that the t-value of 15.567 is greater than 0.00. Consequently, the null hypothesis is rejected. This implies there is significant relationship between the adoption of human element in the digital environment and the quality of financial report.

Discussion of findings

The summary of the findings is depicted in the table below:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.988[a]	.976	.958	24.34877

a. Predictors: (Constant), HAP, NAP, SAP

Source – result of analysis of data, 2023.

From the result of the analysis, the adjusted coefficient of determination stood at 0.958. This shows that 95.8% of changes in the quality of financial reports is accounted for by variation in the digital accounting practices. This finding is consistent with prior studies of Itang (2021) who found that the application of computer information system is related to the quality of financial reports; Oladejo and

Yinus (2020) who found that application of computer accounting system has a positive relationship with quality of financial report; Pungboonponoch and Nakyam (2022); and Phornlaphatracchakorn and Kalasindhu (2021); all agreeing that digital accounting practice has positive significant effect on the quality of financial reports.

Conclusion and recommendations

The results of the analysis of the data show significant positive relationships between digital accounting practice and quality of financial reports.Consequently, the study concludes that the adoption of digital accounting have significant effect on the quality of financial report. This implies the adoption of digital accounting will result in improvement on the quality of financial report of the banks.

Arising from the results of findings of the study and the conclusion drawn therefrom, it is evident that the importance of digital accounting practices cannot be overemphasized. Consequently, the following recommendations are proffered:

1. Organisations shoulddeploy up-to-date software in the processing of accounting transactions as this will results in improvement in the quality of financial report.
2. Adequate investment should be directed at the acquisition and deployment of the state of the art network application facilities in its operations as this will enhance the quality of its financial report.
3. The right calibre of manpower to handle the digital facilities should be sourced and adequately trained from time to time so that they can meet up with new developments.

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