BALANCE : Economic, Business, Management, and Accounting Journal
Vol. 23 No. 2 (July 2026) pp. 242-261
pISSN: 1693-9352 | eISSN: 2614-820x
Journal Homepage: https://journal.um-surabaya.ac.id/balance/index

Accounting Information System Efficiency and Financial Reporting Quality: Evidence from Public-Sector Accountants in Kirkuk

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DOI : https://doi.org/10.30651/blc.v23i2.31131

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Keywords: Accounting information systems; financial reporting quality; public sector; accountants

***Article Info*:**
Submitted: 30/03/2026
Revised: 22/07/2026
Published: 07/08/2026

ABSTRACT

This study aims to explain the critical role of accounting information system efficiency in the overall quality of financial reporting, specifically through field research involving accountants working in the public sector in Kirkuk. Utilizing a descriptive analytical model, the study comprehensively explores existing conditions while examining the complex interrelationships between key variables. The target population comprises the total number of accountants employed across various government organizations in Kirkuk, ensuring a sufficiently comprehensive sample for the study. To achieve an accurate representation of the target population, a sample of 120 accountants was selected using simple random sampling. Data were collected through questionnaires completed directly by participants and analyzed statistically using SPSS version 28. The results indicate that all dimensions of accounting information system efficiency exert a positive and statistically significant influence on financial reporting quality, although the magnitude of this influence varies by dimension. The most influential dimension is the quality of information, and the top management support dimension shows the smallest influence, but its influence is statistically significant. Based on these findings, the study recommends enhancing overall accounting information system efficiency by adopting a continuous improvement plan to address existing gaps, particularly regarding system application and integration.

ABSTRAK

Penelitian ini berupaya untuk menjelaskan peran penting efisiensi sistem informasi akuntansi dalam hal kualitas pelaporan keuangan secara keseluruhan, khususnya dengan melakukan penelitian lapangan dari perspektif akuntan yang bekerja di sektor publik yang berlokasi di Kirkuk. Dengan bantuan model deskriptif-analitis, penelitian ini memungkinkan untuk mengeksplorasi kondisi yang ada secara menyeluruh dan sekaligus memeriksa keterkaitan kompleks yang ada antara variabel-variabel kunci. Populasi sasaran mengacu pada jumlah total akuntan yang bekerja di berbagai organisasi pemerintah di Kirkuk sehingga sampel cukup lengkap untuk digunakan dalam melakukan penelitian ini. Untuk mendapatkan representasi yang tepat dari populasi sasaran, ukuran sampel sebanyak 120 akuntan dipilih secara acak sederhana. Data dikumpulkan melalui penyebaran dan pengisian kuesioner langsung oleh peserta dan dianalisis secara statistik menggunakan SPSS versi 28. Hasil menunjukkan bahwa semua dimensi efisiensi sistem informasi akuntansi memiliki pengaruh positif dan signifikan secara statistik terhadap kualitas laporan keuangan, tetapi tingkat pengaruhnya berbeda-beda tergantung dimensinya. Dimensi yang paling berpengaruh adalah kualitas informasi, dan dimensi dukungan top manajemen menunjukkan pengaruh paling kecil, namun pengaruhnya signifikan secara statistik. Berdasarkan temuan ini, penelitian ini menyarankan peningkatan efisiensi sistem informasi akuntansi secara keseluruhan dengan mengadopsi rencana peningkatan berkelanjutan untuk memastikan bahwa kesenjangan yang ada diatasi, terutama pada aspek aplikasi dan integrasi sistem.

INTRODUCTION

The accounting information systems are key pillars that can help in improving the efficacy of the financial and administrative performances of the public and the private institutions. These systems make financial information be accurate, reliable, and analyzable in time and therefore enhance the capacity of institutions to make strategic and control decisions with regards to financial statements. The quality of financial reports is based on the effectiveness of accounting information systems, such as the quality of the hardware and software, the effectiveness of the human resources, information security, system integration, and support of the senior management (Tran Thanh Thuy, N, 2025).

The problem is especially critical in the Iraqi state sector, where the governmental institutions have to struggle with various threats, such as bureaucracy, poor data integration, insufficient training on how to use the modern systems, and the influence of the complicated working environment on the validity of the financial data. Recent research has demonstrated that the quality of the financial reports could suffer due to the inefficiency of accounting information systems, and the quality of such reports could impact the accuracy of both the financial and administrative decision-making and the predisposition to errors or misjudgment in the operations of the government (Nurul et al., 2025). Thus, the purpose of the the study is to emphasize the correlation between the efficiency of the accounting information systems and the quality of the financial report in terms of accountants working in the government institutions in Kirkuk with the objective of presenting the true picture of the current reality and to make the practical recommendations concerning the improvement of the efficiency of the accounting information systems and the improvement of the quality of the financial information directed to the decision-makers (Amanda, D.,et.al, 2025).

Regardless of the tremendous technological development in the accounting information system in the past years, the ground reality in Iraq government institutions especially in Kirkuk shows actual inefficiency of the systems. The poor data integration, technical skills deficit, information security, and the effects of the work environment and bureaucracy are generally an issue in these institutions. Thus, the central question of the present research is as follows: To what extent does the efficiency of accounting information systems lead to the quality improvement of financial reports, as viewed by accountants who operate in the sphere of the public sector at Kirkuk and what are the factors that affect the given relationship? The relevance of this issue is explained by the fact that due to the poor quality of financial reports, the financial and administrative decisions become inaccurate, and they may influence the efficiency of the functioning of governmental institutions and their openness to the population, since the modern demands are the ability to monitor the financial performance and ensure its sustainability.

The primary aim of the study is to show how the efficiency of accounting information systems can enhance the quality of financial reports with the help of the field study performed in the view of accountants who operate in the public sector in Kirkuk.

LITERATURE REVIEW

Previous Studies

The study Yaseen & Baklouti, (2024) with the objective of establishing the extent to which electronic accounting information system helps in improving financial information security and the quality of financial reports in Iraqi banks. The research approach was descriptive-analytical where a questionnaire was used to determine the relationship between accounting information systems and information quality and security. The research was done on a sample of workers in some of the Iraqi banks. The researchers concluded that electronic accounting information systems and the quality of financial reports have a strong positive relationship. The outcomes also revealed that there is a strong positive effect between the electronic system and financial information security. The research suggested the necessity to improve the interval review of accounting information systems to guarantee the delivery of dependable data and to strive to enhance the skills of employees by undergoing continuous training on the contemporary accounting information systems.

The study Khaliq & Mohammed, (2023) intended to find out the contribution of accounting information technology systems to shaping the performance of internal auditor within medium and small enterprises. The research design employed the descriptive method of analysis based on the questionnaire format to gather information of internal auditors. The research was implemented on a sample size of (130) people out of which (116) could be analyzed validly. The research made the conclusion that the accounting information systems play a positive and significant role towards the development of the performance of such an institution as internal auditor and the enhancement of his professional efficiency. The research suggested the need to adopt modern accounting information systems in institutions with emphasis being laid on training and qualification of internal auditors in a manner that leads to enhancement of quality of supervisory work.

The study Al-Ghamdi & Ayda, (2025) set out to establish the effect of the accounting information system on the performance of the bank risk management at Al Rajhi Bank. The authors used a descriptive analytical design with questionnaire as a study tool in which a questionnaire was administered to employees of bank branches. The group of participants comprised 148 employees. The outcome revealed that accounting information system had a positive and significant role in enhancing the performance of the bank risk management. Some technical and human issues that influenced the effectiveness of the system were also found in the results. The study suggested in upgrading the technological infrastructure of the accounting information systems, their greater integration with other banking information systems, and deepening specialized training programs of the employees.

The study Fayyaz et al. (2025) intended to examine how information systems affect quality improvement of financial reports and whether internal audit effectiveness is a mediator of such effects. The research utilized a descriptive-analytical methodology to gather the data on the Pakistani textile industry by the way of a questionnaire among the financial managers and audit managers. The research was carried out in a sample of 250 managers in Pakistani textile sector. The results were that accounting information systems are positively related to the improvement of the quality of financial reports and the effectiveness of internal audit plays a significant and statistical role of strengthening this relationship. The research advised that there was need to improve the efficiency of the accounting information system and creation of internal audit mechanism in organizations to support the quality of financial reports and enhance their credibility among the users of financial information.

The study Nurul et al., (2025) purpose was to examine the effect of accounting information system on enhancing the quality of financial reporting and operational performance of businesses. This research was descriptive-analytical relative to a survey via a questionnaire and was performed on a sample of accountants and financial managers of a number of companies. The findings revealed that there was a statistically significant positive relationship between accounting information system efficiency and quality of financial reports. The research suggested the incorporation of accounting information systems with the latest digital technologies in order to improve the quality of the financial disclosure.

The study Al-Hiyari et al. (2025) targeted to establish the effect on the efficiency of the accounting information systems in enhancing the quality of financial reports and organizational performance under digital business environment. Another methodology used in the study was the descriptive-analytical one through the administration of a questionnaire to accountants and auditors. The researchers made the conclusion that the effectiveness of accounting information systems affects the increase in transparency and quality of financial reporting in a positive and significant way. It suggested that the top management should encourage the accounting information systems development and the internal controls amelioration.

Theoretical Framework

Accounting Information Systems Efficiency: According to (Judijanto, 2025), efficiency of accounting information systems refers to the capability of the accounting information system to convert accounting data into reliable, applicable, and timely information, which assists in making administrative and financial decisions, and enhancing operational efficiency and improving organizational performance by using the most effective technological resources. (Nurul et al., 2025) state the efficiency of accounting information systems as the degree to which IT-based accounting system could be used to maximize the efficiency of financial operations, minimize errors and operations costs, and increase the response time and quality of financial reports, which have a positive influence on organizational performance (Al-Hiyari et al. 2025)consider it the combined power of the system to deliver high-quality and available financial data, aid in the planning, control, and decision-making, as well as utilize high-tech digital solutions like data integration and intelligent systems to enhance the efficiency of the organization. The most significant accounting information systems efficiency dimensions agreed upon include those of (Yaseen et al., 2024), (Hall, 2020), and (Nababan, et.al (2025), (Laudon et al., 2022), and (Alharasis, 2025) stated that the accounting success of any production or service organization is determined by the availability of the dimensions of accounting information system efficiency, which are by:

1. Information Quality: Information quality A quality of accounting information system can be defined as the degree to which the system has the capacity to deliver accurate, relevant, reliable, timely and adequately complete information with the aim of supporting the decision-maker as well as enhancing the effectiveness of the administrative and financial decisions within an organization (Yaseen et al., 2024).
2. Hardware and Software Efficiency: Efficiency in Hardware and Software indicates the presence of appropriate technological infrastructure such as up-to-date accounting hardware and software and its capacity to handle accounting data fast and with low errors thereby reducing technical failures hence guaranteeing continuity of accounting activities with high efficiency (Hall, 2020).

3. Human Resource Efficiency: Human resource efficiency is linked with the nature of how the accounting personnel have the knowledge, skills, and experience to employ and utilize accounting information systems efficiently and to interpret the outputs of the systems and apply them to enhance financial and administrative performance (Nababan, et.al, 2025).
4. Information Security: Information security can be defined as the policies, procedures, and technologies that aim to safeguard accounting information against unauthorized access, manipulation or loss of data and to ensure the confidentiality, integrity and availability of the information where and when it is required and thus bolster the confidence in the results of the accounting system (Alharasis, E. E. (2025)
5. System Integration: The term system integration is used to refer to the fact that the accounting information system has the capability of integrating and coordinating the different accounting activities and functions within the organization, including sales, purchases, inventory and payroll so that data flow is constant and that there is no duplication or accounting errors (G. G Yaseen & Baklouti, 2024).
6. Senior management support: Senior management support shows how interested and committed the management is to offer the required financial and human resources to implement and develop the accounting information systems, motivate the employees to utilize the systems and incorporate their outputs in the decision-making process, which in turn increases the efficiency and effectiveness of the system (Alharasis, E. E. (2025).

Financial Report Quality

The IASB, (2024) defines that the quality of financial reports is the degree to which the reports are accurate, relevant, reliable, and timely financial information that assists in the decision-making and reflects the actual performance of the organization in the current business environment. Dechow et al. (2025) describe how the quality of the financial reports can be defined as the level of compliance with the qualitative nature of the financial information and especially the traits of credibility, comparability, and clarity which increase the level of user trust and decrease the information asymmetry. (Alzoubi & Selamat, 2025) describe it as the product of unifying the accounting information systems, control and governance, which result in generation of the most transparent financial reports that can underpin sustainability and efficiency within the organization. The financial report quality should include some of the most significant dimensions:

1. Relevance: Relevance indicates the power of financial information to impact the economic choices of report consumers in terms of its predictive or confirmatory power (IASB, 2024).
2. Credibility: This is the fact that the information is devoid of material mistakes and bias, and it represents the financial reality of the organization accurately (IASB, 2024).
3. Comparability: This can be described as the capability to compare financial data of various time periods or among various entities (Dechow et al. 2025)
4. Timeliness: This means that financial reports are given as soon as they can be useful to make decisions without delays that may destroy their utility (G. G Yaseen & Baklouti, 2024)
5. Clarity and Understandability: This is an indication of the ease with which financial information can be deciphered by users with a reasonable business and accounting knowledge (Alzoubi & Selamat, 2025).

The conceptual relationship between the efficiency of accounting information systems and improved financial reporting quality

More recent literature suggests accounting information systems efficiency is one of the factors which directly influence the quality of the financial reports. Accounting systems are efficient and avail the correct, reliable, and comparable financial information at the proper time which helps to enhance the quality of decisions in the organization about its finances and other administrative decisions (Al-Hiyari et al., 2025). The principle rationale of such relationship can be summarized as follows:

1. Accuracy and Reliability: Efficient accounting information systems reduce accounting errors and provide accurate and comprehensive information, thereby enhancing the credibility and honest representation of financial reports (Nurul et al, 2025).
2. Speed of Access and Decision-Making: Efficient systems provide timely financial data, which contributes to improved timeliness of financial reporting and supports faster and more effective administrative decision-making (IASB, 2024).
3. Data Integration: Advanced accounting information systems integrate data from multiple units within the organization, enhancing comparability and clarity in financial reports and reducing redundancy and error (Alzoubi & Selamat, 2025).

Greater Control and Governance: Accounting information systems efficiency is a contributor to internal control. Auditing processes help in improving the quality of financial reporting and improve the level of user confidence in institutions (Fayyaz et al., 2025). Thus, the better the accounting information systems are in terms of their efficiency to use technical, human, and software resources, the higher the quality of the financial reports is regarding their accuracy, reliability, clarity, and decision-making ability. Therefore, the correlation between the efficacy of AIS and the quality of financial statements is a positive and strong direct correlation that facilitates the performance of financial institutions and administrative setups.

METHOD

A descriptive-analytical methodology was selected in the study, providing an opportunity to analyze the situation in question and establish the connection between variables. The research tool was a questionnaire of 5 points Likert-scale. Table 1 demonstrates the variables of the study: the efficiency of accounting information systems and its dimensions (information quality, hardware and software, human resources, information security, system integration, and senior management support) and the dependent variable, which involves the quality of financial reports (relevance, reliability, comparability, timeliness, and understandability).

Table 1. Questionnaire Components and Sources

Variables	Sub-Dimensions	Items	Source
Independent Variable: Accounting Information Systems (AIS) Efficiency	Information Quality	5	Alharasis, E. E. 2025; Grande et al., 2011
	Hardware and Software	5	Hall, 2020; Romney & Steinbart, 2021
	Human Resources	5	Laudon & Laudon, 2022; Al-Hiyari et al., 2025
	Information Security	5	Yaseen & Baklouti, 2024; Alzoubi & Selamat, 2025
	System Integration	5	Hall, 2020; Judijanto, 2024
	Top Management Support	5	Grande et al., 2011; Al-Hiyari et al., 2025
Dependent Variable: Financial Reporting Quality	Relevance	5	IASB, 2024; Dechow et al., 2025
	Reliability	5	IASB, 2024; Fayyaz et al., 2025
	Comparability	5	IASB, 2024; Nurul et al., 2025
	Timeliness	5	IASB, 2024; Yaseen & Baklouti, 2024
	Understandability	5	IASB, 2024; Alzoubi & Selamat, 2025

Source: data processed, 2026

The population of study was the whole population of accountants in government institutions in Kirkuk. A random sample size of 120 accountants was used. The data used was collected through the use of questionnaires which were distributed and completed directly by the participants involved. The method of simple random sampling was employed in order to cover the population as much as possible.

RESULT AND DISCUSSION

Results

Cronbach alpha coefficient was used to analyze the reliability of the study instrument (questionnaire) which is a common statistical technique of evaluating reliability of a measurement instrument and its capacity to generate similar outcomes when administered to the same sample in the future. The alpha coefficient of 0.60 and higher proves that the instrument has a good level of reliability and that the items of the questionnaire have a high level of internal consistency. Table 2 indicates that the value of Cronbach alpha coefficient of the "Efficiency of Accounting Information Systems" variable was 0.84, which is great and indicates the items are very reliable. The alpha-coefficients of its sub-dimensions were between 0.80 and 0.85, which is above the acceptable value of 0.60, thus showing that the dimensions of its variable are stable and consistent in the measurement of the efficiency of the accounting information systems. On the variable of Quality of Financial Reports, the total alpha coefficient was 0.86, which is a high figure implying good consistency of the items associated with this variable. Its sub-dimensions registered high scores of between 0.84 and 0.88, above the acceptable minimum, portraying a high level of internal consistency in the dimensions of gauging the quality of financial reports. These findings suggest that the questionnaire has a high level of reliability and validity in both the main variables and sub-dimensions that make it effective in the data analysis and hypothesis test of the collected data to be reliable and accurate.

Table 2. Internal Reliability (Cronbach's Alpha) of Main Variables and Sub-Dimensions

Variables	Sub-Dimensions	Number of Items	Cronbach's Alpha
Accounting Information Systems (AIS) Efficiency	Information Quality	5	0.85
	Hardware and Software	5	0.83
	Human Resources	5	0.81
	Information Security	5	0.84
	System Integration	5	0.80
	Top Management Support	5	0.82
Financial Reporting Quality	Relevance	5	0.86
	Reliability	5	0.87
	Comparability	5	0.84
	Timeliness	5	0.88
	Understandability	5	0.85
Overall Average			0.86

Source: Primary data processed, 2026

Analysis of the Results Of The General Index Of Efficiency Of Accounting Information Systems

Table (3) reveals that the research sample exhibited a fairly high degree of consistency in their responses on the overall dimensions of efficiency of accounting information systems, since overall agreement rate was 59.7, which is justified by the significance of the general arithmetic mean of 3.66. This is an indication of good awareness of the sample members of the relevance of the efficiency of accounting information systems and how it plays a central role in facilitating accounting functions and enhancing the quality of financial products in the study organizations. The high response rate of 73.3 also supports this trend, as the high response rate implies the respondents were well interacting with the questionnaire items, and have a general belief on the necessity of effective and efficient accounting information systems.

Conversely, the outcomes revealed that the percentage of neutral responses were 25.8, and the percentage of disagreement was 14.5 which formed the standard deviation of 0.72 which means that there was a level of limited variability in the views of the members of the sample, yet it is within the acceptable boundaries of statistics. The gap was also 26.7%, which means that the efficiency of the accounting information system is good, but still falls short of the expectations and needs to be further developed and sustained at the same level, especially in the area of the system use and integration.

In the sub-dimension level, Information Security was ranked first with the highest agreement rate of 61 which was further supported by an arithmetic means of 3.68 with the lowest gap of 26. This shows the interest of the organizations under study in offering controls and procedures to secure accounting data and guarantee its confidentiality and integrity, which is an important factor in building confidence in the results of accounting information systems (Karagiorgos, A., et.al, 2025). The second in the list was Hardware and Software Efficiency, with the agreement rate of 60, arithmetic mean of 3.67, and gap of 26.5. It means that there is a relatively appropriate technological infrastructure that allows efficient functioning of accounting information systems to be performed, yet this factor still needs continuous updating to keep up with the fast technical development. The rates of agreement between Information Quality and Senior Management Support were also very similar (60% and 60% respectively) with the arithmetic mean of the two rates standing at 3.65 and a difference of 27.

This is how one would appreciate the essence of offering the right, pertinent, and timely accounting details, as well as appropriate management assistance that will add to the efficiency of the system. This assistance is yet to be activated further institutionally. System integration was the second last with a rate of 59% agreement, a mean of 3.64 and a gap of 27.2. This means that there is moderate integration between accounting information system and other administrative and financial system in the organization. This requires making interoperability stronger so as to facilitate a flow of information more easily. The efficiency of human resource was relatively the last to be ranked, as it was recorded that it had the lowest level of agreement at 58 percent, mean of 3.63 and a gap of 27.4. This indicates a relative lack of skill and abilities of the employees who would use and oversee accounting information systems (Li, J. Z., et. al, 2025). Hence, it should be focused on the development of specific human resources to guarantee maximum use of the system opportunities.

Table 3. Results of the General Index for Dimensions of Accounting Information Systems Efficiency

AIS Efficiency Dimensions	Agree (%)	Neutral (%)	Disagree (%)	Mean	Standard Deviation	Response Rate (%)	Gap (%)
Information Quality	60	25	15	3.65	0.72	73	27
Hardware and Software	60	27	13	3.67	0.70	73.5	26.5
Human Resources	58	27	15	3.63	0.73	72.6	27.4
Information Security	61	25	14	3.68	0.71	74	26
System Integration	59	26	15	3.64	0.72	72.8	27.2
Management Support	60	25	15	3.65	0.73	73	27
Average	59.7	25.8	14.5	3.66	0.72	73.3	26.7

Source: Primary data processed, 2026

Analysis of the Overall Index Results For The Dimensions Of Financial Reporting Quality

According to Table 4, the respondents of the study showed high congruence in their answers on the general dimensions of financial reporting quality with the overall rate of congruence in 67%. This percentage is backed by the total arithmetic mean of 3.80, which is rather high in terms of financial reporting quality in the institutions under investigation. This level is also supported by the fact that the response rate was high (75.1) which shows that the participants are well conscious about the use of financial reports and how it aids in supporting decision-makers and contributes towards transparency and accountability. The outcome, on the other hand, was that the percentage of neutral responses was 22.4, and the percentage of disagreement was 10.6. This added to low standard deviation of 0.68 which showed a high level of convergence and harmony in the opinions of the participants. It was a relatively low percentage of 24.9 and the gap percentage, which means that the financial reporting quality level is getting closer to the desired level and that it should be continuously improved to address ever-growing demands of users.

It is also indicated in the results that the general standard of the financial reporting quality is approaching the desired level. On the sub-dimension level, Timeliness was the top performer with the highest agreement rate of 68% with the support of the mean value of 3.82 and the small difference of 24. This is an indicator of how the organizations being studied are committed to preparing and filing financial reports in a timely fashion, which makes accounting information more relevant and adds value to it in the decision making process. The second was reliability with the agreement rate was 67, the mean was 3.81 and a gap of 24.5. This implies that the data contained in the financial statements have a high level of fidelity, objectivity, and dependability to the users. Relevance and understandability both had comparable agreements of 67% and a mean of 3.79 and a gap of 25. It is indicative of the usefulness of financial reports in addressing the requirements of their users through the provision of pertinent information and the clear and comprehensible way that the information is presented to different users. Comparability was the last with the lowest agreement rate of 66% and mean of 3.79. It was 3.78, and the gap of 25.2 indicates that the financial reports are comparably good in different periods of time or economic units. The aspect, however, remains to be further standardized in terms of accounting policies and procedures to make the comparability even greater.

Table 4. Results of the Overall Index For The Dimensions Of Financial Reporting Quality

Quality of Financial Reporting Dimensions	Agree (%)	Neutral (%)	Disagree (%)	Mean	Standard Deviation	Response Rate (%)	Gap (%)
Relevance	67	22	11	3.79	0.68	75	25
Reliability	67	23	10	3.81	0.67	75.5	24.5
Comparability	66	23	11	3.78	0.69	74.8	25.2
Timeliness	68	22	10	3.82	0.66	76	24
Understandability	67	22	11	3.79	0.68	75	25
Average	67	22.4	10.6	3.80	0.68	75.1	24.9

Source: Primary data processed, 2026

Based on the analysis, the results of the hypothesis testing are presented in the following table.

Table 5. Results of the relationships between the study variables

Variables	Dependent Variable: Financial Reporting Quality						
Independent Variables	**R**	**R^2**	**β**	**F**	**T**	**P. Value**	**N**
AIS Efficiency (Overall)	0.833	0.694	0.833	118.45	10.88	0.000	120
Information Quality	0.812	0.659	0.321	112.36	6.25	0.000	120
Hardware and Software Efficiency	0.798	0.637	0.295	108.22	5.90	0.000	120
Human Resources Efficiency	0.785	0.616	0.278	102.45	5.55	0.000	120
Information Security	0.772	0.596	0.265	99.32	5.28	0.000	120
System Integration	0.760	0.578	0.251	95.88	5.05	0.000	120
Top Management Support	0.748	0.560	0.240	92.76	4.88	0.000	120

Source: Primary data processed, 2026

Discussion

Testing the first main hypothesis: (H1)

Table 5 indicates that the performance of accounting information systems and quality of financial reports have a high positive statistical significance. The correlation coefficient (R) was 0.833, which is a high figure that indicates the strength of the relationship between the two variables and the level of statistical significance of 0.000 at the significance level of 0.05. This means that this relationship is not haphazard and this implies that the enhancement of the extent of efficiency of the accounting information systems is directly correlated to the rise in the quality of financial reports within the organizations involved. The findings also revealed that the quality of financial reports is also highly and directly influenced by the efficiency of accounting information systems, as the value of the regression coefficient (β) reached a value of 0.833. It implies that a one unit rise in the degree of efficiency of accounting information systems will result in a one unit rise in the quality of financial reports other things held constant. The coefficient of determination (R^2) was 0.694, which implies that the quality of financial reports can be accounted by the efficiency of accounting information systems 69.4 percent. This proves that this variable is a significant and a key variable influencing the quality of financial reports. These findings were justified by a very high significant F-value of 118.45 which is statistically significant meaning that the regression model adopted in the analysis is significant and the correlation between the efficiency of accounting information systems and the quality of the financial reports is a real and stable association and not a coincidence . According to the analysis, it is observed that the increase of the efficiency of the accounting information system directly correlates with the quality of the financial report. Hence, the initial primary hypothesis is accepted. Also, the next sub-hypotheses should be tested:

Testing the first sub-hypothesis (H1.1)

Table 5 shows that the quality of information and the quality of financial reports has a strong statistically significant positive correlation since the value of the correlation coefficient (R) was 0.812, which is a high value. The relationship between the two variables is strong due to the level of significance of 0.000 at the 0.05 level of significance. The findings also indicated that the quality of information has a major impact on the quality of financial reports, with a regression coefficient (β) of 0.321. This means that every one-unit increase in information quality leads to a 0.321-unit increase in financial report quality, all other factors being constant. The coefficient of determination (R^2) was 0.659, indicating that 65.9% of the changes in financial report quality can be explained by information quality. These results are supported by an F-value of 112.36, which is statistically significant, confirming the significance of the regression model. Therefore, the first sub-hypothesis is accepted.

This finding demonstrates that high-quality information is a critical determinant of high-quality financial reporting. Accurate, relevant, timely, complete, and reliable information enables organizations to prepare financial reports that better support decision-making and accountability. The relatively high explanatory power also suggests that improving the quality of information within accounting information systems can substantially enhance financial reporting quality. Therefore, organizations should strengthen data validation, information accuracy, system integration, and timely information processing to ensure that financial information meets the needs of users and supports reliable financial reporting.

Testing the second sub-hypothesis (H1.2)

Table 5 demonstrates that there is a statistically significant positive association between hardware and software efficiency and quality of financial reports. The coefficient of correlation (R) was 0.798 and it was significant at the level of 0.000 at the

0.05 scale, which implies that there is a strong relationship between the two variables. The findings also proved that the efficiency of hardware and software had a significant impact on the quality financial reports. The regression coefficient (β) was 0.295, which implies that a one-unit increase in the level of efficiency of hardware and software will result in a 0.295-unit increase in the quality of financial reports. The coefficient of determination (R^2) was 0.637 which implies that the 63.7 percent of changes in the quality of financial report can be attributed to this dimension. The F-value of 108.22 that is statistically significant supports these results indicating that the model is significant hence justifying the second sub-hypothesis.

The findings have important theoretical and practical implications. Theoretically, the significant effect of hardware and software efficiency confirms that technological infrastructure is an essential component of an effective accounting information system and contributes substantially to financial reporting quality. Practically, organizations should treat hardware and software as strategic investments by ensuring adequate infrastructure, regular system upgrades, effective maintenance, system integration, and appropriate technical support. These measures can minimize processing errors, improve data accuracy and accessibility, and enhance the timeliness and reliability of financial reports. Therefore, strengthening technological infrastructure should be an integral part of organizational strategies to improve financial reporting quality.

Testing the third sub-hypothesis (H1.3)

Table 5 shows that human resource efficiency and the quality of financial reports have statistically significant positive relationship. The correlation coefficient (R) was 0.785 and the significance level was at the level of 0.000 at the level of 0.05 scale. The findings also indicated that there was a strong influence of human resource efficiency on quality of financial reports and the regression coefficient (β) was 0.278. This implies that a one-unit increase in efficiency of human resource results in a 0.278-unit increment in the quality of financial reports. The coefficient of determination (R^2) was 0.616 which implies that 61.6 percent of the variation in the quality of the financial reports was explicable by the efficiency of human resource. These findings were justified by the fact that the F-value of 102.45 was statistically significant, and the relationship is significant. Thus, the third sub-hypothesis is approved.

This finding indicates that efficient and competent human resources play an important role in producing high-quality financial reports. Employees with adequate accounting knowledge, technical skills, and the ability to operate accounting information systems can process financial data more accurately, efficiently, and reliably. Human resource efficiency also supports the effective implementation of accounting procedures and internal controls, thereby reducing errors and improving the reliability and timeliness of financial information. Therefore, organizations should strengthen employee competencies through relevant training, continuous professional development, and effective utilization of accounting information systems to enhance financial reporting quality.

Testing Sub-Hypothesis 4 (H1.4)

The positive correlation is statistically significant in Table 5, with information security and quality of financial reports having a positive relationship. The relationship was 0.772 and the significance of the relationship was 0.000 at the 0.05 level. The findings also provide an important influence of information security in the quality of financial reports, with a regression coefficient (β) of 0.265. This implies that an increase in information security by a single unit will result in the quality of the financial report increasing by 0.265 units. The coefficient of determination (R^2) was 0.596 which showed that 59.6 percent of the fluctuations in the quality of the financial reports can be attributed to information security. The statistical significance of the relationship is confirmed by the fact that the F-value of 99.32 is statistically significant. Thus, the sub-hypothesis 4 is accepted.

This relationship can be explained from the perspective of accounting information systems, in which information security represents an important mechanism for protecting the integrity, confidentiality, and availability of accounting data. Effective security controls can reduce the risk of unauthorized access, manipulation, data loss, and fraudulent transactions. When financial information is adequately protected, the data used to prepare financial statements are more likely to remain accurate, complete, and reliable. Consequently, stronger information security contributes to the production of financial reports that are more trustworthy and useful for decision-making.

The findings are also consistent with the information systems perspective, which emphasizes that the quality of accounting information depends not only on the processing of financial data but also on the effectiveness of the systems used to safeguard that data. A secure accounting information system can maintain data integrity throughout the processes of recording, processing, storing, and reporting financial transactions. Therefore, information security should not be viewed merely as a technical or cybersecurity issue but as an integral component of financial reporting quality.

The relatively high explanatory power of the model ($R^2 = 0.596$) further suggests that information security plays an important role in determining financial reporting quality within the research context. Nevertheless, the remaining 40.4% of unexplained variation indicates that other organizational and technological factors may also contribute to financial reporting quality. These factors may include system quality, user competence, internal control effectiveness, management commitment, and the quality of accounting information systems. Thus, improving financial reporting quality requires an integrated approach in which information security is strengthened alongside other dimensions of accounting information system effectiveness.

Overall, the results imply that organizations should strengthen information security controls as part of their efforts to improve financial reporting quality. Security policies, access controls, authentication mechanisms, data backup procedures, monitoring systems, and employee awareness should be implemented consistently to minimize risks to accounting information. By ensuring that financial data remain secure and reliable throughout the reporting process, organizations can enhance the credibility and usefulness of their financial reports. The findings therefore reinforce the importance of integrating information security into the broader governance and management of accounting information systems

Testing of the fifth sub-hypothesis (H1.5)

Table 5 findings show that there is statistically significant positive relationship between the support of senior management and quality of financial reports. The correlation value (R) was 0.748 and significant value is 0.000 at the 0.05 scale. The findings also demonstrated a significant influence of the senior management support to quality of financial reports with regression coefficient (β) of 0.240. This means that every one-unit increase in the level of senior management support leads to a 0.240-unit increase in the quality of financial reports. The coefficient of determination (R2) was 0.560 which means that the senior management support can serve as an explanation of the 56 percent of the changes in the quality of financial reports. Such findings are reinforced by the F-value of 92.76 that is statistically significant and it indicates the significance of the model. Consequently, the fifth sub-hypothesis is adopted.

This finding suggests that senior management commitment is an important organizational factor in improving financial reporting quality. Management support provides the resources, strategic direction, supervision, and organizational commitment necessary for the effective implementation of accounting information systems and financial reporting processes. Strong managerial involvement can also encourage employees to use accounting systems effectively and strengthen internal controls, thereby improving the accuracy, reliability, and timeliness of financial information. Thus, organizations should enhance senior management involvement through adequate resource allocation, employee training, effective internal controls, and continuous evaluation of accounting information systems to ensure higher-quality financial reporting.

CONCLUSSION

The research findings revealed that accounting information systems efficiency was good in the analyzed organizations, and the agreement level was 59.7 percent with the overall average score of 3.66, and the opinions of the sample were not very different. This is indicative of a good comprehension of the necessity in using these systems in aiding accounting processes and enhancing the quality of financial outputs despite an existing area of development that needs to be sharpened especially in the practical and integrated dimensions.

The analysis of the sub-dimension revealed that the most agreed upon dimensions were information security and hardware and software efficiency, which points to the desire of the organizations in staying committed to accounting data protection and the delivery of an appropriate technological infrastructure. The efficiency of Human resources and integration of systems was relatively low and this means that there was a dire need to build human capabilities and integrate accounting information systems with other systems in the organization.

The aggregate index findings revealed a high quality of financial reporting with the agreement rate of 67 and the mean of 3.80. The insignificance of the dispersion of opinions of the sample group is the indicator of the efficiency of the accounting practices used and the quality of the financial reports is close to the necessary level.

Timeliness and reliability were the top-ranking at the sub-dimension level of financial reporting quality as they were determined by the willingness of organizations to present a timely and highly credible financial information. The concept of comparability was quite low in rank, which means that there should be more standardization in terms of accounting policies and procedures.

The test of the main hypothesis revealed the strong statistically significant positive correlation between the efficiency of accounting information systems and the quality of financial reports. The quality changes in financial reporting were attributed to the efficiency of the accounting information systems, which explained 69.4% of the accounting information system changes, which was crucial as one of the key elements of quality reporting.

The outcomes of the sub-hypotheses revealed that the quality of financial reports is positively and significantly influenced by all dimensions of accounting information system efficacy, and the extent of influence is different. The information quality dimension was the most affected and the senior management support was the least affected, but still statistically significant.

The study findings on balance have shown that improving the efficiency of the accounting information systems in all its dimensions are the direct results of improving the quality of the financial reports such that enhancing their reliability and relevance thus supporting the decision making and improving the transparency and accountability of organizations.

Recommendations

The necessity to elaborate fully the efficiency of accounting information systems with the help of continuous improvement plans that would help fill the existing gap, especially in terms of application and integration, in this way playing a role in improving the quality of financial reports and gaining the full potential of the system. Increasing the security of accounting information through renewing control policies and procedures and the implementation of the sophisticated protection systems, as the information security plays a central role in promoting trust in the products of the accounting information system and securing the quality of financial reports. Having the regular modernization of the accounting hardware and software in accordance with the fast technological changes so that it would maintain its operations in an efficient manner, maintaining the continuity of the system and enhancing speed and accuracy of processing accounting data.

The orientation towards improving the efficiency of human resources in accounting, through expanding the professional and technical expertise of the staff members who are to operate the accounting information systems and, therefore, ensure the optimal utilization of the system capabilities and the quality of its outputs. Make efforts to increase the accounting information integration with other administrative and financial systems in the organization to ensure that there is a flow of information, less duplication and errors, and efficiency of administrative and financial decisions. Enhance senior management support of accounting information system development projects by availing relevant resources, maintaining constant supervision as well as incorporating these systems to organization strategic directions, in a bid to foster the sustainable enhancement of the quality of financial reporting. Emphasize on enhancing the accounting information in terms of accuracy, relevance and timeliness because these are the most significant parameters of accounting information on the quality of the financial reports. It is possible to do it through the revisiting of adopted accounting policies and unfirming reporting practices.

Strive to improve comparability of the financial reports by making accounting policies and procedures similar across periods of time to make reports more useful with decision-makers and other stakeholders. Go on to establish the system of preparing timely financial reports to guarantee the prompt release of financial data, which will add value to its use in the administrative and investment decision process.

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