



Deployment of Digital Tools Among Accountants and Financial Reporting Quality in Nigeria

Gideon Etireri

Department of Accounting, Highstone International University, California USA

Date of Submission: 01-04-2026

Date of Acceptance: 10-04-2026

Abstract

This study examined deployment of digital tools among accountants and financial Reporting Quality in Nigeria. The study employed a descriptive and explanatory research design using a quantitative approach. The descriptive element enabled the researcher to examine the current state of digital tool deployment among Nigerian accountants, while the explanatory component focused on establishing the relationship between digital tool usage and financial reporting quality. The population of the study comprised of accountants, auditors, and finance managers working in both private and public sector of Nigeria. Stratified random sampling was employed to ensure representation across key sectors including banking, manufacturing, consulting, and public sector agencies. The research instrument was a structured questionnaire designed in alignment with the study's conceptual framework. The data collected were analyzed with the aid of the Statistical Package for Social Sciences (SPSS) version 20 software. The study found that the deployment of digital tools among accountants in Nigeria has a substantial and positive impact on financial reporting quality. Digital innovations such as AI, blockchain, and cloud computing have transformed traditional accounting practices, promoting efficiency, accuracy, and transparency in financial information preparation and disclosure. The result the study led to the conclusion that there is a significant positive relationship between use of Digital tools and Understandability of financial reporting in Nigeria in selected indigenous manufacturing firms in Lagos, Nigeria. The study recommended that accountants and accounting firms must embrace/invest in modern digital tools and technologies such as AI-driven accounting software, blockchain systems, and cloud-based financial management solutions to achieve timeliness and enhance high reporting quality.

Keywords: Digital tools, financial Reporting, timeliness, understandability, Artificial Intelligence (AI), faithful representation

I. Introduction

The deployment of digital tools in financial reporting has transformed accounting practices globally. These innovations have significantly improved the efficiency, accuracy, and timeliness of financial reporting. In Nigeria, the adoption of digital tools among accountants has become increasingly vital, given the need for transparency and accountability in financial reporting. Digital tools include accounting software, cloud computing, artificial intelligence (AI), blockchain, data analytics and enterprise resource planning (ERP) systems. These tools are designed to automate accounting processes, enhance data accuracy, and support real-time reporting (Odunayo&Akintoye2023).

Accounting as a profession is driven by the need to produce reliable financial information. The growing complexity of financial transactions and stakeholder demand for accountability have prompted accountants to embrace technological tools. The advent of cloud-based accounting, AI, and data analytics has empowered accountants to manage vast financial data efficiently (Oladejo&Yinus, 2020). The transition from manual to digital systems is crucial for ensuring compliance with international financial reporting standards (IFRS) and promoting investor confidence.

The Nigerian business environment is evolving with the integration of technology into financial reporting processes. While developed economies have largely embraced digital transformation, developing countries like Nigeria are still navigating through infrastructure and skill-related challenges (Olufemi, Festus&Adekunle, 2021). Nonetheless, the pressure on organizations to produce accurate and timely financial statements compels the use of digital tools. These tools facilitate better decision-making, reduce human error, and ensure consistency in reporting (Akai, &Ibok,2023).

The adoption of digital accounting tools is not without challenges. Issues such as inadequate ICT infrastructure, resistance to change, high implementation costs, and insufficient technical



skills among accountants hinder the full deployment of digital tools in Nigeria (Imene&Imhanzenobe, 2020). Moreover, some organizations lack the strategic vision to align digital tools with their financial reporting objectives.

Despite these barriers, the benefits of digital tools in financial reporting are evident. Improved transparency, accountability, and real-time reporting are some of the positive outcomes associated with digitalization (Chukwu&Asaolu, 2019). The regulatory environment in Nigeria also plays a role in encouraging or inhibiting the use of digital tools. Effective regulation can provide the needed framework to support technology adoption.

The use of digital tools contributes to improved financial reporting quality. Quality reporting involves relevance, faithful representation, timeliness, verifiability, comparability, and understandability of financial statements. Accountants who utilize digital tools are better equipped to meet these qualitative characteristics of financial information (Oyeniya, Ugochukwu&Mhlongo, 2024). Thus, understanding the extent of digital tool deployment and its effect on financial reporting quality in Nigeria is crucial.

Statement of the Problem

The increasing demand for reliable and timely financial information has made digital tools essential in accounting. However, in Nigeria, the deployment of these tools among accountants remains suboptimal. Many organizations still rely on manual processes that compromise the accuracy and timeliness of financial reporting. Despite the potential of digital tools to improve financial reporting quality, their adoption is constrained by various challenges. These challenges include poor ICT infrastructure, lack of awareness, inadequate training, and resistance to change among accounting professionals (Odunayo et al., 2023; Oladejo&Yinus, 2020). Furthermore, the relationship between the use of digital tools and the quality of financial reporting in Nigeria is not sufficiently explored. There is a gap in empirical evidence regarding how digital tool deployment influences the relevance, timeliness, understandability, and accuracy of financial information.

The problem is further compounded by the uneven distribution of technological resources and digital literacy across sectors and regions in Nigeria. While large corporations and financial institutions are making strides in adopting sophisticated digital tools, many small and medium-sized enterprises (SMEs) lack the resources or knowledge to do so.

This disparity threatens to widen the digital divide in the accounting sector. Furthermore, the relationship between the use of digital tools and the quality of financial reporting in Nigeria is not sufficiently explored. There is a gap in empirical evidence regarding how digital tool deployment influences the relevance, timeliness, understandability and faithful representation of financial information. Also, the extent to which different categories of digital tools contribute to various dimensions of financial reporting quality remains unclear.

The aim of this study is to examine the deployment of digital tools among accountants and its impact on financial reporting quality in Nigeria. The specific objectives are to Assess how digital tools improves timeliness of financial reporting in Nigeria; evaluate the effectiveness of digital tools in understandability of financial reporting and examine the impact of digital tools in faithful representation of financial reporting.

In line with the objectives of this study the following Research Hypotheses are postulated:

- Ho₁: digital tools do not significant improve timeliness of financial reporting in Nigeria.
- Ho₂: The use of digital tools does not significantly enhance the understandability of financial reporting
- Ho₃: There is positive significance between digital tools and faithful representation of financial reporting in Nigeria

II. LITERATURE REVIEW

The purpose of this literature review is to explore the relationship between the deployment of digital tools by accountants and the quality of financial reporting in Nigeria. Digital transformation is reshaping the accounting landscape. Digital tools such as: cloud computing, artificial intelligence (AI), blockchain, data analytic and accounting software have gained widespread use. These technologies promise increased efficiency, better data accuracy, and faster financial reporting. The shift to digital practices is especially critical in Nigeria, where the demand for transparent and reliable financial statements is growing. Accountants are now expected to integrate these digital tools to meet both regulatory requirements and stakeholder expectations. This review focuses on how such digital deployment affects financial reporting quality in Nigeria.



I. Conceptual Review

Digital Tools in Accounting

Digital tools in accounting refer to technology-based systems that automate, simplify, or enhance accounting functions into all areas of business operations leading to fundamental changes on how organizations operate and deliver value to stakeholders. In financial reporting, this involves leveraging various technologies such as AI, cloud-based accounting, Data Analytics and blockchain applications (Thottoli & Ahmed, 2022). Other commonly used tools include general accounting software like QuickBooks, Sage, and Tally; Enterprise Resource Planning (ERP) systems like SAP. These tools perform a variety of functions ranging from automated ledger entries to fraud detection, report generation, and audit analytics.

Artificial Intelligence (AI)

Artificial Intelligence (AI) has introduced intelligent automation and analytical capabilities that are transforming the accounting landscape globally and in Nigeria. Among accountants, AI enhances the deployment of digital tools by improving data accuracy, minimizing manual errors, and optimizing workflow efficiencies. Through machine learning algorithms, AI can process vast volumes of financial data, detect irregularities, and flag anomalies that may indicate fraud or misreporting (Odunayo et al., 2023). These features significantly boost the reliability and integrity of financial statements. AI's predictive analytics functions are particularly beneficial in forecasting revenues, modeling financial scenarios, and supporting risk assessments. For Nigerian organizations navigating volatile markets and inconsistent economic cycles, AI empowers accountants with timely insights that inform strategic financial decisions (Oladejo & Yinus, 2020). By automating routine tasks such as journal entries, account reconciliations, and invoice verifications, AI allows finance professionals to focus on higher-order functions like advisory roles and strategic planning.

Furthermore, AI tools are designed to support real-time financial reporting, which enhances the timeliness and relevance of financial disclosures. This is essential for improving investor confidence and meeting regulatory expectations. Despite its transformative potential, challenges persist in Nigeria, including limited digital infrastructure and a scarcity of AI-skilled personnel (Oyeniyi et al., 2024). However, where deployed effectively, AI contributes positively to the qualitative characteristics of financial reporting-

relevance, faithful representation, understandability, and timeliness.

AI represents a powerful digital tool that, when integrated into accounting systems in Nigeria, improves the precision, speed, and analytical robustness of financial reports. Its comprehensive contributions are visible in enhanced audit trails, better compliance, and improved operational efficiency, all of which are key indicators of high-quality financial reporting.

Block-chain Technology

Blockchain technology is increasingly recognized as a transformative digital tool capable of enhancing transparency, accountability, and data integrity in financial reporting. In Nigeria, where issues of financial misstatements, manipulation, and data tampering remain prevalent, blockchain offers a decentralized and immutable ledger system that ensures every financial transaction is recorded accurately and cannot be altered retrospectively (Chukwu et al., 2019). This attribute strengthens the reliability and verifiability of financial reports.

Smart contracts, a core feature of blockchain, enable automatic execution of financial transactions and compliance checks without human intervention. These smart contracts reduce the time and cost associated with manual verification and improve reporting timeliness (Mert, 2022). Nigerian financial institutions and fintech companies that have adopted blockchain platforms report enhanced efficiency in transaction documentation and improved auditability.

Blockchain's transparent architecture allows for the creation of real-time, tamper-proof audit trails, which auditors can use to verify the authenticity and chronology of financial records. This functionality is crucial for maintaining accountability, particularly in sectors with high risks of fraud and corruption. As observed by Olufemi et al. (2021), blockchain can serve as a vital tool for ensuring compliance with both local and international financial reporting standards, thereby promoting investor confidence. While adoption in Nigeria is still limited due to infrastructural and regulatory barriers, the positive contributions of blockchain in improving data integrity and enabling traceable, real-time reporting are evident. Its use reduces dependence on central authorities and third-party intermediaries, cutting down administrative delays and increasing system efficiency.

Overall, blockchain provides a strong foundation for transparent, secure, and high-quality financial reporting. As more Nigerian organizations embrace digital innovation, blockchain is expected



to play a growing role in reshaping financial accountability and transforming the digital capabilities of the accounting profession.

Data Analysis

Data analysis is a vital component in the deployment of digital tools and serves as a driver of accuracy, timeliness, and insight in financial reporting. In Nigeria, where accountants increasingly deal with large volumes of transactional data, data analytics tools enable the conversion of raw figures into meaningful financial intelligence. These tools improve the relevance and decision-usefulness of reports by identifying patterns, trends, and outliers that traditional accounting methods might overlook (Al-Dmour, 2018). Data analysis improves financial reporting quality by enhancing predictive forecasting, budgeting accuracy, and performance monitoring. Using analytics dashboards and visualization software, accountants can produce interactive financial reports that support timely managerial decisions. In a Nigerian context, where internal control systems are sometimes weak, data analytics helps to detect irregularities and inefficiencies that may otherwise remain unreported (Akai et al., 2023).

Analytics tools also support real-time reporting and benchmarking, both of which are crucial for firms aiming to comply with regulatory standards and compete effectively in local and international markets. According to Oladejo and Yinus (2020), firms that invest in data analytics capabilities report higher levels of reliability, relevance, and completeness in their financial disclosures. Moreover, they are better equipped to meet the expectations of stakeholders who demand transparent and forward-looking financial information.

However, despite its value, many Nigerian firms face challenges in deploying data analysis tools. These include limited access to advanced software, lack of skilled personnel, and insufficient investment in digital infrastructure. Nevertheless, where deployed successfully, data analytics substantially improves the quality of financial reporting by making it more transparent, responsive, and decision-oriented. Data analysis positively contributes to financial reporting by transforming accounting from a retrospective to a predictive and strategic function. Its integration into Nigerian accounting systems enhances both the process and outcome of financial disclosure.

Cloud-Based Technology

Cloud-based technology has revolutionized the delivery and storage of accounting information, offering Nigerian accountants flexible, scalable, and cost-effective platforms to manage financial reporting tasks. Cloud systems allow accountants to access financial data in real-time from any location, thereby promoting timely preparation and submission of reports. This flexibility is particularly important in Nigeria, where challenges such as poor road infrastructure and power outages often affect traditional accounting systems (Al Natour & Al-Lahham, 2021).

Cloud-based accounting platforms like QuickBooks Online, Xero, and Sage Cloud enable real-time data synchronization, automated backups, and instant financial report generation. These features significantly reduce the risks associated with data loss, delays, and manual errors. They also support audit readiness by providing up-to-date records that are easily traceable and verifiable (Asuquo et al., 2020). Another major benefit of cloud technology is its capacity for integration with other digital tools such as data analytics platforms, payroll software, and customer relationship management (CRM) systems. This interconnected ecosystem streamlines financial operations and enhances reporting comprehensiveness. As noted by Oyeniyi et al. (2024), organizations that transition to cloud-based systems report improvements in reporting accuracy, compliance, and internal control effectiveness.

Furthermore, cloud solutions offer automatic software updates and access to the latest security features such as encryption and multi-factor authentication, which protect sensitive financial data from breaches. They also enable collaborative accounting processes, where multiple stakeholders can review and edit financial documents simultaneously, increasing efficiency and reducing bottlenecks. Despite concerns about internet reliability and data privacy, the positive contributions of cloud-based technology to financial reporting in Nigeria are significant. It enhances the timeliness, reliability, and scalability of digital accounting systems. For Nigerian firms committed to digital transformation, cloud platforms provide a practical foundation for building high-quality, future-ready financial reporting frameworks.

Financial Reporting Quality (FRQ)

Financial reporting quality refers to the extent to which financial statements accurately represent an entity's financial position and performance. High-quality financial reports are



relevant, timely, comparable, and understandable. According to the International Financial Reporting Standards (IFRS) framework, key attributes of FRQ include relevance, faithful representation, comparability, verifiability, timeliness, and understandability. FRQ is often measured through proxies such as earnings management, timely loss recognition, and value relevance. Odunayo et al. (2023) emphasized that financial reports from firms using digital tools showed reduced incidences of earnings manipulation. Timely reporting is another critical dimension, as delays in financial statement issuance can impair decision-making (Oladejo&Yinus, 2020).

Digital tools can positively influence each of these FRQ dimensions. For example, automated accounting software improves timeliness by accelerating data entry and report generation (Nwankwo et al., 2025). Blockchain technology enhances faithful representation and verifiability by ensuring that transactions are immutable and easily auditable (Elmaasrawy et al., 2025). AI tools offer real-time analytics and intelligent anomaly detection, which reduce the likelihood of error and increase the accuracy of reports (Mohsen et al., 2025). The use of CAATs has also improved comparability by standardizing the auditing process (Omonuk& Oni, 2015).

Digital tools enhance these attributes by minimizing manual errors and enabling continuous reporting systems (Smith, 2018). Cloud accounting systems contribute to the timeliness and completeness of reports. AI supports automated reviews and fraud detection, improving relevance and accuracy (De Silva et al., 2025). However, these benefits are only realized when tools are used effectively and when supporting infrastructure and training are in place.

Digital Tools and Financial Reporting Quality

Odunayo et al. (2023) demonstrated that the deployment of digital tools enhanced the accuracy and timeliness of financial reporting in Nigerian banks. Automated systems minimized human error and improved data processing. Oladejo and Yinus (2020) found that electronic accounting reduced inconsistencies and improved compliance with reporting standards. Akai et al. (2023) noted that cloud systems offered real-time reporting features, leading to more relevant and timely disclosures. Chukwu et al. (2019) argued that forensic accounting tools helped improve report credibility by identifying fraud and misstatements early. Mert (2022) supported this view, emphasizing

the value of investigative tools in ensuring report accuracy.

Oyeniya et al. (2024) discussed the role of AI in enhancing report quality through predictive analytics and automated reviews. Their study found that AI tools helped in detecting anomalies and ensuring consistency in reporting. Multiple studies directly link digital tools to improved financial reporting. Okenwa (2021) explored how digital forensic techniques reduce material misstatements. His findings showed that these tools enhance report reliability by identifying financial anomalies early, thus supporting faithful representation. Mohsen et al. (2025) analyzed the role of AI in financial institutions. Their findings revealed that AI improved forecasting, streamlined data processing, and provided deeper insights into financial performance. These features directly contributed to more accurate and timely financial reports.

Elmaasrawy et al. (2025) examined blockchain's effect on auditing and reporting. They found that blockchain improved the auditability of transactions and minimized data tampering. The transparency and immutability of records enhanced trust in reported figures, especially in firms using smart contracts. Thottoli and Ahmed (2022) focused on SMEs in their analysis of IT adoption. Their findings indicated a positive relationship between IT systems and report timeliness. SMEs with functioning e-accounting tools were more likely to meet deadlines and regulatory requirements.

III. Theoretical Framework

Technology Acceptance Model (TAM)

TAM explains the adoption of technology based on two factors: perceived usefulness and perceived ease of use (Davis, 1989). Accountants are more likely to use digital tools if they believe these tools enhance job performance and are user-friendly. Al Natour and Al-Lahham (2021) confirmed that perceived ease of use significantly influenced the acceptance of accounting information systems. Thottoli and Ahmed (2022) confirmed this in their study of SMEs, where accountants reported that perceived operational value was the main factor driving e-accounting system use. In the accounting context, Kokina et al. (2021) noted that digital adoption improves when accountants recognize the operational benefits of technology. However, lack of digital literacy can diminish perceived ease of use.

Contingency Theory

Contingency theory posits that the effectiveness of digital tools depends on internal and external factors such as firm size, industry, and



infrastructure. Mert (2022) emphasized that digital tools were more effective in organizations with strong ICT frameworks and skilled personnel. Thus, the same tool may produce different results depending on contextual variables. Fagbemi and Olaoye (2016) demonstrated that firms with better resources and staff competencies benefitted more from digital adoption.

Oesterreich et al. (2019) argued that the success of digital tools depends on the compatibility between tool functionality and internal capabilities such as digital skills, infrastructure, and support systems. When these factors are misaligned, tool performance is compromised.

IV. Empirical Review

AI and financial reporting quality

Ogunayo et al. (2023) investigated AI deployment in Nigerian accounting practices and found a significant positive relationship between automation and the quality of financial reports. AI reduced manual errors, improved timeliness, and enhanced compliance with IFRS. Similarly, Oladejo and Yinus (2020) reported that AI-powered systems strengthened internal controls and the decision-usefulness of financial statements. Both studies acknowledged barriers such as high implementation costs and limited AI expertise (Oyeniyi et al., 2024). Overall, empirical evidence shows that AI adoption improves the relevance, reliability, and timeliness of financial reporting in Nigeria.

Cloud computing and financial reporting quality

Olufemi et al. (2021) found that Nigerian SMEs using cloud-based accounting platforms improved reporting timeliness and collaborative capabilities. Oyeniyi et al. (2024) also reported enhanced real-time reporting and integration with other digital tools. Asuquo et al. (2020) linked cloud adoption to fewer restatements and higher investor confidence. However, cost concerns, internet reliability, and cybersecurity risks persist. The evidence supports cloud computing's positive contribution to accessibility, accuracy, and speed of financial reporting.

Block chain and financial reporting quality

Akai et al. (2023) observed that blockchain adoption in Nigerian banks improved transparency,

reduced fraud, and provided tamper-proof audit trails. Chukwu et al. (2019) confirmed similar benefits in the public sector, noting improved compliance and transaction traceability. Olufemi et al. (2021) highlighted blockchain's potential for real-time verification, though regulatory uncertainty remains a challenge. Empirical results consistently show blockchain's value in enhancing the reliability and verifiability of financial statements.

Data analytics and financial reporting quality

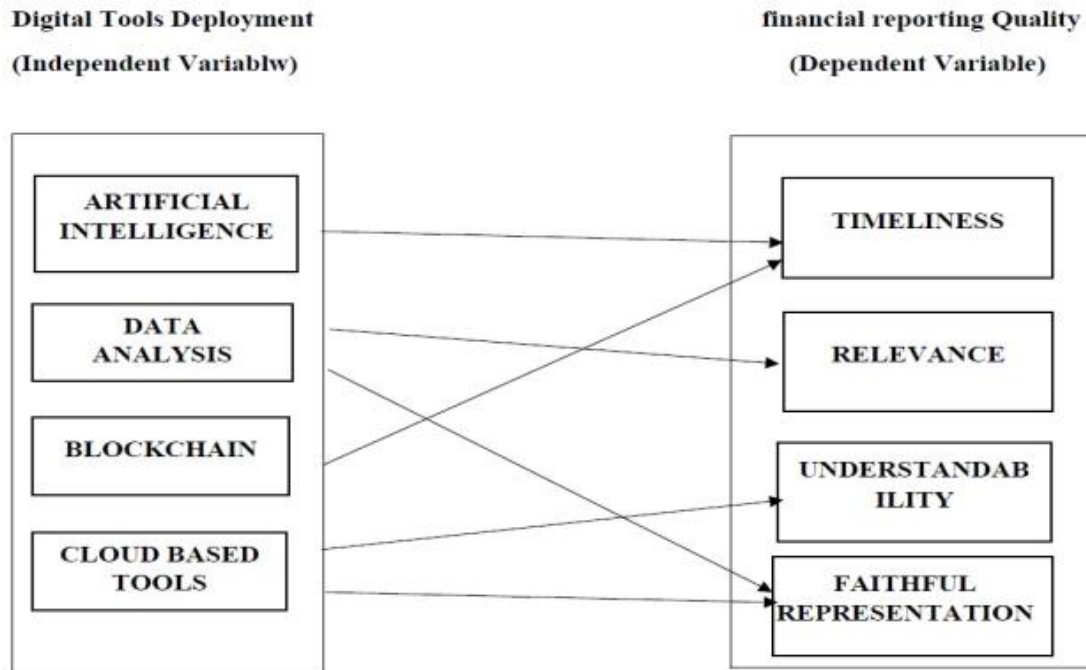
Al-Dmour (2018) demonstrated that data analytics tools increased the predictive and diagnostic value of financial reports. Akai et al. (2023) found that analytics dashboards in Nigeria improved irregularity detection and forecasting accuracy. Oladejo and Yinus (2020) reported greater reliability and relevance in disclosures for firms using analytics. Although limited software access and analytical skills hinder widespread adoption, evidence shows data analytics improves transparency, compliance, and strategic decision-making in financial reporting.

Yigitbasioglu et al. (2023) observed that when digital tools alter job responsibilities, employees may feel uncertain about their new roles. Gonçalves et al. (2022) emphasized that leadership commitment and internal communication are key to overcoming resistance. Firms with strong digital leadership adapt more smoothly. Finally, little research considers the joint influence of policy, education, and infrastructure on adoption. These variables are often studied in isolation, limiting a holistic view of digital tool deployment in the accounting sector.

The literature reveals a consistent theme: digital tools enhance financial reporting quality by improving accuracy, timeliness, and credibility. Tools such as accounting software, cloud systems, and AI applications offer clear advantages. However, these benefits depend on several factors including user competence, system integration, and infrastructure. Most studies agree that automation reduces human error and increases compliance. Yet, challenges like cost, training, and cybersecurity remain significant. There is also a noticeable research gap in non-banking sectors and in identifying specific FRQ attributes affected by digital deployment.



2.4 Conceptual Framework Financial reporting quality and deployment of digital tools



The conceptual framework shows the relationship between digital tool deployment (independent variable) and financial reporting quality (dependent variable). Deployment includes artificial intelligence (AI), cloud base computing, block chain and data analytics. Financial reporting quality includes timeliness, relevance, understandability, and faithful representation. Mediating and moderating factors include ICT infrastructure, firm size, and digital literacy. This framework positions digital tool deployment as the independent variable and financial reporting quality as the dependent variable. Moderating variables include digital literacy, infrastructure, organizational culture, and regulatory environment. These factors influence the effectiveness of digital tools and mediate their impact on reporting quality.

This study's conceptual framework identifies the types of digital tools (AI, cloud base computing, blockchain and data analytics) as independent variables. The dependent variable is financial reporting quality, measured by attributes like timeliness, relevance, understandability, and faithful representation. Moderating variables include ICT infrastructure, digital literacy, and firm size. Mediating variables may include regulatory support and training.

V. RESEARCH METHODS

Research Design

The study employed a descriptive and explanatory research design using a quantitative approach. The descriptive element enabled the researcher to examine the current state of digital tool deployment among Nigerian accountants, while the explanatory component focused on establishing the relationship between digital tool usage and financial reporting quality. This aligns with prior studies (Asuquo et al., 2020; Olufemi et al., 2021) that adopted similar designs to analyze the impact of technological innovations on accounting practices.

Population of the Study

The target population of the study comprised accountants, auditors, and finance managers working in both private and public sector organizations across Nigeria. This population is considered appropriate as they are directly involved in financial reporting activities and the adoption of digital tools.

Sample Size and Sampling Technique

A sample size of 400 was determined using the Cochran formula for large populations at a 95% confidence level and a 5% margin of error. Stratified random sampling was employed to ensure representation across key sectors including banking,



manufacturing, consulting, and public sector agencies. Within each stratum, proportionate sampling was used to select respondents. This sampling technique aligns with prior research that emphasizes the need for sectoral representation when studying digital adoption (Akai et al., 2023; Alonge et al., 2024).

Data Collection Method

The research instrument was a structured questionnaire designed in alignment with the study’s conceptual framework. The questionnaire was divided into five sections: demographic profile, extent of digital tool deployment (AI, blockchain, cloud computing, data analytics), financial reporting quality (relevance, timeliness, faithful representation and understandability), perceived challenges, and institutional support. The instrument used a 5-point Likert scale ranging from 1 (Strongly Agree) to 5 (Strongly Disagree), following formats used in similar Nigerian studies (e.g., Asuquo et al., 2020; Oyeniyi et al., 2024).

The instrument underwent content validation by academic experts and accounting professionals to ensure alignment with the research objectives. A pilot test was conducted using 30 respondents in Lagos to assess reliability. The Cronbach’s Alpha coefficient for the variables ranged between 0.78 and 0.89, indicating high internal consistency and reliability. This approach is consistent with studies like Al-Dmour (2018) and Odunayo et al. (2023).

Method of Data Analysis/Model Specification

Based on the nature of the dependent and independent variables involved in the research questions, appropriate analytical techniques will be selected to carry out the analysis. After collection of data, it will be organized and analysed. Data will be analysed using descriptive statistics. Frequency tables were drawn, regression analysis carried out. The data collected would be analyzed with the aid of the Statistical Package for Social Sciences (SPSS) version 20 software. The analysis constituted both descriptive statistics and inferential statistics. Inferential statistics included Simple regression for individual hypotheses and multiple regression analysis for all the research variables. The study results would be presented in form of statistical tables.

Model Specification

The hypotheses were tested by estimating a regression model which describes the relationship between a dichotomous response variable and a set

of explanatory variables. Statistical Package for the Social Sciences (SPSS) version 25 was used for the analysis. This method aligns with prior studies conducted by Imene&Imhanzenobe (2020) and Oluwagbade et al. (2024).

Where the Variables are:

- DDT = Deployment of Digital Tools.
- FRQ=Financial Reporting Quality.
- TIM = Timeliness
- UND =Understandability
- FRP =Faithful representation
- ε is the error term representing unobserved

factors.

The individual model generated using simple regression formula is summarized as follows: ($Y^1 = \alpha + \beta x$)

Model 1

Variables: TIM= Timeliness of Financial Reporting Quality.

DDT = Deployment of Digital Tools

The explicit relationships are:

$$Y_1 = \alpha_1 + \beta_1 TIM + \epsilon \dots\dots\dots (1)$$

$Y_1 = DDT$
 $\alpha_1 = \text{Constant}$
 $\beta_1 = \text{Coefficient}$
 $X = TIM$
 $\epsilon = \text{Residual (error) term}$

This model measures the digital tools effect significant improve timeliness of financial reporting in Nigeria.

Model 2

Variables: UND = Understandability of Financial Reporting Quality.

DDT = Deployment of Digital Tools

The explicit relationships are:

$$Y_2 = \alpha_2 + \beta_2 UND + \epsilon \dots\dots\dots (2)$$

$Y_2 = DDT$
 $\alpha_2 = \text{constant of the regression}$
 $\beta_2 = \text{Coefficient}$
 $X = UND$
 $\epsilon = \text{Residual (error) term}$

Model 2 examines the use of digital tools in enhancing the understandability of financial reporting



Model 3

Variables: FRP = Faithful representation of Financial Reporting Quality.
 DDT = Deployment of Digital Tools

The explicit relationships are:

$$Y_3 = \alpha_3 + \beta_3 FRP + \epsilon \quad (3)$$

- Y₃ = DDT
- α₃ = constant
- β₃ = Coefficient
- X = FRP
- ε = Residual (error) term

4.0 DATA ANALYSIS AND THE RESULTS

Response Rate

Out of the 400 copies of the questionnaire distributed to accountants, auditors, and finance

managers across Nigeria, 368 were returned and found usable, representing a 92% effective response rate. This high response rate was achieved through personal follow-up and the use of electronic means of questionnaire administration.

Analysis of Questionnaire Data

Data collected with the aid of questionnaire in relations to the subject matter of this study was analyzed descriptively using Frequency distribution and simple percentages statistical method.

4.3.1 Deployment of Digital Tools among Accountants

The descriptive statistics summarize respondents' perceptions of Deployment of digital tool among Accountants

Table 4.2: Digital Tools effect on Financial Reporting Quality

S/N	Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
1	Data analytics tools are frequently used to analyze financial data.	368	1.00	5.00	3.4225	1.40578
2	Our accounting department regularly uses cloud-based accounting software tasks	368	1.00	5.00	4.0704	1.17085
3	Artificial Intelligence (AI) is employed to assist with error detection in accounting.	368	1.00	5.00	4.0845	1.15772
4	Blockchain technology is integrated into our accounting or auditing processes.	368	1.00	5.00	3.9577	1.24270
5	We face challenges in fully deploying digital tools due to lack of technical skills.	368	1.00	5.00	3.8310	1.28257
	Valid N (listwise)	368				

Source: Field Survey, 2026

Table 4.2 shows that respondents were undecided with the views that data analytics tools are frequently used to analyze financial data; while the respondents agreed that their accounting department regularly uses cloud-based accounting software tasks; Artificial Intelligence (AI) is employed to assist with error detection in accounting; Block chain technology is integrated into our accounting or auditing processes, and that they face challenges in fully deploying digital tools due to lack of technical skills., with mean scores of 3.42, 4.07, 4.08, 3.95, 3.83 and standard deviations of 1.40, 1.17, 1.15, 1.24, and 1.28 respectively.

4.3.2 Evaluation of Financial Reporting Quality

The descriptive statistics summarize respondents' perceptions of Deployment of digital tool among Accountants

Table 4.3: Timeliness of financial reporting

S/N	Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
1	Financial reports are prepared and published promptly to meet deadlines.	368	5.00	3.9577	1.24270	368



2	Delays in financial reporting rarely occur in our organization	368	1.00	5.00	4.2535	.99243
3	Timely financial reporting helps stakeholders make better decisions.	368	1.00	5.00	3.9930	1.12670
4	Delays in receiving financial reports reduce the usefulness of the information provided	368	1.00	5.00	4.4366	.86266
5	Delays in preparing financial reports are rare in our organization.	368	1.00	5.00	3.5211	1.17128
	Valid N (listwise)	368				

Source: Field Survey, 2026

The table 4.3 revealed that respondents agreed with the views that Financial reports are prepared and published promptly to meet deadlines; they also agreed with the view that delays in financial reporting rarely occur in their organization; Timely financial reporting helps stakeholders make better decisions; Delays in receiving financial reports reduce the usefulness of the information provided and that delays in preparing financial reports are rare in our organization, with mean scores of 3.44, 4.25, 3.99, 4.43, 3.52 and standard deviations of 1.26, 0.99, 1.12, 0.86, and 1.17 respectively.

Table 4.4: Faithful Representation of Financial reporting

S/N	Respondents View	N	Minimum	Maximum	Mean	Std. Deviation
1	Financial reports accurately reflect the company's economic transactions	368	1.00	5.00	4.0845	1.15772
2	Errors and misstatements in financial reports are minimal.	368	1.00	5.00	3.9577	1.24270
3	Financial information is complete and free from bias.	368	1.00	5.00	3.3803	1.20125
4	Financial reports are expected to include all necessary information and cover all significant aspects of a company's financial state	368	1.00	5.00	4.2606	1.10241
5	There are effective internal controls to ensure accuracy in financial reporting.	368	1.00	5.00	3.8730	1.12670
	Valid N (listwise)	368				

Source: Field Survey, 2026

The table 4.4 above showed that respondents agreed with the statement that Financial reports accurately reflect the company's economic transactions; Errors and misstatements in financial reports are minimal.; The respondents also agreed that financial reports are expected to include all necessary information and cover all significant aspects of a company's financial state, and that There are effective internal controls to ensure accuracy in financial reporting, while the respondents were undecided on whether the Financial information is complete and free from bias, with mean scores of 4.08, 3.95, 4.26, 3.87, 3.4638 and standard deviations of 1.15, 1.24, 1.10, 1.12, and 1.20 respectively.

Table 4.5: 4.5: Understandability of financial reporting

S/N	Respondents View	N	Minimum	Maximum	Mean	Std. Deviation
1	Financial reports are presented in a clear and understandable manner.	368	1.00	5.00	4.0070	1.18798



2	Complex financial information is explained sufficiently in the notes to the financial statements.	368	1.00	5.00	3.2817	1.08743
3	Users with reasonable knowledge of business and accounting can understand the financial reports.	368	1.00	5.00	4.2535	.99243
4	The use of charts, graphs and tables in the financial reports enhances users' understanding of the information contained in the financial reports	368	1.00	5.00	3.9930	1.12670
5	Reports are structured logically, making it easy to locate information.	368	1.00	5.00	4.2183	1.01140
	Valid N (listwise)	368				

Source: Field Survey, 2026

The table 4.5 above showed that respondents agreed with the views that Financial reports are presented in a clear and understandable manner; Users with reasonable knowledge of business and accounting can understand the financial reports; The use of charts, graphs and tables in the financial reports enhances users' understanding of the information contained in the financial reports and that Reports are structured logically, making it easy to locate information. However, the respondents were undecided on whether Complex financial information is explained sufficiently in the notes to the financial statements, with mean scores of 4.00, 4.25, 3.99, 4.21, 3.28 and standard deviations of 1.18, 0.99, 1.12, 1.01 and 1.08 respectively.

The Results

The hypotheses formulated for the purpose of this study were tested using simple regression analysis with the aid use of Statistical Package for Social Sciences (SPSS). This will help to determine if or not a statistically significant relationship exists between the variables.

Hypothesis I:

Ho₁: Digital tools do not significant improve timeliness of financial reporting in Nigeria.

Hypothesis I in this study was tested using simple regression analysis with the aid use of Statistical Package for Social Sciences (SPSS). This help to determine if or not a statistically significant relationship exists between the variables.

Table 4.7: Regression Analysis of Deployment of Digital tools impact on timeliness of financial reporting in Nigeria.

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.295 ^a	.087	.080	1.11015		
a. Predictors: (Constant), Deployment of Digital tools.						
ANOVA ^a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	16.445	1	16.445	13.343	.000 ^b
	Residual	172.541	140	1.232		
	Total	188.986	141			
a. Dependent Variable: timeliness of financial reporting						
b. Predictors: (Constant), Deployment of Digital tools.						
Coefficients ^a						



Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.075	.292		10.548	.000
Deployment of Digital tools.	.264	.072	.295	3.653	.000

a. Dependent Variable: timeliness of financial reporting.

Table 4.7 indicated that a linear regression was calculated predicting subjects' 'Timeliness of financial reporting' based on 'Deployment of Digital tools'. A significant regression equation was found ($F(1, 141) = 13.343, p > .000$), with R^2 of .087, which indicates positive effect. Subjects predicted 'Timeliness of financial reporting' equal to $3.075 + .264$ of 'Deployment of Digital tools'. Subjects' average 'Timeliness of financial reporting' increased 0.264 for an increase in 'Deployment of Digital tools'. In furthermore, P-value of $0.000 < 0.05$ indicates that 'Deployment of Digital tools' have significant impact on 'Timeliness of financial reporting'. The null hypothesis is therefore rejected while the alternative is accepted. This result

suggests that relationship exist between Deployment of Digital tools and Timeliness of financial reporting. Therefore, Digital tools have significantly improved timeliness of financial reporting in Nigeria.

Hypothesis II:

H_{02} : The use of digital tools does not significantly enhance the understandability of financial reporting

Hypothesis II in this study was tested using simple regression analysis with the aid use of Statistical Package for Social Sciences (SPSS). This will help to determine if or not a statistically significant relationship exists between the variables.

Table 4.8: Regression Analysis of use of digital tools effect on the understandability of financial reporting.

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.422 ^a	.178	.172	1.09301	
a. Predictors: (Constant), <i>Use of Digital tools</i> .					
ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	36.212	1	36.212	30.312	.000 ^b
Residual	167.253	140	1.195		
Total	203.465	141			
a. Dependent Variable: <i>Understandability of financial reporting</i> .					
b. Predictors: (Constant), <i>Use of Digital tools</i> .					
Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.159	.240		8.989	.000
<i>Use of Digital tools.</i>	.381	.069	.422	5.506	.000

a. Dependent Variable: *Understandability of financial reporting*.

In Table 4.8, a simple linear regression was calculated predicting subject's 'Understandability of financial reporting,' based on 'Use of Digital tools'. A significant regression equation was found ($F(1, 141) = 30.312, p < .005$), with R^2 of .075, which indicates positive relationship. Subjects predicted 'Understandability of financial reporting.' equal to

$2.159 + .381$ of 'Use of Digital tools'. Subjects' average 'Understandability of financial reporting.' increased .381 for an increase in 'Sustainable supply chain practices'. Furthermore, P-value of $0.000 < 0.05$ indicates that 'Use of Digital tools' have significant impact on Understandability of financial reporting. The null hypothesis is therefore rejected



while the alternate is accepted. This result implies that there is a significant positive relationship between Use of Digital tools and Understandability of financial reporting in Nigeria in selected indigenous manufacturing firms in Lagos, Nigeria. This confirms that the use of digital tools has

significantly enhanced the understandability of financial reporting.

Hypothesis III:

Ho₃: There is positive significance between digital tools and faithful representation of financial reporting in Nigeria

Table 4.9: Regression Analysis digital tools effect on faithful representation of financial reporting in Nigeria.

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.503 ^a	.253	.247	.94335		
a. Predictors: (Constant), <i>Digital tools</i> .						
ANOVA ^a						
Model	Sum of Squares	Df	Mean Square	F	Sig.	
1 Regression	42.145	1	42.145	47.359	.000 ^b	
1 Residual	124.587	140	.890			
Total	166.732	141				
a. Dependent Variable: <i>Faithful representation of financial reporting</i>						
b. Predictors: (Constant), <i>Digital tools</i> .						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.811	.228		7.945	.000
	<i>Digital tools</i> .	.432	.063	.503	6.882	.000

a. Dependent Variable: *Faithful representation of financial reporting*

Table 4.9 show that a simple linear regression was calculated predicting subject's 'Faithful representation of financial reporting' based on 'Digital tools'. A significant regression equation was found ($F(1, 141) = 47.359, p = .000$), with R^2 of .253, which indicates positive relationship. Subjects predicted 'Faithful representation of financial reporting' equal to $6.931 + .308$ of Digital tools. Subjects' average 'Faithful representation of financial reporting' increased .308 for an increase in 'Digital tools'. In furthermore, P-value of $0.000 < 0.05$ indicates that 'Digital tools' have significant impact on Faithful representation of financial reporting. The null hypothesis is therefore rejected while the alternative is accepted. This result implies that there is a positive relationship between Digital tools and Faithful representation of financial reporting. This result suggests that there is positive relationship between digital tools and faithful representation of financial reporting in Nigeria.

VI. CONCLUSION, AND RECOMMENDATIONS

Based on the findings, the study concludes that the deployment of digital tools among accountants in Nigeria has a substantial and positive impact on financial reporting quality. Digital innovations such as AI, blockchain, and cloud computing have transformed traditional accounting practices, promoting efficiency, accuracy, and transparency in financial information preparation and disclosure. The study affirmed that relationship exist between Deployment of Digital tools and Timeliness of financial reporting. Therefore, it is concluded that digital tools have significantly improved timeliness of financial reporting in Nigeria.

Analysis result confirms that the use of digital tools has significantly enhanced the understandability of financial reporting. This finding led to the conclusion that there is a significant positive relationship between Use of Digital tools



and Understandability of financial reporting in Nigeria in selected indigenous manufacturing firms in Lagos, Nigeria. The study also concludes that there is a positive relationship between Digital tools and Faithful representation of financial reporting, which was confirmed by significant positive relationship between digital tools and faithful representation of financial reporting in Nigeria. It was further confirmed and concluded that there is a positive relationship between digital tool deployment and Relevance of financial reporting, implies that digital tool deployment has significantly influenced the Relevance of financial reporting in Nigeria.

The study recommended that accountants and accounting firms must embrace/invest in modern digital tools and technologies such as AI-driven accounting software, blockchain systems, and cloud-based financial management solutions to achieve timeliness and enhance high reporting quality. Faithful representation of financial reporting must be instilled by accounting firms and Professional accountants for financial reports to accurately reflect the firm's economic transactions. Use of digital tools should be encouraged among accountings firms and professional accountants since the study found that use of digital tools have significant impact on understandability of financial reporting. In the modern time, it is recommended and important that firms and professional institutions should deploy digital tools make financial reporting very relevant, and understandable, to prepare for the present technology-driven environments.

REFERENCES

- [1]. Akaegbobi, T. N. P. Blockchain Technology in Accounting and Financial Reporting Quality: A Study of Selected Manufacturing Firms in Anambra State. *Research Journal of Management Practice* | ISSN, 2782, 7674.
- [2]. Akai, N. D., Ibok, N., & Akinninyi, P. E. (2023). Cloud accounting and the quality of financial reports of selected banks in Nigeria. *European Journal of Accounting, Auditing and Finance Research*, 11(9), 18-42.
- [3]. Al Natour, J. R. A. Q., & Al-Lahham, M. I. O. (2021). The impact of information technology on the quality of accounting information (SFAC NO 8, 2010). *Turkish Journal of Computer and Mathematics Education*, 12(13), 885-903.
- [4]. Al-Dmour, H. (2018). The influence of big data analytics on financial reporting quality. *International Journal of Accounting Research*, 9(3), 122-138.
- [5]. Alonge, E. O., Dudu, O. F., & Alao, O. B. (2024). The impact of digital transformation on financial reporting and accountability in emerging markets. *International Journal of Science and Technology Research Archive*, 7(2), 025-049.
- [6]. Asuquo, A. I., Dan, N. O., & Effiong, G. T. (2020). Impact of information technology on accounting line of works. *International Journal of Recent Technology and Engineering*, 9(2), 1572-1577.
- [7]. Bakre, O. M., McCartney, S., & Fayemi, S. O. (2022). Accounting as a technology of neoliberalism: The accountability role of IPSAS in Nigeria. *Critical Perspectives on Accounting*, 87, 102282.
- [8]. Chukwu, G., Obinna, O., & Uchenna, C. (2019). Blockchain technology and public sector accountability in Nigeria. *Journal of Public Administration and Policy*, 11(1), 44-60.
- [9]. Chukwu, N., Asaolu, T. O., Uwuigbe, O. R., Uwuigbe, U., Umukoro, O. E., Nassar, L., & Alabi, O. (2019, September). The impact of basic forensic accounting skills on financial reporting credibility among listed firms in Nigeria. In *IOP Conference Series: Earth and Environmental Science* (Vol. 331, No. 1, p. 012041). IOP Publishing
- [10]. De Silva, P., Gunarathne, N., & Kumar, S. (2025). Exploring the impact of digital knowledge, integration and performance on sustainable accounting, reporting and assurance. *Meditari Accountancy Research*, 33(2), 497-552.
- [11]. Efuntade, A. O., Fcib, F., & Efuntade, O. O. (2023). Cloud Technology-Based Auditing and Accounting Services: General Outlook, Conditions, Issues and Review of Nigerian Accounting System. *Journal of Accounting and Financial Management (JAFM)*, 9(4), 1-21.
- [12]. Elmaasrawy, H. E., Tawfik, O. I., & Abdul-Rahaman, A. R. (2025). Effect of audit client's use of blockchain technology on auditing accounting estimates: evidence from the Middle East. *Journal of Financial Reporting and Accounting*, 23(2), 617-638.
- [13]. Fagbemi, T. O., & Olaoye, J. A. (2016). An evaluation of accounting information system and performance of small scale enterprises in Kwara State, Nigeria. *DBA Africa Management Review*, 6(1).



- [14]. Kokina, J., Gilleran, R., Blanchette, S., & Stoddard, D. (2021). Accountant as digital innovator: Roles and competencies in the age of automation. *Accounting Horizons*, 35(1), 153-184.
- [15]. mene, F., & Imhanzenobe, J. (2020). Information technology and the accountant today: What has really changed? *Journal of Accounting and Taxation*, 12(1), 48-60.
- [16]. Mert, İ. (2022). Investigation techniques, methods, types, and increasing impact of forensic accounting in digital period. *MaliyeveFinansYazıları*, (118), 13-32.
- [17]. Mohs en, S. E., Hamdan, A., & Shoaib, H. M. (2025). Digital transformation and integration of artificial intelligence in financial institutions. *Journal of Financial Reporting and Accounting*, 23(2), 680-699.
- [18]. Nwankwo, P. E., Igwe, A. O., & Nnamani, C. O. (2025). Effect of Automated Accounting Software on the Efficiency of Nigerian SMEs' Financial Operations. *Global Journal of Auditing and Finance*, 7(1), 1-17.
- [19]. Odunayo, J., Akintoye, R. I., Aguguom, T. A., Sanyaolu, A. W., Omobowale, A., & Osunusi, K. A. (2023). Digital disruption of accounting information and quality of financial reporting of listed money deposit banks in Nigeria. *International Journal of Applied Economics, Finance and Accounting*, 17(2), 337-352.
- [20]. Odunayo, T., Adewale, O., & Johnson, F. (2023). Artificial intelligence and financial reporting quality in Nigerian banks. *Journal of Accounting and Finance*, 15(4), 45-59.
- [21]. Oesterreich, T. D., Teuteberg, F., Bensberg, F., & Buscher, G. (2019). The controlling profession in the digital age: Understanding the impact of digitisation on the controller's job roles, skills and competences. *International journal of accounting information systems*, 35, 100432.
- [22]. Ogba, N. E., & Lasisi, F. A. An Investigative Study on The Effect of Digital Technology on Financial Reporting and Decision Making in Tertiary Institutions.
- [23]. Okenwa, O. C. (2021). Effective Deploy of Digital Forensic Techniques and The Sustenance of Material Misstatement-Free Financial Reporting. In Nigeria. *Journal of Academic Research in Economics*, 13(3).
- [24]. Oladejo, M. O., & Yinus, S. O. (2020). Electronic accounting practices: An effective means for financial reporting quality in Nigeria deposit money banks. *International Journal of Managerial Studies and Research*, 8(3), 13-26.
- [25]. Oladejo, M., & Yinus, A. (2020). Digital transformation in accounting: Evidence from Nigerian firms. *African Journal of Accounting Research*, 12(2), 88-104.
- [26]. Olufemi, B., Adegbite, A., & Salami, K. (2021). Cloud-based accounting and SME performance in Nigeria. *Nigerian Journal of Management Studies*, 18(1), 112-129.
- [27]. Olufemi, O. O., Festus, A. F., & Adekunle, A. M. (2021). Accounting software in computerized business environment and quality of corporate reporting. *Journal of Finance and Accounting*, 9(3), 101-110.
- [28]. Oluwagbade, O. I., Boluwaji, O. D., Azeez, O. A., & Njengo, L. M. (2024). Challenges and opportunities of implementing artificial intelligence in auditing practices: A case study of Nigerian accounting firms. *Asian Journal of Economics, Business and Accounting*, 24(1), 32-45.
- [29]. Omonuk, J. B., & Oni, A. A. (2015). Computer assisted audit techniques and audit quality in developing countries: Evidence from Nigeria. *Journal of Internet Banking and Commerce*, 20(3), 1.
- [30]. Oyeniyi, L. D., Ugochukwu, C. E., & Mhlongo, N. Z. (2024). The influence of AI on financial reporting quality: A critical review and analysis. *World Journal of Advanced Research and Reviews*, 22(1), 679-694.
- [31]. Oyeniyi, T., Lawal, A., & Musa, F. (2024). The impact of cloud technology on financial reporting quality in Nigeria. *International Journal of Accounting Innovation*, 6(3), 201-220.
- [32]. Smith, S. S. (2018). Digitization and financial reporting—how technology innovation may drive the shift toward continuous accounting. *Accounting and Finance Research*, 7(3), 240-250.
- [33]. Thottoli, M. M., & Ahmed, E. R. (2022). Information technology and E-accounting: some determinants among SMEs. *Journal of Money and Business*, 2(1), 1-15.
- [34]. Yigitbasioglu, O., Green, P., & Cheung, M. Y. D. (2023). Digital transformation and accountants as advisors. *Accounting, Auditing & Accountability Journal*, 36(1), 209-237.