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COMPUTERISED ACCOUNTING SYSTEM AND FINANCIAL REPORTING QUALITY OF DEPOSIT MONEY BANKS IN NIGERIA

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ABSTRACT

This study sought to examine the relationship between computerised accounting system and financial reporting quality of deposit money banks in Nigeria. The aim of the study is to empirically investigate the likely effect of computerized accounting system on the quality of financial reports of deposit money banks in Nigeria; The population of the study include deposit money banks with main branches in Rivers State which amounted to twelve (12); since this population is relatively small, census sampling technique was adopted. Thus 120 copies of questionnaire which served as the research instrument was purposively distributed to each of the deposit money banks, making the total population of 120 respondents. The result showed that though computerised accounting system have a significant relationship with financial reporting (value relevance), its adoption has a positive relationship with the quality of financial reports of deposit money banks in Nigeria. The study recommends that Deposit money banks should endeavour to assign the administration of their computerized accounting systems to dedicated personnel who are not involved in the routine accounting function to ensure that the systems are effectively managed and that internal controls features are effectively implemented. This practice would also ensure that the systems are effectively managed and regularly maintained for optimal performance. When the systems are performing efficiently, the production of high-quality financial information could be guaranteed.

Background of the Study

The banking industry plays a pivotal role in the economic growth and development of nations by mobilising savings, granting credit, facilitating payments, and ensuring efficient financial intermediation. In Nigeria, deposit money banks (DMBs) constitute a significant part of the financial system, and their operations are heavily dependent on accurate and reliable financial reporting to sustain public confidence, attract investment, and comply with regulatory requirements (Onaolapo & Odetayo, 2012). The quality of financial reporting is particularly crucial in the banking sector, given its sensitivity and exposure to systemic risks.

Traditionally, Nigerian banks relied on manual accounting systems for the recording and processing of financial transactions. Although functional, manual systems were characterised by challenges such as delays in transaction processing, susceptibility to errors, poor record-keeping, limited transparency, and vulnerability to fraud (Okoye & Akenbor, 2010). These weaknesses often undermined the reliability, timeliness, and comparability of financial statements, thereby reducing their usefulness to stakeholders for decision-making.

The advent of information and communication technology (ICT) brought a revolution in financial management, leading to the adoption of computerised accounting systems (CAS). A computerised accounting system refers to the use of accounting software and digital processes for recording, storing, analysing, and reporting financial data (Eze & Nweze, 2019). Unlike manual systems, CAS improves the speed and accuracy of data processing, enhances internal controls, strengthens security, and facilitates compliance with international financial reporting standards (IFRS). As a result, Nigerian deposit money banks have invested heavily in modern accounting technologies in line with the Central Bank of Nigeria's (CBN) directive to improve transparency and accountability.

Despite these advancements, concerns about the quality of financial reporting in Nigerian banks persist. The CBN has, on several occasions, sanctioned banks for regulatory infractions, misstatements, and weak disclosure practices, raising questions about the extent to which

computerised systems have improved reporting quality (CBN, 2020). In addition, issues such as lack of staff competence, system failures, cyber threats, and managerial manipulation can compromise the effectiveness of computerised accounting systems (Olatunji & Adekola, 2017). These challenges call into question whether automation in accounting has fully translated into reliable, timely, relevant, and faithful financial reports, which are the hallmarks of financial reporting quality (IASB, 2018).

It is against this background that the study on computerised accounting systems and financial reporting quality of deposit money banks in Nigeria is undertaken. The research seeks to determine whether the adoption of CAS has significantly improved transparency, accountability, and regulatory compliance in Nigerian banks, or whether gaps still exist that hinder the attainment of high-quality financial reporting.

Statement of the Problem

The introduction of computerised accounting systems in the Nigerian banking sector was expected to address the inherent limitations of manual accounting systems, such as delays, errors, poor internal control, and lack of transparency in financial reporting (Okoye & Akenbor, 2010). By automating accounting processes, deposit money banks are presumed to improve the accuracy, timeliness, and reliability of financial information provided to stakeholders (Onaolapo & Odetayo, 2012). However, despite the widespread adoption of computerised systems, cases of financial misreporting, regulatory infractions, and loss of public trust in Nigerian banks persist.

For instance, reports of weak disclosure practices and poor compliance with international financial reporting standards (IFRS) have raised concerns about the extent to which automation has enhanced financial reporting quality in the sector (Eze & Nweze, 2019). The Central Bank of Nigeria (CBN) has on several occasions sanctioned deposit money banks for financial irregularities and non-compliance with reporting standards, indicating that the presence of computerised systems alone does not guarantee credible reporting (CBN, 2020). These challenges undermine transparency and accountability, which are critical for maintaining investor confidence and financial stability.

Furthermore, while computerised systems are designed to minimise fraud and errors, evidence suggests that issues such as poor system security, lack of staff technical competence, and managerial override can still compromise the integrity of financial reports (Olatunji & Adekola, 2017). This raises the question of whether the adoption of computerised accounting systems in Nigerian deposit money banks has actually translated into improved financial reporting quality or whether significant gaps remain.

Thus, the problem this study seeks to address is the uncertainty about the effectiveness of computerised accounting systems in enhancing financial reporting quality in Nigerian deposit money banks, despite heavy investments in information technology and regulatory reforms.

Aim and Objectives of the Study

The aim of this study is to empirically examine the relationship between computerised accounting systems on financial reporting quality of deposit money banks in Nigeria. However, the specific objectives of the study are to;

1. Investigate the relationship between computerised internal control system and value relevance of financial reports of deposit money banks in Nigeria.
2. Investigate the relationship between computerised reporting system and value relevance of financial reports of Deposit money banks in Nigeria.

Research Questions

Based on the identified objectives of the study, the following are the research question raised in the study.

1. What is the relationship between computerised internal control system and value relevance of financial reports of Deposit money banks in Nigeria?
2. What is the relationship between computerised reporting system and value relevance of financial reports of Deposit money banks in Nigeria?

Research Hypotheses

The research hypotheses for this study are stated in their null forms as follows:

Ho_1: There is no significant relationship between computerised internal control system and value relevance of financial reports of Deposit money banks in Nigeria.

Ho_1: There is no significant relationship between computerised reporting system and value relevance of financial reports of Deposit money banks in Nigeria.

LITERATURE REVIEW

Computerised Accounting System

Every organization is involved in economic activities in diverse forms, levels, and sizes, and this must be effectively managed through an information system towards achieving the organization's goals and objectives. The information system employed in the effective management of an organization's economic activities is known as accounting (American Institute of Certified Public Accountants [AICPA], 1996). The concept of accounting is developed in parallel with its functional development, where it witnessed a transformation from manual system to computerized accounting system. Accounting has long been an organizational function especially with the advent of non-owner managers who need to update what is happening in the organization. Maintaining, preparation and presentation of accounts are crucial for business success as well as organization for effective decision making whether it is a non-profit making organization or profit making because they have to report to the stakeholders of the organization through financial reports. It has been identified that manual accounting inefficiencies in financial reporting arises due to loss of records, delay in preparation of records and its associated problems (Obianyi, 2017; Stephen, 2017). Business organizations, especially the banking industry of the 21st century operates in a complex and competitive environment characterized by these changing conditions and highly unpredictable economic climate (Peppard & Ward, 2016). Information and Communication Technology (ICT) is at the centre of this global change curve. Laudon and Laudon, (2010) contend that managers cannot ignore Information Systems because they play a critical role in contemporary organization (Lee & Lee, 2015). Today's modern technology ushered in the use of computer. The use of computer involves all the transaction processing system, management information system, various business support system etc. the computer is a central force in the advancement of various organizations.

Accounting is the organized process of collecting, classifying, recording, processing, and storing financial data to produce and communicate useful financial information to various stakeholders. Therefore, an accounting system is a combination of interrelated and interacting resources to execute accounting functions. A more formal definition of an accounting system, also known as an accounting information system, is presented by Hurt (2013) as a set of interrelated activities, documents, and technologies designed to collect data, process it, and report information to a diverse group of internal and external decision makers in organizations. Accounting as defined by Omolehinwe (2009) is the collection and recording of financial data about an organization whether in the private or in the public sector and analysing the data so collected to suit the decision that needs to be taken and reporting the relevant information in a summary form to the user in a form that is meaningful to him or her. Similarly, Chionye (2003) defines accounting system as the art of identifying, recording, classifying measuring and interpreting in a significant manner the financial transaction of an organization for decision making. Summarizing from time to time the information contained in the record, for its significant presentation and interpretation to interested parties as an aid to decision making. Accounting is defined as the system that collects, records, stores, and

processes financial data to produce information for decision makers. It is the process through which the economic performance of a business entity is ascertained through the process of collecting, recording, storing, analysing and interpreting financial data. Sanni, et al (2008) defines accounting as the recording, classification, analysis, summarizing and interpretation of financial transactions to show how they affect the operational performance of a business entity. Thus accounting is a system that collects accounting data, process them and useful generate financial information to interested users.

According to Maziyar et al. (2011) accounting is the system a company uses to measure its financial performance by noting and classifying all the transactions like sales, purchases, assets, and liabilities in a manner that adheres to certain accepted standard formats. It helps to evaluate a Company's past performance, present condition, and future prospects. A more formal definition of accounting is the art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of a financial character and interpreting the results thereof. According to Hussey (2005) accounting system is the system designed to record the accounting transaction and events of a business and account for them in a way that complies with its policies and procedures. Hartzell (2006) asserted that accounting system is a consistent way of organizing, recording, summarizing and reporting financial transactions. The minimum requirements for an accounting system include the following; it must provide financial information for management to make policy decisions, prepare budgets and grant proposals and provide other. Useful financial reports, also, similar transitions must receive consistent accounting treatment. Similarly, Ama (2004) defined the accounting system as a formal system for identifying, measuring, accumulating, analysing, preparing, interpreting and communicating accounting information about a particular entity to a particular group. By formal system, we mean that the accounting system carries out its functions with laid down rules, regulations, methods, procedures and techniques. It is also a routine and an automatic system. An accounting system as opined by Ama (2004) as a formal mechanism for gathering, organizing and communicating information about organisation's activities. An accounting system can also be defined as mechanism for gathering and communicating data for the ends of assisting and co-ordinating collective decision in view of the overall objective of a firm or an organization. Accounting system by definition is a financial information system which includes accounting terms, records instruction manuals flow charts programs, and reports to fit the particular needs of the business. Accounting system is a set of records, procedures and equipment that routinely deals with the events affecting the financial performance and position of the organization. Therefore an automated accounting system is an accounting system which relies on the use of computers to collect accounting data, process them and useful generate financial information to interested users. Generally, there are two types of accounting system; the manual accounting system and automated (computerized) accounting system. An accounting system may be manual or computerized (Itang, 2021). Each of these accounting systems shall be thoroughly explained in this section.

The manual accounting system involves a pen-and-paper process, while the computerized accounting system consists of the application of computers and other technology innovation tools in the accounting process. Put differently, computerized accounting systems are methods and schemes employed to record, organize, summarize, analyze business transactions, and interpret or communicate financial information to stakeholders using computers and related technologies (Marivic, 2009). Computerized accounting systems are also referred to as electronic accounting (e-accounting) systems as they come in diverse electronic formats, such as standalone software, network packages, web-based applications, cloud computing, and as part of enterprise resource planning (ERP) applications (Amidu et al., 2011; Gupta et al., 2017).

Concept of Computerised Internal Control System

Internal control systems are policies, procedures, and processes put in place by management to safeguard assets, ensure accuracy and reliability of records, promote operational efficiency, and encourage adherence to prescribed managerial policies (COSO, 2013). Traditionally, internal controls were manual in nature—such as physical checks, approvals, and reconciliations. However, with advances in information and communication technology (ICT), organisations have increasingly shifted toward computerised internal control systems (CICS) to handle the growing complexity of financial transactions and reporting.

A computerised internal control system refers to the integration of internal control activities into automated accounting and information systems, using software applications and digital technologies to monitor, prevent, and detect irregularities in business processes (Ewa & Udoayang, 2012). These systems ensure that data entry, processing, and reporting are systematically checked against predefined rules, thereby reducing human errors and the risk of fraud.

Key elements of computerised internal control systems include:

1. Automated authorization and approval controls – ensuring only valid and authorised transactions are processed (Olaoye & Adewuyi, 2018).
2. System access controls – restricting system use through passwords, encryption, and user authentication.
3. Audit trails – automatically generated logs that track every transaction and adjustment for accountability (Ekechi & Okafor, 2017).
4. Segregation of duties through system roles – ensuring that no single individual can initiate, authorize, and complete a transaction without oversight.
5. Real-time monitoring – enabling management to identify irregularities, variances, and anomalies instantly.

The adoption of computerised internal control systems has become more critical in the banking sector, where transaction volumes are high and errors or fraud can threaten financial stability. According to Olatunji (2013), computerised systems enhance transparency, strengthen compliance with regulatory frameworks, and improve the credibility of financial reporting. However, challenges such as cybercrime, system failures, poor staff competence, and managerial override of controls may still undermine their effectiveness (Ewa & Udoayang, 2012).

Thus, the concept of computerised internal control systems underscores the shift from traditional manual processes to technology-driven mechanisms that provide more reliable, efficient, and timely safeguards for assets and financial information.

Concept of Computerised Reporting System

A reporting system refers to the processes, tools, and mechanisms used by organisations to collect, process, and present data in a form that aids decision-making and accountability. Traditionally, reporting systems were manual in nature, relying on handwritten records, spreadsheets, and physical ledgers. However, with advances in information and communication technology (ICT), organisations have shifted to computerised reporting systems (CRS) to improve accuracy, timeliness, and efficiency in financial and non-financial reporting.

A computerised reporting system can be defined as the use of software applications and digital platforms to generate, store, analyse, and present reports in real-time, based on data captured through automated processes (Eze & Nweze, 2019). These systems integrate with accounting and management information systems to produce reliable reports for internal management, regulators, and external stakeholders.

According to Hunton (2002), computerised reporting systems enhance decision-making by providing relevant, timely, and structured information that supports strategic and operational activities. In the financial sector, particularly banking, computerised reporting systems ensure compliance with International Financial Reporting Standards (IFRS), reduce errors in financial statements, and

provide regulators such as the Central Bank of Nigeria (CBN) with more transparent disclosures (Olatunji & Adekola, 2017).

Key features of a computerised reporting system include:

1. Automation of report generation – eliminating manual preparation and reducing the risk of human error.
2. Integration with databases – ensuring reports are generated from accurate and updated data sources (Romney & Steinbart, 2018).
3. Customisation and flexibility – allowing organisations to generate both statutory and managerial reports tailored to user needs.
4. Real-time reporting – enabling faster decision-making and quick response to financial and operational challenges.
5. Improved security and audit trails – ensuring that generated reports are authentic, traceable, and protected from manipulation.

In Nigerian deposit money banks, computerised reporting systems have become indispensable tools for enhancing financial reporting quality. By improving reliability, comparability, and timeliness, these systems help banks meet regulatory expectations, maintain transparency, and strengthen public confidence (Okoye & Akenbor, 2010). However, challenges such as cyber threats, high implementation costs, poor staff technical competence, and managerial override of systems can still undermine their effectiveness (Ekechi & Okafor, 2017).

Thus, the concept of a computerised reporting system highlights its role as a technology-driven mechanism for producing high-quality financial and operational reports that support accountability, compliance, and informed decision-making.

Financial Reporting Quality

Quality has been defined by Abbot (1995) and Feigenbaum (1991) as the measure of excellence in relation to cost. It was later described by Gilmore (1974) and Levitt (1972) as the extent to which specific demands are met. Thus quality connotes how well or the extent to which requirement of customers is satisfied. This implies that quality is the extent to which the expectations of the customers are fulfilled (Crosby, 1979). This was also the position of the International Standard Organisation (ISO) when it defined quality as the degree to which a set of inherent characteristics fulfils requirement. Simply put, Juran (1998) defined quality as the fitness of use. All of these definitions summarized the concept of quality in to two conditions; the service or product must conform to relevant standard and that it must be free from major failures (Bisgaard, 2008). Therefore applying the concept of quality to financial reporting denotes that a quality financial report is one that is prepared in line with statutory requirement, free from errors and biases, and is also credible enough to satisfy stakeholders expectations. In order word a quality financial reporting is aimed at providing relevant accounting information (via financial reports) that will satisfy the need external and internal users; which is to aid their economic/investment decisions.

Financial report is a means of portraying financial accountability, in order for an organization to review the financial activities of the past year and make plans for the future (Collins & Collins, 1978). Saleemi (1981) defined financial reporting as the process of supplying financial information which is reliable, accurate and complete to the various stakeholders for making economic decisions. This is always in form of financial statements such as statement of comprehensive income, statement of financial position and cash flow statement and other financial annually reports which provide an overview of the company's current financial strength. Thus the feature of a quality financial report can only be explained in the context of the objectives of financial reporting.

Indira (2008) indicated that timeliness is an important characteristic of quality financial information. To benefit users, financial information must be presented at the right time otherwise it loses relevance. Relevance is also a characteristic of quality of financial reports. Frankwood (1999)

specifies that financial information is relevant if it is capable of making a difference in decisions made by helping users to form predictions about the outcomes of the past, present and future events either to confirm or correct prior expectations. Comparability is another characteristic. Frankwood (1999) also stresses that users must be able to compare the financial statements of the enterprise over time in order to identify trends in its financial position and performance. According to Pallai (2007) transparency as a quality of financial reporting that enables users to perceive the significance of financial information. He argues that users are assumed to have reasonable knowledge of business and willingness to study and understand the information. The components of a quality and complete financial report have been captured by Offurum et al (2013) to include; Statement of Financial Position., Statement of Comprehensive income, Statement of changes in equity, Statement of cash flow, and Notes comprising a summary of significant accounting policies and other explanatory information. This corroborate the assertion of Abakasanga (2018) who explained that a quality financial report is one that provides relevant financial information to all users of accounting information. He asserted further that accounting information provided in financial reports should include; Information of Net profit or Loss, Information on the financial position of the firm, Information for planning and controlling of business, Information for tax management, Information for social responsibility and Information for unit cost (for manufacturing firms). Thus a quality financial report should neither mislead any of the accounting information users nor fail to disclose any material (important) information to them.

Value Relevance

Relevance refers to the ability of information to make a difference in a decision by helping users to form predictions about the outcomes of past, present, and future events or to confirm or correct prior expectations (FASB, 1980). Relevance considers the fact that the information is necessary to the users in order to sustain the economic decisions (Dima, 2013). On its part, IASB (2010) regarded relevance as the capability of accounting information to making a difference in the decisions made by users in their capacity as capital providers. It asserts further that, that financial information is capable of making a difference in the decisions if it has predictive value, confirmatory value, or both. Predictive value explicitly refers to information on the firm's ability to generate future cash flows. According to IASB (2010), information about an economic phenomenon has predictive value if it has value as an input to predictive processes used by capital providers to form their own expectations about the future. On the other hand, confirmatory value contributes to the relevance of financial reporting information. Information has confirmatory value if it confirms or alters past (or present) expectations based on previous estimations.

Relevance of information in the financial report has its capacity and capability of influencing the decision making process of the stakeholders (De-meyere et al., 2018). This simply means that information on the financial report must have the tenacity of influencing decision towards predicting value, and confirmation of specific item. This is to say that reports should reflect position and performance of the entity (Power, 2010).

Financial information is said to be relevant if it can make a difference in the users' decisions (IASB, 2010, 2018). The relevance of financial information is affected by its materiality. A piece of information is material if its omission or misstatement could influence users' economic decisions based on the financial report (Al-Dmour et al., 2017; IASB, 2010, 2018). Relevant financial information must have either predictive and confirmatory value or both (EY, 2010; Greuning et al., 2011; IASB, 2010, 2018).

As indicated by van Beest et al. (2009), financial information has predictive value if it presents forward-looking statements on future expectations, discloses information about business opportunities and risks, and is based on fair value accounting. It is also argued that fair value accounting presents better predictive value and relevant information than historical cost as it

portrays the current value of items instead of their purchase price (McDaniel et al., 2002; Maines & Wahlen, 2006). Mbobo and Ekpo (2016) also indicated that the relevance characteristic had been perceived to have a high potential to enhance financial reporting quality.

Theories Supporting Computerised Accounting System and Financial Reporting Quality
Agency Theory
Agency theory (Jensen & Meckling, 1976) explains the relationship between principals (shareholders) and agents (managers). Since managers control accounting information, there is a risk of opportunistic behavior, misreporting, or fraud. Computerised accounting systems help reduce information asymmetry by providing more reliable, transparent, and timely reports. High-quality financial reporting minimizes agency costs and strengthens investor confidence.
Computerised accounting systems improves accuracy, timeliness, and transparency, which aligns management reporting with shareholders' interests, thereby enhancing financial reporting quality.

Information Systems (IS) Theory
According to DeLone and McLean's Information Systems Success Model (1992; updated 2003), the effectiveness of an information system is measured by its system quality, information quality, and service quality. In the context of CAS, system quality (e.g., reliability, security, speed) and information quality (e.g., accuracy, relevance, completeness) directly influence financial reporting quality.
A well-designed Computerised accounting systems ensures high-quality data processing and reporting, which contributes to relevant, reliable, and faithful financial statements.

METHODOLOGY
This research study is a quasi-experimental research study, which is guided by the kind of phenomena being studied and also because the variables being studied were not within the control of the researcher. The population of the study is 12 deposit money banks in Nigeria with 120 respondents

Analyses and Result
Univariate Analysis
Descriptive Analysis of Data Fetched on Computerised Internal Control System

Descriptive Statistics

Items	N	Minimum	Maximum	Mean	Std. Deviation
In our computerized accounting system predefined users only can have access to the system with the use of passwords.	118	1	4	2.31	.893
In our computerized accounting system users are assigned specific roles to ensure segregation of duties.	118	1	4	2.32	.887
Our computerized accounting system checks and confirms the accuracy of data entered in the systems.	118	1	4	2.72	.760
Our computerized accounting system is protected from intrusions, information theft, and data manipulation.	118	1	4	2.76	1.018

Our computerized accounting system can provide audit trail on users and transactions.	118	1	4	2.51	.933
Valid N (listwise)	118				

Source: *SPSS Output of Field Survey, 2025*

The table revealed the descriptive analysis of questionnaire items raised on computerised internal control system. The table revealed the mean values and standard deviation of each if the questionnaire items to describe the measure of central tendency and variability respectively. The first item on the table showed a mean score value of 2.31 which is a moderate mean score value on a 4point likert scale indicating that majority of the respondents agreed that only computerized accounting system predefined users only can have access to the system with the use of passwords in their organisations. The second result showed a mean score value of 2.32 which also signified that most of the respondents agreed to the questionnaire item that computerized accounting system users are assigned specific roles to ensure segregation of duties.

The third result on the table showed a high mean score value of 2.72 which implies that most of the respondents agreed to that computerized accounting system checks and confirms the accuracy of data entered in the systems. The fourth result showed a high mean score value of 2.76 which signified that most of the respondents agreed to the question raised that computerized accounting system is protected from intrusions, information theft, and data manipulation. Lastly on the table is the result of the fifth question on computerised internal control system which showed a moderate mean score value of 2.51 revealing that many of the respondents agreed that computerized accounting system can provide audit trail on users and transactions. Also, the standard deviation scores also buttress that the responses were not widely dispersed from the central as none of the results showed a score above 1.00. Thus the descriptive analysis result on computerised internal control system was satisfactory.

Descriptive Analysis of Data on Computerised Reporting System

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Our computerized accounting system generates financial statements and reports automatically.	118	1	4	2.90	.788
Our computerized accounting systems can generate the Trial balance and other general ledger reports automatically.	118	1	4	2.54	.993
Our computerized accounting system can generate various financial statements (e.g. Income statement, Balance sheet, etc.).	118	1	4	2.65	.810
Our computerized accounting system can generate various financial statements (e.g. Income statement, Balance sheet, etc.).	118	1	4	2.47	.830
Financial statements and reports can be generated from our computerized accounting system based in multiple formats and reporting options.	118	1	4	2.99	.861
Valid N (listwise)	118				

Source: *SPSS Output of Field Survey, 2025*

The table revealed the descriptive analysis of questionnaire items raised on computerised reporting system. The table revealed the mean values and standard deviation of each if the questionnaire items to describe the measure of central tendency and variability respectively. The first item on the table showed a high mean score value of 2.90 which demonstrate that majority of the respondents agreed that computerized accounting system generates financial statements and reports automatically. The second result showed a moderate mean score value of 2.54 which also signified that most of the respondents agreed to the questionnaire item that computerized accounting systems can generate the Trial balance and other general ledger reports automatically. The third result on the table showed a moderately mean score value of 2.65 which implies that many of the respondents agreed to that computerized accounting system can generate various financial statements (e.g. Income statement, Balance sheet, etc.).
The fourth result showed a moderate mean score value of 2.47 which signified that most of the respondents agreed to the question raised that computerized accounting system can generate various financial statements (e.g. Income statement, Balance sheet, etc.). Lastly on the table is the result of the fifth question on computerised reporting system which showed a high mean score value of 2.99 revealing that most of the respondents agreed that Financial statements and reports can be generated from our computerized accounting system based in multiple formats and reporting options. Also, the standard deviation scores also buttress that the responses were not widely dispersed from the central as none of the results showed a score above 1.00. Thus the descriptive analysis result on computerised internal control system was satisfactory.

Descriptive Analyses on Value Relevance

Descriptive Statistics

Items	N	Minimum	Maximum	Mean	Std. Deviation
To what extent are the information disclosed in your financial reports forward-looking and therefore helps in making predictions about the company's future?	118	1	4	3.03	.970
To what extent does your financial report include financial and non-financial information in terms of business opportunities and risks?	118	1	4	2.47	.830
To what extent does your financial report present items by fair values instead of historical costs?	118	1	4	2.87	.881
To what extent does your financial report provide feedback information on impact of various market events and significant transactions on the company?	118	1	4	2.84	.807
To what extent does your financial report provide reasonable information on corporate governance?	118	1	4	2.93	.728
Valid N (listwise)	118				

Source: *SPSS Output of Field Survey, 2025*

The table revealed the descriptive analysis of questionnaire items raised on value relevance which is the second measure of financial reporting quality. The table showed the mean values and standard deviation of each of the questionnaire items to describe the measure of central tendency and variability respectively. The first item on the table showed a high mean score value of 3.03 on 4-points likert scale indicating that majority of the respondents agreed that the information disclosed

in their financial reports is forward-looking and therefore helps in making predictions about the company's future. The second result showed a moderate mean score value of 2.47 which also signified that most of the respondents agreed that their financial report include financial and non-financial information in terms of business opportunities and risks.
The third result on the table showed a high mean score value of 2.87 which implies their financial report present items by fair values instead of historical costs.
The fourth result showed a high mean score value of 2.84 which signified that many of the respondents agreed that financial report provide feedback information on impact of various market events and significant transactions on the company. Lastly on the table is the result of the fifth question showed a high mean score value of 2.93 revealing that many of the respondents agreed that their financial report provide reasonable information on corporate governance. Also, the standard deviation scores also buttress that the responses were not widely dispersed from the central as none of the results showed a score above 1.00. Thus, the descriptive analysis result on computerised internal control system was satisfactory.

Bivariate Analysis
Test of Hypothesis One
H₀:1 There is no significant relationship between computerised internal control system and value relevance of financial reports of Deposit money banks in Nigeria.

Computerised Internal Control System and Value Relevance

Correlations

		Computerised internal control system	Value Relevance
Computerised internal control system	Pearson Correlation	1	.829**
	Sig. (2-tailed)		.000
	N	118	118
Value Relevance	Pearson Correlation	.829**	1
	Sig. (2-tailed)	.000	
	N	118	118

**. Correlation is significant at the 0.00 level (2-tailed).
Source: SPSS Analysis Result, 2025

From the correlation result, it was revealed that there is a positive relationship between there computerised internal control system and value relevance of financial reports of deposit money banks in Nigeria. The correlation result showed a statistic of (r=0.829, p>0.005). This implies that there is a strong positive significant relationship the two variables. The extent of this relationship is shown in the regression result below.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829[a]	.687	.679	0.776

a. Predictors: (Constant), Computerised Internal Control System

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.703	.208		12.989	.000
	Computerised Internal Control System	.033	.066	.829	.505	.000

a. Dependent Variable: Value Relevance

The table above shows the model summary and coefficients of the regression analysis. While correlation establishes that there is a significant relationship between the constructs, regression analysis shows the magnitude of the relationship.
Thus from the result, R^2 value of 0.687 shows that computerised internal control system is a high predictor of value relevance as it boast of 68.7% predictive capacity on value relevance. This implies that computerised internal control system can predict value relevance of financial reports of deposit money banks in Nigeria to the tune of 68.7%. The result also reflects a beta value β of 0.829 (p-value 0.000). The regression models becomes =2.703+.0.829 * CICS + 0.208.
Decision: Since the p-value 0.000 is less than the level of significance (0.005), the null hypothesis H_0 is not upheld. Therefore the alternative hypothesis which states that there is a significant relationship between computerised internal control system and value relevance.

Test of Hypothesis 2
H₀:2 there is no significant computerised reporting system and value relevance of financial reports of Deposit money banks in Nigeria.
Computerised Reporting System and Value Relevance

Correlations

		Computerised Reporting System	Value Relevance
Computerised Reporting System	Pearson Correlation	1	.681**
	Sig. (2-tailed)		.002
	N	118	118
Value Relevance	Pearson Correlation	.681**	1
	Sig. (2-tailed)	.002	
	N	118	118

**. Correlation is significant at the 0.02 level (2-tailed).
Source: SPSS Analysis Result, 2025

The correlation result revealed that there is a moderate positive relationship between computerised reporting system and value relevance with a correlation coefficient (r) = .681 at p<0.005. The positive sign of the correlation coefficient is an indication that a direct association exist between the two variables. The extent of this relationship is shown in the regression result below.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.681[a]	.434	.427	1.09659

a. Predictors: (Constant), Computerised Reporting System

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.860	.178		11.676	.000
	Computerised Reporting System	.180	.058	.681	3.096	.002

a. Dependent Variable: Value Relevance

The table above shows the model summary and coefficients of the regression analysis. While correlation establishes that there is a significant relationship between the constructs, regression analysis shows the magnitude of the relationship.

Thus from the result, R^2 value of 0.434 shows that computerised reporting system is a moderate predictor of value relevance of financial reports of deposit money banks in Nigeria as it boast of 43.4% predictive capacity. This implies that computerised reporting system can predict value relevance only to the tune of 43.4%. The result also reflects a beta value β of 0.681 (p-value 0.000). The regression models becomes =1.860 + 0.681 * CRS + 0.178.

Decision: Since the p-value 0.000 is less than the level of significance (0.005), the null hypothesis H_0 is not upheld. Therefore the alternative hypothesis which states that there is a significant relationship computerised reporting system and value relevance of financial reports of deposit money banks in Nigeria.

Discussion of Findings

The second finding of this study emanated from the test of hypotheses four, five and six which sought in ascertain the relationship between the dimensions of computerised accounting system and value relevance of financial reports of deposit money banks in Nigeria. Specifically, it examined the relationship between computerised internal control system and computerised reporting system and value relevance as a measure of financial reporting quality. The result showed that there is a positive relationship between computerised internal control system and value relevance of financial reports of deposit money banks in Nigeria. The correlation result showed a statistic of (r=0.829, p>0.005) which implies that there is a strong positive significant relationship the two variables. Lastly, the result found that there is a moderate positive relationship between computerised reporting system and value relevance with a correlation coefficient (r) = .681 at p<0.005. The positive sign of the correlation coefficient is an indication that a direct association exist between the two variables. Thus the study found that all the dimensions of computerised accounting system have significant relationship with value relevance of financial reports of deposit money banks in Nigeria.

These findings are not farfetched due to their corroboration with previous findings. For instance, Amveko (2011) conducted a study in which he aimed to identify the impact of computerized accounting information systems on financial reporting, and he concluded that computerized

accounting system actually have an influence on the quality of financial reports for publication purposes. The study also found that computerized accounting systems improve efficiency and accuracy in financial reporting which would ultimately enhance the value relevance of such report. Abdallah (2012) conducted a study on the impact of using accounting information systems on the quality of financial statements. The study found that there is a presence of a positive impact when using the accounting information systems on the quality of financial statements. Similarly, Longenecker (2006) noted that a good computerized accounting system give accurate and comprehensive results of operations, which allow quick comparison between current and previous data. McCosh,(1986) also affirmed to these finding as he Concluded that the automation of accounting process has greatly saved time, made accounting more comprehensive, perfect and accurate. Also, Daru (2016) asserted that automated accounting system enhance the accuracy of financial statements since it helps to reduce human error. Several other studied also (Akesinro & Adetoso, 2016; Amahalu etal., 2017; Masanja, 2019; Kyeremeh et al., 2019) all had similar findings which corroborate with the findings o this study that there is a significant relationship between computerised accounting system and value relevance of financial reports of deposit money banks in Nigeria.

CONCLUSIONS

This study sought to investigate the relationship between computerised accounting system and financial reporting quality of deposit money banks in Nigeria The study is concluded empirically and theoretically that computerised accounting system has positive relationship with the quality of financial reports of deposit money banks in Nigeria.

RECOMMENDATIONS

In line with the findings of the study, the following recommendations were put forward:

1. Deposit money banks should endeavour to assign the administration of their computerized accounting systems to dedicated personnel who are not involved in the routine accounting function to ensure that the systems are effectively managed and that internal controls features are effectively implemented. This practice would also ensure that the systems are effectively managed and regularly maintained for optimal performance. When the systems are performing efficiently, the production of high-quality financial information could be guaranteed.
2. In addition to training, it is essential to continually evaluate the staff to determine who is failing the system in terms of reporting impartial financial information. The organization requires more internal control and audits to evaluate and assess the effectiveness of the accounting system.

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