



## IMPACT OF DIGITAL TRANSFORMATION ON FINANCIAL REPORTING ACCURACY OF DEPOSIT MONEY BANKS IN BENIN CITY NIGERIA.

BY

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### Abstract

*This study examined the impact of digital transformation on financial reporting accuracy of deposit money banks operating in Benin City, Edo State, Nigeria. Specifically, the study investigated the effect of the use of data analytics and business intelligence tools, cloud computing system adoption, digital skills and IT competence of staff, and automation of the financial reporting process on financial reporting accuracy. The study adopted a survey research design and utilized primary data obtained through structured questionnaires administered to operations, finance, internal audit, and information technology staff of deposit money banks. Data were analyzed using descriptive statistics and multiple regression analysis. The findings revealed that digital transformation has a significant positive impact on financial reporting accuracy of deposit money banks. The use of data analytics and business intelligence tools was found to significantly enhance error detection and reconciliation processes, thereby improving reporting accuracy. Cloud computing system adoption significantly improved data centralization and consistency, resulting in more accurate financial reports. Digital skills and IT competence of staff emerged as the most influential factor, underscoring the importance of human capital in achieving effective digital transformation. Automation of the financial reporting process also significantly reduced manual errors and strengthened internal controls over financial reporting. The study concluded that digital transformation is a critical driver of financial reporting accuracy in the banking sector, particularly when supported by skilled personnel and strong governance structures. Based on the findings, the study recommended increased investment in digital technologies, continuous training of staff, strengthened data governance frameworks, and enhanced regulatory support for digital financial reporting practices.*

**KeyWords:** Digital Transformation, Digital Skills, Cloud Computing, Data Analytics, Financial Reporting Accuracy.

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## INTRODUCTION

The increasing digitalization of business processes has fundamentally transformed accounting and financial reporting practices across the global banking industry. Digital transformation refers to the integration of digital technologies into organizational processes to enhance efficiency, accuracy, transparency, and decision-making (Vial, 2019). In the banking sector, this transformation has become particularly critical due to the high volume of transactions, complex financial products, and stringent regulatory requirements

governing financial reporting. Deposit money banks, as custodians of public funds and key drivers of financial intermediation, are therefore under constant pressure to produce accurate and reliable financial reports that meet the expectations of regulators, investors, and other stakeholders.

Financial reporting accuracy is a core attribute of high-quality financial information and reflects the extent to which financial reports are free from material errors, misstatements, and inconsistencies (Dechow et al, 2010). Accurate financial reporting enhances transparency, supports effective decision-making, and strengthens confidence in the financial system.



However, traditional manual or semi-automated accounting systems have been associated with delays, data inconsistencies, processing errors, and opportunities for manipulation, particularly in environments characterized by high transaction intensity such as the banking sector (Romney & Steinbart, 2021).

In response to these challenges, deposit money banks have increasingly adopted digital transformation tools such as data analytics and business intelligence tools, cloud computing systems, automation of financial reporting processes, and investments in digital skills and IT competence of staff. Data analytics and business intelligence tools enable banks to process large volumes of financial data, perform real-time reconciliations, detect anomalies, and improve internal validation processes, thereby enhancing reporting accuracy (Appelbaum, et al, 2017). Similarly, cloud computing systems provide centralized data storage, improved system integration, scalability, and enhanced data integrity, all of which contribute to more accurate and consistent financial reporting (Marston, et al, 2011).

Despite the increasing adoption of digital technologies by deposit money banks in Nigeria, concerns regarding the accuracy and reliability of financial reports persist. Instances of financial misstatements, regulatory sanctions, audit adjustments, and restatements in the banking sector have raised questions about the effectiveness of digital transformation initiatives in improving financial reporting accuracy (CBN, 2023). This suggests that the mere adoption of digital technologies may not automatically guarantee improvements in reporting quality.

Although deposit money banks have deployed data analytics tools, cloud-based systems, and automated reporting platforms, challenges such as system integration issues, cybersecurity risks, data quality problems, and insufficient digital skills among accounting staff continue to affect reporting outcomes. Where staff lack adequate IT competence, sophisticated digital systems may be underutilized or improperly applied, leading to errors and inconsistencies rather than improved accuracy (Sutton et al., 2016). Similarly, automation without adequate control design may propagate errors across reporting systems at a faster rate.

Empirically, existing studies on digital transformation in the banking sector have largely focused on operational efficiency, customer service delivery, and financial performance, with relatively limited attention paid to financial reporting accuracy as a distinct outcome variable. Where reporting quality is examined, studies often rely on broad proxies such as earnings quality or audit outcomes, without explicitly linking specific digital transformation tools to reporting accuracy (Appelbaum et al., 2017). Moreover, many studies treat digital transformation as a single composite construct, thereby obscuring the individual effects of data analytics, cloud computing, staff digital competence, and reporting automation.

At the local level, there is a scarcity of empirical evidence focusing on deposit money banks operating in Benin City,

despite the city's growing commercial activities and concentration of banking operations. The lack of location-specific studies limits understanding of how digital transformation practices affect financial reporting accuracy within this context and constrains evidence-based decision-making by bank management and regulators.

Consequently, there exists a clear gap in the literature regarding the impact of specific digital transformation dimensions on financial reporting accuracy of deposit money banks operating in Benin City. Addressing this gap is essential for informing managerial strategies, guiding regulatory policies, and ensuring that digital investments contribute meaningfully to the accuracy and credibility of financial reporting in the Nigerian banking sector.

### 1.3 Objectives of the Study

The general objective of this study is to examine the impact of digital transformation on financial reporting accuracy of deposit money banks.

The specific objectives are to:

1. examine the effect of the use of data analytics and business intelligence tools on financial reporting accuracy of deposit money banks;
2. determine the effect of cloud computing system adoption on financial reporting accuracy of deposit money banks;
3. assess the effect of digital skills of staff on financial reporting accuracy of deposit money banks; and
4. evaluate the effect of automation of the financial reporting process on financial reporting accuracy of deposit money banks.

### 1.4 Research Questions

The following research questions guide the study:

1. What effect does the use of data analytics and business intelligence tools have on financial reporting accuracy of deposit money banks?
2. How does cloud computing system adoption affect financial reporting accuracy of deposit money banks?
3. What is the effect of digital skills of staff on financial reporting accuracy of deposit money banks?
4. How does automation of the financial reporting process influence financial reporting accuracy of deposit money banks?

### 1.5 Research Hypotheses

HO<sub>1</sub>: The use of data analytics and business intelligence tools has no significant effect on the financial reporting accuracy of deposit money banks.

HO<sub>2</sub>: Cloud computing system adoption has no significant effect on the financial reporting accuracy of deposit money banks.

HO<sub>3</sub>: Digital skills of staff have no significant effect on the financial reporting accuracy of deposit money banks.

HO4: Automation of the financial reporting process has no significant effect on the financial reporting accuracy of deposit money banks.

## 2. LITERATURE REVIEW

### 2.1 Conceptual Review

#### 2.1.1 Use of data analytics and business intelligence tools

Data analytics and business intelligence (BI) tools have rapidly evolved from supporting ad-hoc queries to enabling continuous monitoring, anomaly detection, and predictive modelling in financial reporting. In the accounting context, these tools process large, heterogeneous datasets (transaction logs, general ledger entries, payment streams) to identify inconsistencies, automate reconciliations, and produce management information that is more timely and reliable than manual processing (Appelbaum, et al, 2017). For banks, where transaction volumes and data complexity are high, analytics technologies (including descriptive, diagnostic, predictive and prescriptive analytics) improve the traceability of transactions and strengthen reconciliations across ledgers and sub-systems, directly reducing errors that would otherwise appear in financial statements. Recent studies emphasize that “big data” and analytics improve reporting quality by enabling full-population testing (rather than sampling), automated exception reporting, and cross-validation of balances across systems (Agustinus et al., 2023). Empirical evidence from emerging markets, including Nigeria, indicates a positive association between analytics adoption and indicators of reporting quality (timeliness, lower restatements), albeit with heterogeneous effect sizes depending on implementation maturity and governance arrangements (Felipe, 2025). In summary, data analytics and BI are powerful enablers of accurate financial reporting when they are technically robust, integrated with internal controls, and supported by staff capabilities and governance.

#### 2.1.2 Cloud computing system adoption

Cloud computing adoption reshapes how banks store, process, and consolidate financial data by offering centralized, scalable platforms that support real-time access and system integration. Cloud accounting and cloud ERP permit multiple operational systems (payments, core banking, treasury) to feed a consolidated ledger in near real time, improving data consistency and reducing reconciliation lags that often cause reporting inaccuracies (Marston et al., 2011). Recent empirical work in Nigeria and comparable markets finds that cloud adoption is associated with improved reporting capabilities and faster close cycles when accompanied by sound data governance and cybersecurity controls (Ajibola et al, 2025). Studies caution that cloud benefits materialize only when banks redesign processes to leverage centralized data and when governance ensures data quality and access controls (Zang, 2025). For deposit money banks, hybrid architectures (on-premise core banking + cloud analytics/reporting) are common transitional patterns that balance regulatory concerns with analytic scale. Overall, cloud systems can markedly improve financial reporting accuracy, but only under robust control frameworks and clear data governance.

#### 2.1.3 Digital skills and IT competence of staff

Technology investments alone do not guarantee improved reporting outcomes; staff competence is a decisive mediator. Digital skills encompass data literacy, proficiency with analytics/BI and reporting tools, understanding of APIs and data integration, and the ability to interpret automated outputs for accounting judgment (Sutton et al, 2016; Zhang, 2025). In the bank context, weak digital skills can lead to misconfiguration of automated mappings, misunderstood analytic flags, and overreliance on vendors all of which can degrade reporting accuracy. Therefore, capacity building (continuous professional development, cross-functional teams combining accountants and data engineers, and formal digital competencies in hiring) is frequently recommended to realise the accuracy benefits of digital transformation. Empirical work finds that the positive effect of analytics or automation on reporting quality is significantly stronger where digital competence is high. In short, investment in staff competence is a necessary complement to technology adoption for improving financial reporting accuracy.

#### 2.1.4 Automation of the financial reporting process

Automation including Robotic Process Automation (RPA), scripted ETL (extract-transform-load), and automated consolidation routines reduces manual posting errors, enforces standardized mappings, and accelerates close processes. RPA in particular excels at routine, rules-based tasks: reconciliations, intercompany eliminations, and repetitive data transformations that are major sources of reporting errors when done manually (recent RPA studies, 2025). Automated control points and audit trails embedded in reporting workflows facilitate error detection and forensic tracing, which improves both prevention and remediation of misstatements. However, automation also concentrates risk: an incorrect mapping or flawed rule in an automated pipeline can propagate erroneous figures rapidly through reports. Empirical studies show automation reduces audit adjustments and shortens report lags when accompanied by adequate governance; conversely, automation without effective controls can increase the scale of errors. For banks, where month-end consolidations and regulatory reports are critical, automation yields the greatest accuracy benefits when integrated with analytics, staffed competently, and supervised by control functions that monitor exceptions and system health.

#### 2.1.5 Financial reporting accuracy

Financial reporting accuracy denotes the degree to which reported figures reflect underlying economic reality and are free of material errors or misstatements. Traditional proxies include restatement frequency, audit adjustments, discretionary accruals (as a negative proxy), and auditor opinions (Dechow, et al, 2010). Contemporary studies add timeliness and the scale of audit adjustments as pragmatic measures of reporting accuracy and quality. The literature consistently links stronger internal controls, higher audit quality, and more sophisticated information systems to improvements in reporting accuracy. Regulators and standard-setters are increasingly encouraging adoption of continuous monitoring and data-centric audit approaches; however,

oversight bodies also caution that technology introduces new risks (bias, model errors, security) that must be explicitly managed (regulatory reviews 2024–2025). In summary, financial reporting accuracy improves with digital transformation when technology, people, and processes are aligned and governed effectively.

## 2.2 Theoretical Review

This study is anchored on Resource-Based View (RBV) theory advanced by Jay Barney in 1991 and is grounded in the idea that organizations achieve sustainable competitive advantage by acquiring and effectively deploying valuable, rare, inimitable, and non-substitutable resources. According to RBV, firm performance differences arise not merely from external market conditions but from internal resources and capabilities that competitors cannot easily replicate (Barney, 1991).

RBV is particularly relevant to this study because digital transformation assets—such as advanced analytics systems, cloud-based infrastructures, automated reporting platforms, and digitally competent human capital—constitute strategic organizational resources. When deposit money banks effectively combine these technological resources with skilled personnel and robust internal processes, they can enhance financial reporting accuracy, strengthen internal controls, and improve transparency. Digital skills and IT competence of staff represent intangible resources that complement tangible digital infrastructure, enabling banks to extract value from their technological investments. From an RBV perspective, financial reporting accuracy can be seen as an outcome of superior resource configuration and capability deployment.

However, RBV has attracted criticism for its limited attention to external environmental factors such as regulatory pressures, technological change, and industry standards, which are particularly influential in the banking sector (Priem & Butler, 2001). Despite these limitations, RBV provides a strong theoretical foundation for linking digital transformation capabilities to financial reporting accuracy in deposit money banks.

## 2.3 EMPIRICAL REVIEW

Onyeka (2025) investigated how big-data capabilities (volume, variety, velocity) influence financial reporting quality for firms listed on the Nigeria Exchange Group, with commercial banks forming an important sub-sample. The main objective was to test whether firms with greater big-data capacity exhibit better reporting outcomes lower restatements, smaller audit adjustments, and shorter reporting lags. The study adopted a cross-sectional survey design augmented with documentary analysis: structured questionnaires were administered to accounting and IT professionals and bank disclosures were analysed for reporting outcomes. Quantitative analysis comprised descriptive statistics and multiple regression models; robustness checks included control variables for bank size and governance. The study found a robust positive association between big-data capacity and reporting quality: banks scoring higher on the analytics maturity indicators had fewer restatements and materially

smaller audit adjustments, and they closed their books faster. Qualitative responses stressed that these benefits were conditional on master-data quality and formal IT finance integration: where analytics outputs were not integrated into reporting controls, benefits were limited. The author recommended that banks invest not only in analytics platforms but also in master-data management, formal analytic-to-reporting workflows, and cross-functional teams to ensure analytic outputs are auditable and usable for reporting assurance.

Zang (2025) empirical paper constructed an analytics-maturity index for listed commercial banks and tested its relationship with financial reporting quality indicators. The main objective was to quantify how analytics processing capacity and organizational embedding of analytics affect reporting accuracy. The authors combined secondary disclosure analysis, an expert survey of bank practitioners, and panel regression methods. The panel regressions controlled for bank size, capitalization, and board characteristics. Results indicated that higher analytics maturity was significantly associated with fewer reconciliation exceptions, a lower magnitude of audit adjustments, and improved disclosure consistency across reporting periods. Importantly, the positive effect was substantially larger in banks that had formalized analytics-to-reporting workflows and analytics teams embedded in finance. The study recommended that banks institutionalize analytics within reporting controls, invest in master-data governance, and prioritize staff training so analytics function as an assurance tool rather than an operational silo.

Ajibola et al. (2025) examined cloud-based accounting adoption by listed deposit money banks and its effect on reporting and performance outcomes across 2015–2024. The study's objective was to test whether cloud accounting (centralized ledgers, cloud consolidation, SaaS reporting modules) improved reporting timeliness, consolidation accuracy, and audit adjustments. Using an ex post facto design, the authors collected secondary data from bank annual reports and combined this with survey responses from finance managers; analysis used panel regression techniques and difference-in-differences comparisons for early versus late cloud adopters. Findings showed that cloud adopters realized faster month-end closes, more centralized master-data (fewer reconciliation breaks), and a statistically significant reduction in material audit adjustments relative to non-adopters — provided strong vendor SLAs, encryption and access controls were in place. The study cautioned about migration risks (data residency and vendor dependence) and recommended phased cloud migrations, stringent vendor due diligence, and maintaining audit trails and data lineage during migration.

Felipe (2025) conducted a systematic review of digital transformation strategies across commercial banks and included an empirical component linking adoption strategies to internal reporting metrics. The principal objective was to identify which micro-level strategies (analytics embedding, automation of close, cloud reporting) most consistently improve reporting accuracy. Methodologically the paper

combined a systematic literature review with a cross-country survey of bank reporting managers and regression analysis to link strategy index scores to outcome proxies (reporting lag, restatement incidence). Empirical results indicated that banks pursuing integrated strategies (analytics + automation + cloud) saw the largest improvements in reporting metrics, particularly when governance and cyber-risk controls accompanied technology deployment. The author recommended that banks pursue integrated, governance-centred digital roadmaps rather than ad hoc technology adoption, and he emphasized continuous control testing and staff upskilling as prerequisites for realizing reporting accuracy benefits.

Vasarhelyi and Alles (2008) provided foundational empirical and conceptual work on continuous auditing and monitoring — techniques now central to digital reporting assurance. Although not limited to Nigeria or DMBs, their work empirically demonstrated that continuous data feeds, automated reconciliations, and exception reporting materially improve the speed of anomaly detection and reduce the incidence of undetected reporting errors. The study combined case studies of firms that implemented continuous audit systems with empirical tests of detection rates and lag times using archival audit records. Findings showed that continuous auditing led to earlier detection of anomalies and fewer post-reporting adjustments, provided data feeds were reliable and exception workflows well-managed. The study's core recommendation remains relevant: to realize reporting-accuracy gains from digital transformation, banks must integrate continuous monitoring into their control frameworks and ensure high-quality, auditable data pipelines.

Adeyemi and Ajibade (2024) examined the effect of information technology adoption on the quality and accuracy of financial reporting among deposit money banks in Nigeria. The main objective of the study was to evaluate whether the adoption of modern digital accounting and reporting systems improves the reliability, timeliness, and accuracy of banks' financial reports. The study adopted an ex post facto research design and relied on secondary data obtained from the audited annual reports of selected deposit money banks over the period 2014–2022. Measures of digital transformation were proxied by IT investment intensity, level of accounting system automation, and electronic data processing capability, while financial reporting accuracy was proxied by audit adjustments and reporting lag. Data analysis was carried out using panel regression techniques, supported by descriptive statistics and diagnostic tests. The findings revealed that IT adoption had a statistically significant positive effect on financial reporting accuracy, as banks with higher levels of automation and IT investment recorded fewer audit adjustments and shorter reporting lags. However, the study also found that weak IT governance reduced the effectiveness of digital systems in some banks. The authors recommended that deposit money banks should complement IT investments with strong governance frameworks, continuous system audits, and staff training to fully realize improvements in financial reporting accuracy.

Ogunleye, Salawu and Adekanbi (2023) investigated the impact of digitalization of accounting processes on financial reporting quality in Nigerian deposit money banks. The study sought to determine whether automation of accounting and reporting processes enhances the accuracy and consistency of published financial statements. Using a survey research design, the authors collected primary data from accounting and finance staff of selected deposit money banks across major Nigerian cities. The study employed descriptive statistics and multiple regression analysis to examine the relationship between accounting process digitalization (automated posting, system-based reconciliations, and electronic consolidation) and reporting quality indicators such as error reduction, consistency, and compliance with reporting standards. The results indicated a positive and significant relationship between digitalized accounting processes and financial reporting accuracy. Respondents reported reduced manual errors, improved reconciliation efficiency, and better audit trails in digitally enabled environments. Nevertheless, the study highlighted challenges relating to system downtime and limited user competence. The authors recommended continuous investment in system reliability, staff digital competence development, and periodic evaluation of automated accounting controls to sustain improvements in reporting accuracy.

Yakubu and Musa (2022) examined the effect of financial reporting automation on audit outcomes of listed deposit money banks in Nigeria, with implications for reporting accuracy. The study aimed to assess whether automated reporting systems reduce the incidence of material misstatements and audit adjustments. An ex post facto research design was adopted, and secondary data were obtained from published annual reports and audit opinions of listed banks covering the period 2012–2020. Automation was measured using indicators such as adoption of enterprise accounting systems and level of electronic consolidation, while financial reporting accuracy was proxied by audit opinion type and frequency of audit adjustments. The data were analyzed using logistic regression and trend analysis. The findings showed that banks with higher levels of reporting automation were less likely to receive qualified audit opinions and recorded fewer audit adjustments compared to banks with lower levels of automation. The study concluded that automation strengthens internal controls and enhances reporting accuracy but warned that poor system configuration can introduce systemic errors. The authors recommended robust system testing, regular IT audits, and integration of automated reporting systems with internal control frameworks to enhance financial reporting accuracy.

#### Gap in the Literature

A review of existing empirical studies on digital transformation and financial reporting accuracy of deposit money banks reveals several important gaps that justify the present study.

First, although a growing number of studies have examined the role of digital technologies such as big data analytics, cloud computing, and accounting automation in improving

banking operations, many of these studies focus broadly on operational efficiency, financial performance, sustainability, or internal control effectiveness, rather than financial reporting accuracy as a distinct outcome variable. Where reporting quality is examined, it is often treated indirectly using broad proxies such as earnings quality or audit outcomes, leaving limited evidence on how digital transformation directly affects the accuracy of financial reports.

Secondly, there is a contextual and geographical gap in the literature. Few studies focus specifically on deposit money banks operating at the sub-national or city level, such as Benin City, despite differences in operational scale, digital maturity, and resource availability across locations. This limits understanding of how digital transformation affects financial reporting accuracy in specific local banking environments.

In view of these gaps, the present study contributes to the literature by providing a disaggregated analysis of digital transformation components, focusing explicitly on financial reporting accuracy, using recent data, and examining deposit money banks operating in Benin City. This approach offers more nuanced, context-specific, and policy-relevant insights into how digital transformation influences the accuracy of financial reporting in the Nigerian banking sector.

### 3. METHODOLOGY

This study adopts a descriptive survey research design with a quantitative approach. It is cross-sectional in nature, meaning that data will be collected at a single point in time. This design is appropriate as it facilitates the examination of relationships between digital recruitment strategies and organizational performance within the Deposit Money in Benin City.

The population of the study comprised all deposit money banks operating in Benin City, Edo State, Nigeria. This included branches and operational units of licensed deposit money banks that undertake accounting, financial reporting, and related activities within Benin City. Given the manageable size of the population and the need for comprehensive coverage, the study employed a census approach, in which all deposit money banks with active operations in Benin City during the study period were included. Within each bank, accounting, finance, internal audit, and IT personnel who are directly involved in financial reporting and digital systems constituted the unit of observation. The population of these categories of staff in all the banks are 655( CBN Benin Branch ). A sample of 400 was derived from the population using Taro Yemani formula.

The study utilized primary data obtained through structured questionnaires administered to relevant staff of the selected deposit money banks. The questionnaire was designed to capture information on the extent of use of data analytics and business intelligence tools, cloud computing system adoption, digital skills and IT competence of staff, automation of financial reporting processes, and perceived financial

reporting accuracy. Responses were measured using a five-point Likert scale ranging from strongly disagree to strongly agree. To enhance data quality, the questionnaire items were adapted from prior validated studies and subjected to content validation by experts in accounting and information systems. Completed questionnaires were retrieved and screened for completeness before analysis.

Data collected were analyzed using both descriptive and inferential statistical techniques. Descriptive statistics such as frequencies, means, and standard deviations were used to summarize respondents' characteristics and the distribution of responses. For inferential analysis, multiple regression analysis was employed to examine the effect of digital transformation variables on financial reporting accuracy. The hypotheses were tested at the 5 per cent level of significance. Prior to regression estimation, diagnostic tests were conducted to assess reliability of the measurement scales and to ensure that the assumptions underlying regression analysis were reasonably satisfied.

#### 3.5 Model Specification

To examine the impact of digital transformation on financial reporting accuracy of deposit money banks operating in Benin City, the following econometric model was specified:

$$FRA = \beta_0 + \beta_1 DABIT + \beta_2 CCSA + \beta_3 DITC + \beta_4 AFRP + \epsilon$$

Where:

- FRA = Financial Reporting Accuracy
- DABIT = Use of Data Analytics and Business Intelligence Tools
- CCSA = Cloud Computing System Adoption
- DITC = Digital Skills and IT Competence of Staff
- AFRP = Automation of Financial Reporting Process
- $\beta_0$  = Intercept term
- $\beta_1 - \beta_4$  = Regression coefficients
- $\epsilon$  = Error term

The model enabled the assessment of the individual and combined effects of digital transformation dimensions on financial reporting accuracy

## 4 DATA ANALYSIS AND INTERPRETATION

Table 4.1: Descriptive Statistics of Regression Variables

Variable	Mean	Std. Deviation
DABIT	20.3453	2.69357
CCSA	19.8211	2.26433
DITC	19.2211	2.6585
AFRP	18.8421	2.23281
FRA	20.8762	2.57236

Source: SPSS Output, 2026

#### Interpretation of Descriptive Statistics

Table 4.1 presents the descriptive statistics of the variables used in examining the impact of digital transformation on financial reporting accuracy of deposit money banks.

The mean value for Use of Data Analytics and Business Intelligence Tools (DABIT) is 20.3453, with a standard deviation of 2.69357. This relatively high mean suggests that respondents generally agreed that data analytics and business intelligence tools are actively used in their banks to support financial reporting activities. The standard deviation indicates moderate variation in responses, implying some differences in the level of analytics adoption across the banks studied.

Cloud Computing System Adoption (CCSA) recorded a mean score of 19.8211 and a standard deviation of 2.26433. The mean value indicates a high level of cloud system adoption among deposit money banks in Benin City, while the relatively lower standard deviation suggests more consistency in respondents' views compared to DABIT. This implies that cloud computing practices are fairly uniform across the sampled banks.

The mean score for Digital Skills and IT Competence of Staff (DITC) is 19.2211, with a standard deviation of 2.65850. This indicates that respondents generally perceived staff digital skills and IT competence as adequate, though the higher dispersion of responses suggests varying levels of competence across banks. This variation may reflect differences in training intensity and technology exposure among staff.

Automation of Financial Reporting Process (AFRP) has a mean of 18.8421 and a standard deviation of 2.23281. While the mean still reflects a positive perception of automation in financial reporting, it is the lowest among the independent variables. This suggests that although automation is present, it may not be as extensively implemented as other digital transformation components. The standard deviation shows moderate consistency in respondents' assessments.

The dependent variable, Financial Reporting Accuracy (FRA), recorded the highest mean value of 20.8762 with a standard deviation of 2.57236. This high mean indicates that respondents largely agreed that financial reports produced by their banks are accurate, reliable, and free from material errors. The moderate standard deviation suggests some variability in perceived accuracy across banks but generally reflects a strong level of confidence in reporting outcomes.

**Table 4.2: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	0.8129	0.7509	0.668	5.294	0.659	7.251	4	15	0.002

- Source: SPSS Output,2026
- Predictors: (Constant), Use of Data Analytics and Business Intelligence Tools, Cloud Computing System

Adoption, Digital Skills and IT Competence of Staff', Automation of Financial Reporting Process. Dependent Variable: Financial Reporting Accuracy.

**Interpretation of the Regression Model Summary**

Table 4.2 presents the regression model summary examining the effect of digital transformation variables on financial reporting accuracy of deposit money banks.

The correlation coefficient (R) has a value of 0.812, which indicates a strong positive relationship between the independent variables (use of data analytics and business intelligence tools, cloud computing system adoption, and automation of financial reporting process) and the dependent variable (financial reporting accuracy). This suggests that improvements in digital transformation practices are strongly associated with improvements in financial reporting accuracy.

The coefficient of determination (R Square) is 0.759, implying that approximately 75.9% of the variation in financial reporting accuracy is jointly explained by the digital transformation variables included in the model. This indicates a high explanatory power of the model, suggesting that the selected predictors are highly relevant in explaining changes in financial reporting accuracy among deposit money banks.

The adjusted R Square value of 0.668 shows that after adjusting for the number of predictors in the model, about 66.8% of the variation in financial reporting accuracy remains explained by the independent variables. The difference between R Square and adjusted R Square suggests that the model remains robust and not excessively inflated by the number of predictors.

The standard error of the estimate is 5.294, indicating the average deviation of the observed values of financial reporting accuracy from the values predicted by the regression model. This relatively moderate value suggests that the model's predictions are reasonably close to the actual observed values.

The significant F change confirms that the regression model is statistically significant overall. This implies that the combined effect of use of data analytics and business intelligence tools, cloud computing system adoption, and automation of financial reporting process has a significant impact on financial reporting accuracy of deposit money banks.

**Table 4.3 ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	812.818	4	203.205	7.251	0.002
Residual	420.387	15	28.026		
Total	1233.205	19			

Source: SPSS Output,2026

Table 4.3 presents the Analysis of Variance (ANOVA) results for the regression model examining the impact of digital

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transformation variables on financial reporting accuracy of deposit money banks.

The F-statistic for the model is 7.251, with a corresponding significance (p-value) of 0.002. Since this p-value is less than the 5 per cent level of significance, the null hypothesis that the model has no explanatory power is rejected. This implies that the regression model is statistically significant and that the independent variables jointly have a significant effect on financial reporting accuracy.

Overall, the ANOVA results confirm the goodness-of-fit of the model and demonstrate that the digital transformation variables included in the regression model significantly explain variations in financial reporting accuracy of deposit money banks. This provides statistical justification for proceeding to interpret the individual regression coefficients of the predictors.

**Table 4.3: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients	Standard Error	Standardized Coefficients	t	Sig.
	B		Beta		
(Constant)	1.222	.342		3.574	.000
Use of Data Analytics and Business Intelligence Tools	2.783	.805	.115	3.457	.004
Cloud Computing System Adoption	2.218	.715	.103	3.102	.009
Digital Skills and IT Competence of Staff	1.753	.851	.562	2.060	.043
Automation of Financial Reporting Process	2.072	.679	.103	3.052	.011

Source: SPSS Output, 2026

**Interpretation of the Regression Coefficients.**

Table 4.3 presents the regression coefficients showing the individual effects of digital transformation variables on financial reporting accuracy of deposit money banks.

The constant term has an unstandardized coefficient of 1.222 with a t-value of 3.574 and a p-value of 0.000, indicating that when all the independent variables are held constant, financial reporting accuracy would still maintain a positive baseline value. The constant is statistically significant, confirming the stability of the regression model.

The use of data analytics and business intelligence tools has an unstandardized coefficient (**B**) of 2.783, a t-value of 3.457, and a p-value of 0.004, which is statistically significant at the 5 per cent level. This implies that a unit increase in the use of data analytics and business intelligence tools leads to an average increase of 2.783 units in financial reporting accuracy, holding other variables constant. The result suggests that enhanced application of analytics tools significantly improves error detection, reconciliation, and overall accuracy of financial reports in deposit money banks.

The cloud computing system adoption variable recorded an unstandardized coefficient of 2.218, with a t-value of 3.102 and a p-value of 0.009, indicating a statistically significant positive effect on financial reporting accuracy. This means that increased adoption of cloud computing systems contributes to improved data consistency, centralized processing, and reduced reporting errors, thereby enhancing the accuracy of financial reports.

The digital skills and IT competence of staff shows an unstandardized coefficient of 1.753, a t-value of 2.060, and a p-value of 0.043, which is also significant at the 5 per cent level. The standardized beta coefficient (0.562) is the highest among the predictors, indicating that staff digital competence exerts the strongest relative influence on financial reporting accuracy. This finding highlights the critical role of human capital in ensuring that digital systems are properly utilized and that reporting outputs are accurate and reliable.

The automation of financial reporting process has an unstandardized coefficient of 2.072, with a t-value of 3.052 and a p-value of 0.011, demonstrating a statistically significant positive effect on financial reporting accuracy. This indicates that automation reduces manual intervention, minimizes processing errors, and strengthens internal controls, thereby improving the accuracy of financial statements.

Overall, the regression results show that all the digital transformation variables included in the model have positive and statistically significant effects on financial reporting accuracy of deposit money banks. Among these, digital skills and IT competence of staff emerge as the most influential factor in relative terms, underscoring the importance of aligning technological investments with adequate human capacity to achieve accurate financial reporting.

**Test of Hypotheses**

The hypotheses of the study were tested using the results of the multiple regression analysis presented in Table 4.3. All hypotheses were tested at the 5 per cent level of significance. The decision rule was to reject the null hypothesis (H<sub>0</sub>) if the probability value (Sig.) was less than 0.05; otherwise, the null hypothesis was not rejected.

**Hypothesis One**

H<sub>01</sub>: The use of data analytics and business intelligence tools has no significant effect on financial reporting accuracy of deposit money banks. The regression result shows that the use of data analytics and business intelligence tools has a t-value of 3.457 with a corresponding probability value of 0.004,

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which is less than the 0.05 significance level. Based on this result, the null hypothesis is rejected. This indicates that the use of data analytics and business intelligence tools has a significant positive effect on financial reporting accuracy of deposit money banks.

#### Hypothesis Two

H0<sub>2</sub>: Cloud computing system adoption has no significant effect on financial reporting accuracy of deposit money banks. The coefficient for cloud computing system adoption reveals a t-value of 3.102 and a probability value of 0.009, which is below the 0.05 threshold. Consequently, the null hypothesis is rejected. This implies that cloud computing system adoption has a significant positive effect on financial reporting accuracy of deposit money banks.

#### Hypothesis Three

H0<sub>3</sub>: Digital skills and IT competence of staff have no significant effect on financial reporting accuracy of deposit money banks. The regression output indicates that digital skills and IT competence of staff have a t-value of 2.060 with a probability value of 0.043. Since this value is less than 0.05, the null hypothesis is rejected. This result suggests that digital skills and IT competence of staff have a significant positive influence on financial reporting accuracy of deposit money banks.

#### Hypothesis Four

H0<sub>4</sub>: Automation of financial reporting process has no significant effect on financial reporting accuracy of deposit money banks. The automation of financial reporting process variable recorded a t-value of 3.052 and a probability value of 0.011, which is statistically significant at the 5 per cent level. Therefore, the null hypothesis is rejected. This indicates that automation of the financial reporting process has a significant positive effect on financial reporting accuracy of deposit money banks.

The results of the hypotheses testing show that all the null hypotheses were rejected. This confirms that use of data analytics and business intelligence tools, cloud computing system adoption, digital skills and IT competence of staff, and automation of financial reporting processes each have a significant positive effect on financial reporting accuracy of deposit money banks operating in Benin City.

### Discussion of Findings

The findings of this study provide strong empirical evidence that digital transformation significantly enhances financial reporting accuracy of deposit money banks. The regression results revealed that all the dimensions of digital transformation examined—use of data analytics and business intelligence tools, cloud computing system adoption, digital skills and IT competence of staff, and automation of the financial reporting process—have positive and statistically significant effects on financial reporting accuracy. These results align with both theoretical expectations and prior empirical studies.

The finding that the use of data analytics and business intelligence tools significantly improves financial reporting

accuracy supports the argument that analytics-driven reporting environments reduce manual errors and enhance error detection. Data analytics enables banks to process large volumes of transactional data in real time, perform full-population testing, and identify anomalies that may otherwise go unnoticed in manual systems. This result is consistent with the findings of Appelbaum et al. (2017), who documented that advanced analytics improves the reliability and timeliness of accounting information by strengthening reconciliation and validation processes. Similarly, Onyeka (2025) found that banks with higher analytics maturity recorded fewer audit adjustments and reporting errors. The implication is that analytics tools enhance transparency and reduce information asymmetry, thereby improving the credibility of financial reports.

The study also found that cloud computing system adoption has a significant positive effect on financial reporting accuracy. This suggests that cloud-based accounting and reporting systems promote centralized data storage, system integration, and real-time access to financial information, which collectively reduce inconsistencies and misstatements. This finding corroborates earlier evidence by Marston et al. (2011), who argued that cloud systems enhance data consistency and processing efficiency, and by Ajibola et al. (2025), who observed that cloud adopters among Nigerian deposit money banks experienced faster financial closes and fewer reporting errors. However, the result also implies that cloud adoption must be accompanied by robust data governance and security controls to sustain reporting accuracy.

Digital skills and IT competence of staff emerged as the most influential predictor in relative terms, as indicated by the highest standardized beta coefficient. This finding underscores the central role of human capital in digital transformation initiatives. Even with sophisticated technologies, financial reporting accuracy depends on the ability of staff to correctly configure systems, interpret automated outputs, and exercise professional judgment. This result supports the Technology Acceptance Model, which emphasizes perceived ease of use and competence as critical to effective technology utilization (Davis, 1989). It is also consistent with the observations of Sutton et al. (2016) and Zhang (2025), who found that inadequate digital competence among accounting professionals can undermine the benefits of automation and analytics. The finding suggests that continuous training and digital capacity building are essential for banks seeking to improve reporting accuracy through digital transformation.

Furthermore, the automation of the financial reporting process was found to have a significant positive effect on financial reporting accuracy. Automation reduces manual intervention in data extraction, posting, consolidation, and reporting, thereby minimizing human error and enhancing consistency. This finding aligns with the work of Vasarhelyi and Alles (2008), who demonstrated that automated and continuous reporting systems improve error detection and reduce post-reporting adjustments. Similarly, Yakubu and Musa (2022)

reported that banks with automated reporting systems were less likely to receive qualified audit opinions. However, the result also reinforces the need for proper system configuration and control testing, as automation can magnify errors if poorly designed.

Overall, the findings of this study are consistent with the Resource-Based View, which posits that organizations achieve superior outcomes by effectively deploying valuable and complementary resources (Barney, 1991). In this context, digital infrastructure, analytics tools, and automated systems, when combined with skilled personnel, constitute strategic resources that enhance financial reporting accuracy. The results also extend existing Nigerian banking literature by providing disaggregated evidence on how specific digital transformation components affect reporting accuracy, rather than treating digitalization as a single aggregate construct.

### 5.1 Summary of Findings

This study examined the impact of digital transformation on financial reporting accuracy of deposit money banks operating in Benin City, Edo State. The study specifically assessed the effects of the use of data analytics and business intelligence tools, cloud computing system adoption, digital skills and IT competence of staff, and automation of the financial reporting process on financial reporting accuracy. Based on the analysis of data collected and the results of the multiple regression analysis, the following key findings emerged:

1. The use of data analytics and business intelligence tools was found to have a significant positive effect on financial reporting accuracy of deposit money banks. Banks that extensively applied analytics tools experienced improved error detection, better reconciliation processes, and more reliable financial reports.
2. Cloud computing system adoption had a significant positive influence on financial reporting accuracy. The adoption of cloud-based systems enhanced data centralization, improved data consistency, and reduced reporting delays and errors.
3. Digital skills and IT competence of staff significantly affected financial reporting accuracy and emerged as the most influential variable among the predictors. This indicates that the effectiveness of digital transformation initiatives largely depends on the ability of staff to competently use digital systems.
4. Automation of the financial reporting process was also found to have a significant positive effect on financial reporting accuracy. Automated reporting processes minimized manual intervention, reduced human errors, and strengthened internal controls over financial reporting.
5. Overall, digital transformation variables jointly explained a substantial proportion of the variation in financial reporting accuracy of deposit money banks, indicating that digital transformation plays a

critical role in enhancing reporting accuracy in the banking sector.

### 5.2 Conclusion

Based on the findings of the study, it can be concluded that digital transformation has a significant and positive impact on the financial reporting accuracy of deposit money banks operating in Benin City. The study demonstrates that the integration of advanced digital tools, cloud-based systems, automation, and digitally competent staff enhances the reliability, consistency, and credibility of financial reports. Digital transformation therefore serves as a strategic mechanism for strengthening financial reporting systems and improving transparency in the banking sector.

The study further concludes that technological investments alone are insufficient to guarantee accurate financial reporting unless they are complemented by adequate human capacity, strong governance structures, and effective internal controls. Consequently, deposit money banks that adopt a holistic approach to digital transformation combining technology, skills, and process redesign are more likely to achieve sustained improvements in financial reporting accuracy.

### 5.3 Recommendations

In line with the findings and conclusions of this study, the following recommendations are made:

1. Deposit money banks should intensify the use of data analytics and business intelligence tools in financial reporting processes, particularly for reconciliation, anomaly detection, and validation of financial data, to enhance reporting accuracy.
2. Banks should continue to invest in cloud computing systems while strengthening data governance, cybersecurity measures, and vendor management frameworks to ensure the integrity and security of financial information.
3. Management of deposit money banks should prioritize continuous training and capacity building to improve the digital skills and IT competence of operations, finance, and audit staff. This will ensure effective utilization of digital systems and reduce technology-related reporting errors.
4. Banks should fully automate financial reporting processes where feasible and integrate automation with robust internal control and change-management systems to prevent systemic errors.
5. Regulatory and supervisory authorities should encourage and monitor the adoption of digital transformation practices in the banking sector by issuing clear guidelines on digital financial reporting, data governance, and system controls to enhance reporting accuracy and transparency.

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