

CLOUD ACCOUNTING AND FINANCIAL REPORTING QUALITY OF DEPOSIT MONEY BANKS (DMBs) IN NIGERIA

Sunday OWOLABI, Kolawole Samuel OYEGOKE, Mayowa OLALERE

Department of Accounting School of Management Sciences Babcock University Ilishan Remo Ogun State, Nigeria

DOI: <https://doi.org/10.56293/IJMSSSR.2022.4666>

IJMSSSR 2023

VOLUME 5

ISSUE 4 JULY – AUGUST

ISSN: 2582 - 0265

Abstract: Cloud accounting is gaining attraction because of the inadequacies of traditional accounting approaches and as a result it is seen to lead to considerable increase in productivity because it helps accountants in small and medium business to provide quality financial reporting to their customers and arrangements on their money related issues. In the age of globalization, the need to access information has become a requirement. Processing data in the cloud permits access to such data restricted only by access credentials independently of location and time. In this study, the effect of cloud accounting on financial reporting qualities of DMBs was investigated. The population was 14 listed deposit money banks while the sample size was 10 using purposive sampling technique for a period of 10 years. This study discovered that there is need for DMBs to adopt cloud accounting technology to increase their financial reporting quality. The study hereby concluded that cloud accounting has a positive effect on financial reporting qualities of DMBs. The study recommended that the eventual fate of cloud computing in Nigeria is splendid if government and all partners would put all hands-on deck to guarantee that these distinguished difficulties/obstructions to its achievability are tended to decisively.

Keywords: Cloud accounting, Deposit Money Banks, Financial Reporting, Financial Reporting Quality, Traditional Accounting Approaches

1. Introduction

It is now clear that advances in technology have profoundly altered both the practice of accounting and auditing as well as how those professionals go about their daily work. This transformation may be primarily fueled by cloud accounting, which enables companies to use infrastructure and IT applications efficiently and economically. A private provider offers a range of services off-site using a network of computer systems, software, and services collectively referred to as "cloud accounting." Many banks and telecoms companies, where clients can access a variety of online solutions and services, have started to adopt, and embrace cloud accounting in Jordan in response to requests.

A company's success in the competitive economy of today depends on its capacity for adaptation. It will be crucial to invest in developing technologies and adopt them, as well as take advantage of new economic opportunities, to achieve this. Automation of accounting processes began in the 1950s (Matei, 2015). With the emergence of corporate operations conducted via the internet, accounting cannot be restricted to a desktop computer or office server (Effiong, Udoayang & Davies, 2020). Almost all data and specialized financial activities can now be accessed from any location thanks to the advent of cloud accounting. However, accounting methods and concepts have evolved swiftly in the contemporary business environment, despite many international economic agreements remaining constant. The pace of technological development has also quickened with the introduction of cloud accounting.

Technology advancements have played a significant role in accounting's explosive growth as a diversified field. As cloud accounting matures and client expectations change, accountants are rethinking their organizational structures to support these elevated levels of performance and expectations. Cloud accounting is a branch of electronic computing that developed because of the Internet of Things. Through cloud accounting processing,

accounting-related difficulties including mistakes, holdups, and data validation are solved (Effiong, Udo yang & Davies, 2020). People will be able to concentrate on their core abilities because they won't have to worry about the administrative tasks connected with running their businesses (Tahmina, 2017). The ability of the accounting industry to assist consumers has substantially increased because of recent technological advancements (Rao, Jyotsna & Sivani, 2018).

Globally, the importance of delivering high-quality financial reports has increased. It is crucial to give correct financial reporting information as this will have a significant impact on capital providers' and other decision-makers' judgments on speculation, credit, and comparative asset identification, boosting the market's overall efficacy (IFRS, 2018). According to IASB, financial reporting must correspond to the objective and subjective requirements of financial reporting for firm data to be useful (Al-Dmour, Abbod, & Al Qadi, 2018).

Accounting has continuously advanced over the past few decades, growing both better and more difficult while still satisfying clients and making allowances. Modern accounting has advanced to this point after undergoing modest changes over the years by keeping up with the ever-changing creative trends. Due to a foreseeable transition from manual to mechanical accounting methods, clients now have access to simpler and more advantageous accounting services. The accounting sector's ongoing transition to faster technologies has greatly improved its capacity to serve clients (Rao, Jyotsna & Sivani, 2018). Accounting is made more accessible, inexpensive, and effective with the use of cloud computing. Cloud Accounting comprises using cloud-based software on any device with a web connection (Rao et al, 2018).

The administration must organize accounting-related data for financial reporting to address the concerns of various clients. The Financial Accounting Standards Board (FASB, 2006) states that financial disclosure should provide true information so that investors, loan officers, and other clients can make educated judgments (Moses, Ofurum & Egbe, 2016). People who utilize financial reports frequently anticipate them to be an accurate account of business transactions that gives a comprehensive explanation of the condition in the short- and long-terms of a company (Igben, 1999).

1.1 Statement of the Problem

Cloud computing is a challenging new concept that is unfamiliar to Africa in general and to Nigeria in particular. This is a result of Nigeria falling short in terms of the essential IT foundation requirements (such as reliable power and inadequate online access) for the practical deployment of the invention. The corporate sector has accepted cloud computing as the new paradigm that will eventually burst the existing accounting frameworks. Businesses are primarily impacted by four factors that will help this innovation progress: company digitization, the web's exceptional potential, the effects of massive amounts of information, and the growing importance of information mining. In this setting, cloud computing developed and generated fresh plans.

Organizations work to expedite and enhance their partner services in response to the growing PC adoption and reliance on digital information. Even though multiple researchers have shown this notion to have successfully broken the standard accounting framework's flaws and highlighted its various areas of interest, its effects on corporate partners have consistently been disregarded. It so appears that its focus is mostly focused on increasing businesses' profits as well as their overall image, with essentially little concern for its impact on corporate partners and, consequently, their contentment.

The official management of Nigerian banks thought the closeness of cloud computing was helpful at a national gathering of chiefs. The topic of cloud computing has been crucial in this area recently as changes and evolutions in information and communication systems have accelerated and new discussions have been brought around it. The official executive of Nigerian Banks has also drawn attention to the fact that the topic of cloud computing is a worldview that integrates a broad area of innovation. Given the number of advancements occurring in different areas of innovation, such as software, system and framework, security, and so forth, participation in such events can result in a better and more in-depth understanding of new methodologies in the field of innovation.

Banking is one of the industries where cloud computing might be useful, and there are challenges, such as not using cloud computing and not using CRM, in moving towards this industry. The question is when and how the

bank should move towards this industry. These problems rely on different elements and need thorough investigations. Investigating the effects of cloud accounting on the financial reporting quality of the Nigerian banking industry becomes very imperative.

Research Objective

The main Objective was to investigate the effect between Cloud Accounting and Financial Reporting Quality of DMBs listed in Nigeria. The specific objectives were to:

- i. Examine the effect between Cloud Accounting and Relevance of Accounting Information of DMBs listed in Nigeria.
- ii. Examine the effect between Cloud Accounting and Faithful Representation of Accounting Information of DMBs listed in Nigeria.

Research Questions

The following research questions were answered:

- i. How does Cloud Accounting Affect Relevance of Accounting Information of DMBs listed in Nigeria?
- ii. In what way does Cloud Accounting Affect Faithful Representation Accounting Information of DMBs listed in Nigeria?

Research Hypothesis

H₀₁: There is no significant effect between Cloud Accounting and Relevance of Accounting Information of DMBs listed in Nigeria.

H₀₂: Cloud Accounting does not have a significant effect on Faithful Representation Accounting Information of DMBs listed in Nigeria.

2. Literature Review

2.1 Conceptual Review

Financial Reporting Quality

According to earlier research, a financial report that is accurate and qualified is a useful instrument for doing financial analysis, feasibility analysis, and interpretation. For instance, Kaliski (2001) explains that a strong financial report emphasizes financial components and relationships between them so the consumer can quickly make comparisons between them and wise decisions. For the user to predict the necessary future financial performance of the company, it also highlights the past and present financial performance of the company. Numerous research have been done to investigate the level of financial reporting quality, its components, and its influencing factors (Botosan, 2004; Daske & Gebhardt, 2006).

Other studies, including those by Biddle et al. (2009) and Jennifer Martinez-Ferrero (2014), concentrate on examining the interaction between the quality of financial reporting and other influencing factors such fraud, profit manipulation, earnings, internal audit and control, and corporate governance. Financial reporting is the process of formally disclosing the financial activity of a business. It is regarded as a crucial tool for every market participant. Additionally, it lessens the ambiguity and disagreement among all parties involved, including management, investors, regulatory bodies, society, and other stakeholders. Every participant in this process, including every activity related to it, should be submitted properly. This is especially true of the disclosure process, all transactions, accounting policies, and all judgments and views expressed by the staff members participating (Gaynor et al., 2016). The main objective of a large portion of the strategy literature is to explain variation in firm performance. The quality of financial reporting and its influence on a company's subsequent success are topics

that have been extensively researched in the literature and in earlier studies.

Cloud Accounting

Financial accounting has been regarded as a formal and standard source of information within firms for many years. Financial accounting represents the financial status of any specific company in accordance with the underlying accounting standards and rules (Chapellier, 1994). As a result, it can be referred to as the language of business because it influences stakeholders' decision-making (Mohammadi & Mohammadi, 2014). It also serves a variety of other applications, including planning and controlling, financial analysis, and business appraisal (Ionescu et al. 2014). Unfortunately, traditional accounting systems frequently fail to assist organizations effectively because they are too huge and complex to fully understand, unable to handle changes in the economy and tax regulations, incapable of managing the information provided, and inefficient (Christauskas & Miseviciene, 2012).

Since the corporate environment is unstable, accountants should always take advantage of new technologies to complete their work more accurately and quickly. Cloud computing is one of the upcoming technologies that the Association of Chartered Certified Accountants has identified (Chua, 2013). Although a formal definition of cloud accounting has not yet been defined, several authors have described it as combining accounting and cloud computing concepts. Although it functions similarly to accounting software installed on users' computers, "cloud accounting" or "online accounting" is carried out on servers that provide internet services, and users can access them through web browsers. Since the cloud accounting paradigm combines accounting procedures and cloud computing principles, cloud accounting can be considered a continuation of cloud computing. Studies show that cloud accounting has become more popular recently, but local researchers are not paying attention to this.

2.2 Theoretical Review

Technology Acceptance Model (TAM)

This theory was developed by Fred Davis in 1989. It was later supported by Bagozzi and Warshaw in 1992. TAM replaces many of TRA's attitude measures with the two technology acceptance measures i.e., ease of use and usefulness.

The assumptions of the theory according to Davies (1989), TAM states that an individual's intention towards using a new system is jointly determined by perceived usefulness, the users' "subjective probability that using a specific application system will increase his or her job performance and efficiency" and perceived ease of use (PEOU), "the degree to which the user expects the target system to be free of effort." The effects of external variables (e.g., system design characteristics) on behavioral intention (BI) are mediated by these beliefs. Accordingly, the perceived ease of use also has a direct effect on predicting usage. TAM models might be useful within and across organizations for evaluating applications or technologies, or to make comparisons between user groups or applications. However, TAM has limitations in being applied beyond the workplace because its fundamental constructs do not fully reflect the variety of user task environment and constraints. There have been tens of empirical studies conducted on TAM since its inception. Compared with its competing models, TAM is believed to be more parsimonious, predictive, and robust (Venkatesh & Davis, 2000).

Despite the plethora of literature on TAM, there exist some critics as the empirical tests have so far produced mixed and inconclusive results, which vary considerably in terms of statistical significance, direction, or magnitude. Although they are not uncommon in social sciences where human behavior is difficult and complex to explain, the mixed findings not only undermine the precision of TAM, but also complicate efforts for IT practitioners and academicians to identify the antecedents to user acceptance behavior (Ma & Liu, 2004).

Several writers and researchers have criticized the model (Zahid, Ashraf, Nwachukwu and Hussein 2013, Bashange 2015). In her thesis of 2015, Bashange suggests that a great deal of the relevant available literature which refers to the TAM tends to regard it as a dependent variable, rather than a means of determining the factors which influence behavior. The criticism which is advanced by Zahid et al. (2013) suggests that the TAM does not consider factors such as age and education as external variables which could influence acceptance of and willingness to use technology. Conversely, it could be contended that it is extremely problematic to measure

behavior, as hidden personality traits often motivate behavior.

Accordingly, potential users of technology may not necessarily base their acceptance of and willingness to use new technology on their perceptions of the usefulness of IT and how easy it is to use, although the model does suggest that there may be other external factors which could be responsible for their acceptance of the technology which is very relevant to this study (Ajibade, 2018).

Stakeholders' Theory

Following the introduction of stakeholders' theory in 1970, Freeman (1984) developed the scope of the theory to accommodate a wider range of stakeholders. According to Freeman (1984), the stakeholder theory assumes and maintains that a firm has a stewardship role towards a variety of stakeholders who are different from the shareholders who are the customers, suppliers, employees, government, community, environment, and future generations. King (2002) opined that the importance of integrated sustainability reporting in strengthening the relationship between a firm and the society in which it operates and being insensitive to the interest of stakeholders may affect the reputation of the firm which would adversely affect the operational and financial performance.

Stakeholder theory views organizations as a system that accommodates not only the interest of the owners but also the interest of other groups within the environment in which the organization operates. This view is contrary to the view of agency theory that sees organizations as a system of relationship between shareholders and management (Lawal, 2012). The theory argued that since organizations cannot operate and exist in isolation without relating to their immediate environments then, the interests of other stakeholders such as employees, customers, suppliers, government agencies and local communities should be considerably factored in the process of strategic decision making. Therefore, organizations should not only maximize the return of its shareholders, but also the expectations of other stakeholders should be considered.

The theory posits that companies should carry out sustainability practices and reporting as a way of fulfilling their ethical and social obligations to stakeholders and at the same time, maximizing shareholders wealth. The ability of the firm to manage its relationship with its stakeholders will ensure its long-term growth and survival. The stakeholders can only be aware of firm's sustainability practices through its sustainability reporting. The growth and survival of a firm depends on its capability to create value for the stakeholder which will not be achieved if the needs of the stakeholders are ignored (Clarkson, 1995; Jensen, 2002). In other words, a firm will be able to maintain its existence if the expectations of the stakeholders are met, which can only be made known to them through sustainability reporting.

Stakeholder theory aims at helping management understand the stakeholder environment for managing a more effective company (Ulum, 2015). This theory asserts that companies must direct the fulfilment of stakeholder expectations. The possibility of not implementing stakeholder management will reap protests that can eliminate stakeholder legitimacy (Hadi, 2011). Therefore, this theory is widely used in the underlying research on Sustainability Reporting (SR) (Epstein, 2018; Hill, Jones, & Schilling, 2014). The basis of this theory also refers to signaling theory, about which Brealey, Leland, and Pyle, (1977); Ross, (1977) stated: Information on corporate value conveyed by managers to potential investors or external parties could increase the value of the company through annual report signals.

The stakeholder group's interest must also be aligned since they are the providers of capital, and the treatment of any stakeholder group will attract a reaction from those affected. The success of the management is largely dependent on the fusion of stakeholders into the chain and consideration for stakeholders' expectations in all aspects of direction of decisions will affect the future of the establishment or entity (Donaldson & Preston, 1995). The focus of the stakeholder theory is how the management creates value and how they respond and this relationship that exists between them is key towards the success or failure of the firm.

The supporters of this theory such as Chen, Zhong and Chen (2012) explain that stakeholders are groups of constituents in a firm that have a legal claim from the firm in which they have a certain interest. This authority from stakeholders is therefore enforced through an exchange relationship that exists between an organization and

its partners. Boatright (2012) went further by giving an example that stakeholders have some interests to be earned because of the positive relationships that tie them to the organization. The criticism of the theory is that it is vague and presents ambiguity in its graphical representation. This theory was analyzed by different scholars who have demonstrated its limitations; such lack a widely accepted normative basis; it is still weak because some scholars posit that it is not fully descriptive, and empirical analysis of the organizational relationship is still a challenge. Finally, this theory is considered as a second order theory which needs to increase in level of advancement in its development (Donaldson & Preston, 1995).

The relevance of this theory to this study is that the management of the banks should try and build a framework that will be representative of the concerns of managers who were being buffeted and considers all the stakeholders' groups.

The Theory of Innovation Diffusion

Diffusion of innovation (DOI) was developed by Rogers in 1962. It is one of the oldest social science theories. It originated in communication to explain how, over time, an idea or product gains momentum and diffuses (or spreads) through a specific population or social system. It was also supported by researchers Ghosal & Bartlett in 1988 and Strang & Soule in 1998.

The assumptions of diffusion of innovations are a theory that seeks to explain how, why, and at what rate new ideas and technology spreads. Everett Rogers, a professor of communication studies, popularized the theory in his book *Diffusion of Innovations*; the book was first published in 1962, and it is now in its fifth edition (2003). Rogers (1983) gave the key elements in diffusion research as:

Innovation: Innovation is a broad category, relative to the current knowledge of the analyzed unit. Any idea, practice, or object that is perceived as new by an individual or other unit of adoption could be considered an innovation available for study (Rogers, 1983).

Adopters: Adopters are the minimal unit of analysis. In most studies, adopters are individuals, but can also be organizations (businesses, schools, hospitals, etc.), clusters within social networks, or countries (Meyer, 2004).

Communication channels: Diffusion, by definition, takes place among people or organizations. Communication channels allow the transfer of information from one unit to the other (Rogers, 1983). Communication patterns or capabilities must be established between parties as a minimum for diffusion to occur (Ghosal & Bartlett, 1988).

Time: The passage of time is necessary for innovations to be adopted; they are rarely adopted instantaneously. In fact, in the Ryan and Gross (1943) study on hybrid corn adoption, adoption occurred over more than ten years, and most farmers only dedicated a fraction of their fields to the new corn in the first years after adoption (Rogers, 1983).

Social system: The social system is the combination of external influences (mass media, surfactants, organizational or governmental mandates) and internal influences (strong and weak social relationships, distance from opinion leaders) (Strang & Soule, 1998). There are many roles in a social system, and their combination represents the total influence on a potential adopter (Rogers, 1983).

Rogers (2003) argues that diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. Given that decisions are not authoritative or collective, each member of the social system faces his/her own innovation-decision that follows a 5-step process:

1. Knowledge – person becomes aware of an innovation and has some idea of how it functions,
2. Persuasion – person forms a favorable or unfavorable attitude toward the innovation,
3. Decision – person engages in activities that lead to a choice to adopt or reject the innovation,
4. Implementation – person puts an innovation into use,

5) Confirmation – person evaluates the results of an innovation-decision already made. The most striking feature of diffusion theory is that, for most members of a social system, the innovation-decision depends heavily on the innovation-decisions of the other members of the system.

Rogers (2003) argues and criticizes that after about 10-25% of system members adopt an innovation, relatively rapid adoption by the remaining members and then a period in which the holdouts finally adopt. However, there is still a tendency of having failed diffusion. Failed diffusion does not mean that the technology was adopted by no one. Rather, failed diffusion often refers to diffusion that does not reach or approach 100% adoption due to its own weaknesses, competition from other innovations, or simply a lack of awareness. Rogers proposes that four main elements influence the spread of a new idea: the innovation itself, communication channels, time, and a social system. This process relies heavily on human capital. The innovation must be widely adopted to self-sustain. Within the rate of adoption, there is a point at which an innovation reaches critical mass. According to Rogers (2003), the categories of adopters are innovators, early adopters, early majority, late majority, and laggards. In regard to e-taxation, Nigeria can be categorized as laggards because since its introduction in 1986, Nigeria being the giant of Africa failed to key into the innovation before other African countries.

This theory is relevant to this study as the various elements that influence the spread of a new idea is being considered by owners of businesses more especially by involving Nigeria.

2.3 Empirical Review

Mugenyi (2018) investigated how commercial banks in Uganda used cloud computing services for sustainable development. According to the inquiry, over the past 20 years, business banks in Uganda have constantly increased the number of branches, their sizes, and their operating activities. This expansion has resulted in higher operational costs related to the purchase and maintenance of IT infrastructure and, in any case, a greater need for space to accommodate them, which is continually accompanied by helpless information storage and the board. When adopted, cloud computing offers the greatest and most up-to-date solution to address the problems identified in business banks and highlighted in this analysis.

The adoption of cloud computing in organizations was the subject of Haslinda, Mohd, and Norhaiza's 2017 research. To identify its compelling components and operationalization in earlier work, the study reviewed writing on distributed computing appropriation in associations. The three settings—innovation, association, and condition—recommended by the Technology Organization-Environment (TOE) system are used by the scientists to arrange the factors that affect distributed computing reception. The results of the analysis suggest that these factors have different effects on different research, and that many of them have operationalized distributed computing appropriation by embracing distributed computing or double factor rather than making actual use of the technology.

In 2017, Tahmina conducted a fictitious audit of cloud bookkeeping. The analysis demonstrates that one of the significant IT breakthroughs over the past ten years has been the creation of accounting software using cloud technology, which has improved the practice of bookkeeping overall. Like other business divisions, bookkeeping has embraced distributed computing systems to provide crucial data as well as a continuous assessment of business for all partners. Even though cloud bookkeeping is becoming more and more common over time, many business owners and professionals are unsure of what it is, what its benefits are, or how it will affect bookkeeping in the future. The analysis ended with a hypothetical overview of cloud bookkeeping that included its concept, advantages, disadvantages, relationship to the traditional one, and some other crucial perspectives that may change the bookkeeping profession in the years to come.

An investigation on the use of distributed computing in Albanian bookkeeping businesses was performed by Perri and Muça in 2015. The study views distributed computing as a web-based innovation that promotes the delivery of registering services through the system and is unquestionably the best solution to problems facing accounting businesses regarding acquiring, storing, handling, and describing data. The experts highlight the effects of this innovation on accounting data systems and financial performance in central Albanian companies. Despite the great amount of data available on distributed computing, the analysis finds that academic research and individual studies serve as more significant data sources than business foundations. Additionally, the study indicated that the

biggest benefits of distributed computing technology are perceived as cost savings for both the hardware and software, while its biggest drawbacks are data security and consistent quality.

Okoye and Akenbor (2014) looked at Nigeria's monetary detailing system and the country's adoption of international money-related announcing standards. In this study, a fictitious analysis of Nigeria's financial reporting structure in opposition to the adoption of the International Financial Reporting Standards (IFRS) was presented. The inquiry, which included a wide range of writing, discovered the problems, benefits, and challenges in the transition from Generally Accepted Accounting Principles (GAAP) to International Financial Reporting Standards (IFRS). A national serious limit-building program is a "sine qua non," according to the analysis at the conclusion, which suggested that corporate elements in Nigeria should adapt to the International Financial Reporting Standards rather than fully selecting the measures and to ensure its maintainability.

3. Methodology

This study was carried out to evaluate cloud accounting and financial reporting qualities of DMBs in Nigeria. Survey Research design was adopted. The population consisted of the IT personnel in 10 of the listed banks chosen purposively. 10 staff members each were administered questionnaires to make a total of 100.

Model Specification

$$FRQ_{it} = \alpha_0 + \beta_1 PRVC_{it} + \beta_2 COMC + u_{it}$$

$$REL_{it} = \alpha_0 + \beta_1 PRVC_{it} + \beta_2 COMC + u_{it} \dots \dots \dots (i)$$

$$FR_{it} = \alpha_0 + \beta_1 PRVC_{it} + \beta_2 COMC + u_{it} \dots \dots \dots (ii)$$

Where;

FRQ= Financial Reporting Quality

PRVC= Private Cloud Accounting

COMC= Community Cloud Accounting

REL = Relevance

FR = Faithful Representation

4. Analysis, Results and Discussion

Test of Hypothesis One

Hypothesis One

H0₁: There is no significant effect between Cloud Accounting and Relevance of Accounting Information of DMBs listed in Nigeria.

Table 4.1 Model Summary One

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.530 ^a	.280	.278	.42477

a. Predictors: (Constant), Cloud Accounting

Table 4.1 shows the result from the analysis that relationship exists between the independent variable and the dependent variable. The model was significant by establishing the effect between Cloud Accounting and

Relevance. The coefficient of determination (R^2) is 0.280, which indicates that 28 percent of the variations in Relevance were explained by the independent variable; Private Cloud and Community Cloud. Therefore, it is concluded that for Hypothesis one that there is a significant effect between Cloud Accounting and Relevance.

Table 4.2 Regression Result for Model One

Model		Un-standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.061	0.225		9.156	0.000
	Private Cloud	0.529	0.051	0.530	10.352	0.000
	Community Cloud	0.329	0.045	0.430	9.153	0.002

a. Dependent Variable: Relevance

$$REL = \beta_0 + \beta_1PRVC_i + \beta_2COMC_i + \mu_i$$

$$REL = 2.061 + 0.529PRVC + 0.329COMC + \mu_e$$

Interpretation of Results

From table 4.2 above, the constant gave a value 2.061 which is the intercept, hence establishing a positive relationship because of the positive value while the row contains the Independent Variable (Cloud Accounting) which refers to the slope. The table also shows the t statistics which helped to determine the relative importance of each variable in the model, and this is known by the independent variable. The value for the independent variable is statistically significant; this also explains the establishment of a relationship between the independent variable and the dependent variable. The independent variable (Cloud Accounting) had a significant value of 0.000 and 0.002 which is lower than the level of significance of 0.05 ($p < 0.05$) and this explains for the strong relationship that existed among the variables. Therefore, it is concluded that there is a significant effect between Cloud Accounting and Relevance. Based on this, the null hypothesis is rejected, and the alternative hypothesis accepted.

Test of Hypothesis Two

Hypothesis Two

H_{02} : Cloud Accounting does not have a significant effect on Faithful Representation of Accounting Information of DMBs listed in Nigeria.

Table 4.3 Model Summary Two

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.469 ^a	0.220	0.217	0.57006

a. Predictors: (Constant), Cloud Accounting

Table 4.3 shows the result from the analysis that relationship exists between the independent variable and the dependent variable. The model was significant by establishing the effect between Cloud Accounting and Faithful Representation. The coefficient of determination (R^2) is 0.220, which indicates that 22 percent of the variations in Faithful Representation were explained by the independent variable; Private Cloud and Community Cloud. Therefore, it is concluded that for Hypothesis two that there is a significant effect between Cloud Accounting and Faithful Representation.

Table 4.4 Regression Result for Model Two

Model		Un-standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.294	0.201		11.399	0.000
	Private Cloud	0.435	0.049	0.469	8.805	0.000
	Community Cloud	0.335	0.067	0.679	7.705	0.001

a. Dependent Variable: Faithful Representation

$$FR = \beta_0 + \beta_1PRVC_i + \beta_2COMC_i + \mu_i$$

$$FR = 2.294 + 0.435PRVC + 0.335COMC + \mu_e$$

Interpretation of Results

From table 4.2 above, the constant gave a value 2.294 which is the intercept, hence establishing a positive relationship because of the positive value while the row contains the Independent Variable (Cloud Accounting) which refers to the slope. The table also shows the t statistics which helped to determine the relative importance of each variable in the model, and this is known by the independent variable. The value for the independent variable is statistically significant; this also explains the establishment of a relationship between the independent variable and the dependent variable. The independent variable (Cloud Accounting) had a significant value of 0.000 and 0.001 which is lower than the level of significance of 0.05 (p<0.05) and this explains for the strong relationship that existed among the variables. Therefore, it is concluded that there is a significant effect between Cloud Accounting and Faithful Representation. Based on this, the null hypothesis is rejected, and the alternative hypothesis accepted.

Summary of Findings

At the end of this study on the impact of cloud accounting on performance of Nigerian banking industry with references to the banks under investigation. The study shows that private cloud has a significant effect on Relevance of deposit money banks listed in Nigeria. It was also observed that community cloud influences Faithful Representation of deposit money banks listed in Nigeria.

5. Conclusion and Recommendation

The intensity of today's corporate competition and the reality of the global economic environment have made it essential for businesses to actively pursue innovative and effective strategies for enhancing their overall performance and profitability. In order to address these issues, cloud computing emerged as a way to overcome the drawbacks and wasteful features of conventional accounting packages. This has made CEOs aware of the need to develop and implement frameworks for gathering market knowledge, disseminating information to a broad audience, and speaking to various partner groups in order to increase organizational success and maintain market intensity.

The investigation's findings led to the conclusion that corporate businesses in Nigeria should embrace the use of cloud computing packages. Whatever the case, it was observed that the use of these bundles by these corporate firms has staggering expense implications for corporate partners and is frequently influenced by temperamental web access and poor system connections, in addition to the way that partners are not sufficiently educated and instructed about the use of these bundles for transactions. This kind of analysis leads to the conclusion that reliable web connectivity needs to be built up before cloud computing could be successfully used in a developing economy like Nigeria. Additionally, partners must receive adequate training about the use of cloud computing packages, which has been proven to be effective for corporate operations. However, these requirements must be

supported by strong rules that protect partners from abuse and guarantee the nature of these cloud computing packages.

The article concludes by stating that cloud accounting is an essential tool for improving the non-financial performance of Nigeria's publicly traded industrial firms. A helpful tool for enhancing the financial performance of Nigeria's publicly traded industrial enterprises is cloud accounting fees. Thus, this study discovered that the performance of Nigeria's publicly traded industrial enterprises is significantly impacted by cloud accounting and cloud accounting charges. To improve both financial and non-financial performance, Nigeria's publicly traded industrial enterprises must increase their use of cloud accounting.

It was recommended that the eventual fate of cloud computing in Nigeria is splendid if government and all partners would put all hands on deck to guarantee that these distinguished difficulties/obstructions to its achievability are tended to decisively. On this note, the analyst proffers the accompanying recommendations which whenever actualized would upgrade the compelling adoption of cloud computing in Nigeria. The lack of quality of intensity supply in the nation should be paid attention to and settled at the earliest opportunity. This is on the grounds that power is extremely basic particularly in the running of server farms and there ought to be increased mindfulness creation by cloud specialist co-ops equipped at sharpening the public on the advantages and dangers of cloud adoption by organizations in Nigeria.

References

1. Al-Dmour, A.H., Abbod, M., and Al Qadi, N.S. (2018) The impact of the quality of financial reporting on non-financial business performance and the role of organizations demographic' attributes (type, size and experience), *Academy of Accounting and Financial Studies Journal*, 22(1), 1-18.
2. Biddle, Hilary, Rodrigo, S. & Verdi, C. (2009). How does financial reporting quality relate to investment efficiency? *Journal of Accounting and Economics* 48, 112-131.
3. Botosan, C. (2004). Discussion of a framework for the analysis of risk communication. *The International Journal of Accounting*, 39, 289-295.
4. Christauskas, C. & Miseviciene R. (2012). Cloud computing based accounting for small to medium sized business, *Inzinerine Ekonomika - Engineering Economics*, 23 (1), 14-21.
5. Daske, H. & Gebhardt, G. (2006). International financial reporting standards and expert perception of disclosure quality. *Abacus*, 42(3-4), 461-498.
6. Effiong, S. A., Udoayang, J. O. & Davies, S. D. (2020), "Cloud Accounting Costs and Cost Structure harmonization in Manufacturing Firms", *Journal of Test Engineering and Management*, 1(2): 24307-24321.
7. Financial Accounting Standards Board (2006,). Preliminary Views on an improved Conceptual Framework for Financial Reporting: The Objective of Financial Reporting and Qualitative Characteristics of Decision-useful Financial Reporting Information. [WWW] <http://www.fasb.org/cs/BlobServer?blobcol=urldata&blobtable=MungoBlobs&blobkey=id&blobwhere=1175818764152&blobheader=application%2Fpdf> (15.07.2011)
8. Gaynor, M., Andrea, S. K., Molly, M., & Teri, L. Y. (2016). Understanding the relation between financial reporting quality and audit quality. *Auditing: A Journal of Practice & Theory*, 35(4), 1-22.
9. Haslinda, H., Mohd, H.M.N., & Norhaiza, K. (2017), Cloud Computing Adoption in Organisations: Review of Empirical Literature, SHS Web of Conferences 34, 02001
10. IFRS Foundation (2018), Conceptual Framework for Financial Reporting, Status and Purpose of the conceptual framework, International Accounting Standards (IAS), 'International Financial Reporting Standards (IFRS).
11. Igben (1999). An Empirical Analysis of the Impact of Auditor Independence on the Credibility of Financial Statements in Nigeria: *Research Journal of Finance and Accounting* 2 (3), 82 –98
12. Matei, M. (2015). Cloud Accounting: A new Business Model in a Challenging Context. *Procedia Economics and Finance*, 32(1), 665-671.
13. Moses, T., C. O. Ofurum, and Egbe, S. (2016), Audit Committee Characteristics and Quality of Financial Reporting in Quoted Nigerian Banks, *International Journal of Advanced Academic Research, Social & Management Sciences*, 2(5), 1-10.
14. Mugenyi, R. (2018), Adoption of Cloud Computing Services for Sustainable Development of Commercial Banks in Uganda. *Global Journal of Computer Science and Technology* 18(1), 1-9.

15. Okoye, P.V., &Akenbor, C.O. (2014), Financial reporting framework in Nigeria and the adoption of the international financial reporting standards, *International Journal of Business and Economic Development*, 2(1), 52-63.
16. Perri, R.S., & Muça, E. (2015), An Analysis of Cloud Computing and Its Role in Accounting Industry in Albania, *JISOM*, 1(14), 1-12
17. Rao, M.T., Jyotsna, T.G., Sivani, T.G. (2018), Impact of Cloud Accounting: Accounting Professional's Perspective, *IOSR Journal of Business and Management (IOSR JBM)* ISSN: 2278-487X, p-ISSN: 2319-7668 PP 53-59
18. Tahmina, K. (2017), Cloud Accounting: A Theoretical Overview, *IOSR Journal of Business and Management (IOSR JBM)* e-ISSN: 2278-487X, ISSN: 2319-7668. 19 (6), 31-38, www.iosrjournals.org

S/N	Variable	S A F (%)	A F (%)	U F (%)	D F (%)	SD F (%)	Weighted Means
	Private Cloud Accounting						
1	Private Cloud Accounting is widely used in Preparing Financial Statements by DMBs	18 (23.4)	37 (48.1)	0	13 (16.9)	9 (11.6)	3.55
2	Financial Statements prepared are not lost.	4 (5.3)	9 (11.8)	3 (3.9)	31 (40.8)	29 (38.2)	2.05

Descriptive Analysis

	Community Cloud Accounting	S A F (%)	A F (%)	U F (%)	D F (%)	SD F (%)	Weighted Means
1	This is widely embraced by owners of business and DMBs	22 (28.6)	21 (27.3)	4 (5.2)	16 (20.8)	14 (18.2)	2.77
2	Community Cloud Accounting is a very easy tool to use in keeping financial records	22 (29.7)	28 (37.8)	9 (12.2)	7 (9.5)	3 (4.1)	3.36
	Relevance	S A F (%)	A F (%)	U F (%)	D F (%)	SD F (%)	Weighted Means
3	To what extent do the reported results provide feedback to users of the annual report?	22 (29.7)	31 (41.9)	6 (8.1)	12 (16.2)	3 (4.1)	3.36
4	To what extent does the presence of the forward-looking statement help forming expectations and predictions concerning the future of the company?	24 (32.0)	32 42.7)	11 (4.7)	3 (4.0)	5 (6.7)	3.05
	Faithful Representation	S A F (%)	A F (%)	U F (%)	D F (%)	SD F (%)	Weighted Means
5	To what extent are Valid arguments provided to support the decision for certain assumptions and estimates in the annual report?	43 (55.8)	19 (24.7)	8 (10.4)	1 (1.3)	6 (7.8)	2.05
6	To what extent does the company provide information on corporate governance?	52 (68.4)	18 (23.7)	2 (2.6)	1 (1.3)	3 (3.1)	1.91