



Computerized Accounting Information System on Financial Reporting of Deposit Money Banks in Nigeria

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Abstract: This study examined the effect of Computerized Accounting Information Systems (CAIS) on the financial reporting of Deposit Money Banks in Nigeria. The study was motivated by the increasing adoption of computerized accounting technologies in the banking sector and the need to enhance the quality, accuracy, timeliness, reliability, and transparency of financial reporting. The study adopted a qualitative research approach based on the secondary method of data collection. Relevant information was obtained from textbooks, peer-reviewed journal articles, online publications, and other documented sources relating to computerized accounting information systems and financial reporting. The study was anchored on the Real Bills Doctrine Theory and the Anticipated Income Theory, which provide a theoretical basis for understanding banking operations and financial reporting practices. Findings from the reviewed literature revealed that computerized accounting information systems significantly improve the quality of financial reporting by enhancing information accuracy, timeliness, reliability, transparency, and decision-making efficiency. The study further found that information quality, user competence, service quality, and information technology are critical determinants of effective financial reporting in Deposit Money Banks. It concluded that the integration of computerized accounting systems enhances operational efficiency, strengthens internal controls, facilitates regulatory compliance, and improves stakeholder confidence in financial reports. The study therefore recommends that Deposit Money Banks should continue investing in advanced computerized accounting technologies, provide continuous training for accounting personnel to improve user competence, strengthen internal control mechanisms within computerized environments, and regularly upgrade their information technology infrastructure to sustain high-quality financial reporting and overall organizational performance.

Keywords

Computerized Accounting Information System, Financial Reporting, Deposit Money Banks, Information Technology, Accounting Information Quality, Nigeria.

I. Introduction

Today's modern technology brought into use the computer, this technology is the application of science to gathering, recording, processing and communicating of business information by means of electronic media. Most commonest tool for application is the computer and it 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 organization. The historical development of computer started with Hollerith punched card of 1880, Goerge Alken calculator and Charles Babbage' creation of the difference engine.

The computer can be defined as a tool or device which is able to accept facts (data) and figure in a prescribed form, apply prescribed processes to data and supply result of the processes in a specified format as a meaningful information. There are also different types of information depending on the make or type of their functions. The revolution in technology to the computer complements or in the other hand, substitute for ten elements which are: - paper, personal memos, charts, reports, calculators, terminals letter (Aondover, 2025).

Hartzell (2024) defines computer as an electronic machine for processing information automatically and very quickly. The important of computers is the ability to handle vast amount of information and to do other processes with accuracy and speed which cannot be manually undertaken have been recognized and appreciated by financial institutions, hence the trend in the computerized of banking operations.

Tanembaum (2010) sees computer as a machine that can solve problems for people by carrying out instructions given to it. The American Accounting Association defines accounting as the process of identifying, measuring and communicating economic information to permit informed judgement and decision by users of the information.

Accounting is also the establishment, maintenance, collection and analysis of financial position of an organization and any changes that have occurred or may occur overtime.

Omolehinwe (2009) defines accounting as the collection and recording of financial data about an organization whether in the private or in the public sector and analyzing 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.

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 system is also defined as a consistent way of organizing, recording, summarizing and reporting financial transactions. Computerization is the installation of computers as a part of a process of automation. Banking in Nigeria has witness impressive development in recent time particularly within the last decade in time with growth in economic activities and complexities, banking service have expanded significantly in size and variety due to increase by computerization of banks (Aondover, 2025).

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 it prepares and publishes annual accounts or financial reports Collins and Collins (2014).

Saleemi (2003) 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 inform 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 According to Samuel (2003), financial reports are outputs of an accounting system and they are prepared at the end of the year, hence the name final accounts. According to Horne (2004), the financial reports should include a narrative description of the organization's activities and audited financial statements. He argues that these enable the stakeholders to see the organization's performance and the overall financial situation of the organization. Samuel (2005), states that managers and accountants are usually required to defend the results shown in the financial reports as part of the accountability process.

According to Indira (2008), 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.

Frank wood indicates 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. Frank wood (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) Understand ability 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. This study will Base on Keating and Frumkim (2003) conceptual framework, where Leadership, Transparency and accounting systems are determinants of quality of financial reports In Kenya according to the NGO coordination board, it is noted that despite what some think of corruption in government, there is also fraud in the private sector and NGOs are not above corruption. At time cost effectiveness is not prioritised. Many feel that NGOs should be accountable to their beneficiaries while others think that NGOs should be directly answerable to the people they serve. By having quality financial reports that is understandable, relevant and transparent the financial information would be useful (Aondover, 2025).

Theoretically it is expected that a computerised accounting system would result to a quality financial reports. Through studies done by Carol (2002), it is easy to do accounting functions using computerized accounting systems. Posting transactions to the ledger, the principle of double entry can largely be automated when done through the use of computerized accounting system. Evidence from academic studies suggests that donors respond to accounting information in making their giving decisions (Parsons, 2007; Buchheit and Parsons, 2006). In 2010, Gordon and colleagues outlined five best practice recommendations for annual reports in the non-profit sector completeness, accessibility and transparency in financial reporting, full disclosure and relevance. McBride (2000) stated that managers cannot easily satisfy statutory and donor reporting requirements such as profit and loss account, balance sheet and customized reporting without using computerized accounting systems. With the system in place, this can be done quickly and with less effort. Computerized accounting systems ease auditing and have better access to required information such as cheque numbers, payments, and other transactions which help to reduce the time needed to provide this type of information and documentation during auditing. According to European Union audit in 2003, it was noted that organizations are not enjoying the benefit of computerization of accounting system as they have continued to be inaccurate due to increased number of interruptions due to system failure or breakdown and un-timeliness with its reliability left in question. In other studies, Computerization saves time on transaction hence leading to quality of financial reporting for instance timely, accurate and reliable information can be generated (Lewis 2014; (Aondover, 2025).

1.1 Theoretical Underpinning

This study is underpinned by two theories namely: The real bill doctrine theory and the anticipated income theory.

1.2 The Real Bills Doctrine Theory:

The real bills doctrine or the commercial loan theory states that a commercial bank should advance only short-term self-liquidating productive loans to business firms. Self-liquidating loans are those which are meant to finance the production, and movement of goods through the successive stages of production, storage, transportation, and distribution.

When such goods are ultimately sold, the loans are considered to liquidate themselves automatically. For instance, a loan given by the bank to a businessman to finance inventories would be repaid out of the receipts from the sale of those very inventories, and the loan would be automatically self-liquidated.

The theory states that when commercial banks make only short term self-liquidating productive loans, the central bank, in turn, should only land to the banks on the security of such short-term loans. This principle would ensure the proper degree of liquidity for each bank and the proper money supply for the whole economy.

The central bank was expected to increase or diminish bank reserves by rediscounting approved loans. When business expanded and the needs of trade increased, banks were able to acquire additional reserves by rediscounting bills with the central banks.

When business fell and the needs of trade declined, the volume of rediscounting of bills would fall, the supply of bank reserves and the amount of bank credit and money would also contract.

Such short-term self-liquidating productive loans possess three advantages.

First, they possess liquidity that is why they liquidate themselves automatically.

Second, since they mature in the short run and are for productive purposes, there is no risk of their running to bad debts.

Third, being productive such loans earn income for the banks.

1.3 The Anticipated Income Theory:

The anticipated income theory was developed by H.V. Prochanow in 1944 on the basis of the practice of extending term loans by the US commercial banks. According to this theory, regardless of the nature and character of a borrower's business, the bank plans the liquidation of the term-loan from the anticipated income of the borrower. A term-loan is for a period exceeding one year and extending to less than five years.

It is granted against the hypothecation of machinery, stock and even immovable property. The bank puts restrictions on the financial activities of the borrower while granting this loan. At the time of granting a loan, the bank takes into consideration not only the security but the anticipated earnings of the borrower.

Thus a loan by the bank gets repaid out of the future income of the borrower in instalments, instead of in a lump sum at the maturity of the loan.

This theory is superior to the real bills doctrine and the shift ability theory because it fulfills the three objectives of liquidity, safety and profitability. Liquidity is assured to the bank when the borrower saves and repays the loan regularly in instalments.

It satisfies the safety principle because the bank grants a loan not only on the basis of a good security but also on the ability of the borrower to repay the loan. The bank can utilise its excess reserves in granting term-loan and is assured of a regular income. Lastly, the term-loan is highly beneficial for the business community which gets funds for medium-terms

II. Research Methods

This paper employed the secondary method of data collection where existing studies were considered for this paper. Secondary data like books, journal articles, online materials were used to generate data for this paper.

Concept Computerized Accounting Information System (CAIS)

A computerized accounting information system (CAIS) represents the integration of accounting processes with modern information technology to enhance the quality, speed, reliability and accuracy of financial information used for decision-making within an organisation. The transformation from manual accounting to digital systems reflects a global shift in business practices driven by technological innovation and the need for more efficient data processing structures. According to Romney and Steinbart (2020), a CAIS is a structured system that collects, records, processes and reports accounting data through the use of computer-based technologies. This system forms an essential part of an organisation's internal control architecture and strategic management functions, as it ensures timely access to financial information that supports planning, control and performance evaluation. Historically, organisations relied heavily on manual accounting procedures, which were prone to calculation errors, delayed reporting and poor record storage (Hurt, 2016). The evolution

of computing devices revolutionised this practice by offering digital solutions that automate accounting tasks such as ledger posting, trial balance preparation, bank reconciliation, payroll computation and financial statement generation. Through advanced software such as Sage, QuickBooks, Tally and Oracle Financials, CAIS ensures speed, data accuracy and security by reducing human error and integrating real-time verification mechanisms. Owing to these advantages, modern businesses increasingly depend on CAIS to meet regulatory requirements, satisfy stakeholder expectations and maintain competitive advantage in fast-changing economic environments.

The concept of CAIS is intrinsically linked to the broader theoretical frameworks of information systems and management decision-making. Gelinas, Dull, and Wheeler (2018) describe CAIS as part of a wider organisational information system that transforms raw financial data into meaningful outputs. This transformation aligns with systems theory, where inputs are processed through defined procedures to generate outputs that influence organisational performance outcomes. In this context, CAIS functions as a subsystem that works in harmony with other organisational units such as auditing, budgeting and operational management. The effectiveness of this system depends on the quality of hardware, software, operational policies and human competence. Therefore, the adoption of CAIS goes beyond the installation of computers and software; it requires the alignment of organisational processes, staff capabilities and internal control practices to ensure optimal performance.

The reliability of CAIS significantly influences financial reporting quality. Accounting information produced through manual processes often suffers from inconsistencies and delays, which undermine the credibility of financial statements. In contrast, CAIS improves accuracy through automated posting and real-time validation processes that eliminate arithmetic errors and ensure compliance with accounting standards (Hall, 2015). Automated systems also provide audit trails, making it easier for auditors to trace transactions and verify data authenticity, thereby enhancing transparency. The International Accounting Standards Board (IASB) emphasises the need for reliability, comparability and timeliness in financial reporting, all of which CAIS helps to achieve by integrating structured data processing rules and consistent reporting formats (IASB, 2021). Consequently, organisations leveraging CAIS tend to exhibit stronger governance and stakeholder trust.

From an organisational performance perspective, CAIS contributes significantly to operational efficiency, financial transparency and strategic forecasting. Studies such as those by Al-Sharairi and Al-Hosban (2019) have shown that firms adopting CAIS experience improved decision-making speed, cost reduction, enhanced internal control and overall productivity improvement. By providing real-time access to financial information, managers can evaluate business trends, forecast financial outcomes and adjust strategies promptly. This capability is particularly important in highly competitive business environments where timely decision-making determines long-term sustainability. The link between CAIS adoption and improved financial performance has been widely documented, confirming the strategic relevance of digital accounting systems in contemporary organisations.

Concept of System

The concept of a system refers to a set of interconnected components that work together to achieve a specific purpose or function within a defined boundary. A system consists of elements, relationships, and processes that transform inputs into meaningful outputs in a coordinated and organized manner (Bertalanffy, 1968). Systems theory emphasizes that each component within the system is interdependent, and the functioning of one part inevitably influences the performance of the others. This holistic perspective allows organizations to understand their operations not as isolated activities but as integrated structures where efficiency depends on the harmonious interaction of all parts.

Within organizational and technological contexts, a system represents a structured arrangement of people, technology, procedures, and data working collectively to produce

information or deliver services (Laudon & Laudon, 2020). For example, an Accounting Information System integrates hardware, software, internal controls, users, and data-processing procedures to generate financial information for decision-making. Such systems operate through clearly defined processes that ensure data capture, validation, processing, storage, retrieval, and reporting. The system's effectiveness depends on the coherence and compatibility of these components, as well as the stability of the environment in which it operates.

In the context of Deposit Money Banks, systems are essential because banking functions involve complex workflows, numerous transaction points, and continuous interaction between departments. A banking system, whether operational, financial, or technological, is designed to manage large volumes of transactions, facilitate communication, enforce internal controls, and support regulatory compliance. According to Gelinias, Dull, and Wheeler (2020), systems in financial institutions enhance operational efficiency, reduce errors, and support timely and accurate reporting. When systems are well-designed, they enable the smooth flow of information across departments, support managerial decision-making, and minimize operational risks.

The concept of system also implies the presence of feedback mechanisms, which are essential for evaluating performance and making necessary adjustments. Feedback loops allow organizations to monitor outcomes, detect deviations, and initiate corrective actions to ensure continuous improvement (Checkland, 1999). This is particularly critical in computerized accounting and financial reporting environments, where errors or system failures can have significant implications for organizational credibility and financial stability.

Overall, the concept of a system highlights the idea that organizations function as integrated wholes, where efficiency and effectiveness depend on the interaction, coordination, and alignment of all components. Understanding the system perspective enables management to optimize processes, enhance accountability, and ensure that technological and human resources work collaboratively to support organizational objectives.

According to Free Merriam, a computer system refers to the hardware and software components that owns a computer or computers. Computer system will include the computer along with any software and peripheral devices that are necessary to make the computer function.

French (1996) state the basic elements that make up a computer system areas follows:

1. Input
2. Storage
3. Control
4. Processing
5. output

A brief description of each element

Input

Most computers cannot accept data in forms customary to human communication such as speech or hand-written documents. It is necessary, therefore, to present data to the computer in a way that provides easy conversion into its own electronic pulse – based forms. A keyboard device is just one of many kinds of input device.

Storage

Data and instructions enter main storage, and are held until needed to be worked on the instructions dictate action to be taken on the data. Results of action will be held until they are required for output.

Control

The processor controls the operation of the computer. It fetches instructions from main storage, interprets them, and issues the necessary signals to the components making up the system. It directs all hardware operations necessary in obeying instructions.

Processing

Instructions are obeyed and the necessary arithmetic operations, etc. are carried out on the data. The part of the processor that does this is sometimes called the Arithmetic – Logical Unit (ALU), although in reality as for the “control Unit”, there is often no physically separate component that performs this function. These arithmetic logical operations / numbers takes place at incredibly high speeds, e.g. 10million numbers may be totaled in one second.

Output

Results are taken from main storage and fed to any output device. This may be a printer in which case the information is automatically converted to a printed form called hard copy or alternatively data may be displayed on a monitor screen similar to that used in a television set.

Concept of Accounting System

An accounting system refers to an organized framework of methods, procedures, controls, and records used by an organization to identify, measure, record, classify, and communicate financial information for decision-making purposes. It provides the structural foundation through which financial transactions are captured and transformed into meaningful reports that reflect the financial performance and position of an entity (Horngren, Sundem & Elliott,

2016). The primary purpose of an accounting system is to ensure that financial data are processed accurately, consistently, and in accordance with established accounting standards and regulatory requirements. According to Warren, Reeve and Duchac (2018), an effective accounting system ensures the faithful representation of financial events and supports managerial planning, budgeting, control, and strategic decision-making.

Within the organizational context, the accounting system functions as both a technical and administrative mechanism. Technically, it incorporates journals, ledgers, source documents, chart of accounts, and reporting tools necessary for the systematic processing of financial information. Administratively, it establishes procedures for authorization, recording, verifying, and reporting transactions to safeguard assets and ensure accountability (Needles, Powers & Crosson, 2014). These procedures are essential because they uphold the integrity of financial data and provide internal control measures that minimize errors, fraud, and misstatements. The effectiveness of an accounting system therefore depends on the clarity of its procedures and the adequacy of its internal control structure.

In modern organizations, the traditional manual accounting system has been largely replaced by computerized or automated accounting systems, which rely on digital technologies to enhance efficiency and accuracy. As explained by Gelinas, Dull and Wheeler (2020), computerized accounting systems integrate hardware, software, databases, and trained personnel to speed up transaction processing, reduce human errors, and support real-time reporting. These systems offer improved reliability of records, seamless reconciliation of accounts, and automated preparation of financial statements. Such advancements are particularly critical for industries like banking, where the volume and complexity of transactions make manual systems insufficient and prone to inconsistencies.

In the financial sector, especially Deposit Money Banks, the accounting system is central to operational integrity and regulatory compliance. Banks operate under strict guidelines imposed by bodies such as the Central Bank of Nigeria (CBN) and the Financial Reporting Council (FRC), and the accounting system must be capable of producing timely and accurate reports that meet these regulatory standards. A well-functioning accounting system also enhances transparency by providing verifiable audit trails, supporting both internal and external audits, and strengthening stakeholder confidence (Healy & Palepu, 2001). Consequently, the accounting system is not merely a recording mechanism but a strategic tool that shapes organizational governance, financial discipline, and long-term sustainability.

Overall, the concept of an accounting system highlights its fundamental role in ensuring the orderly processing of financial transactions, the reliability of financial information, and the accountability of organizational resources. Its design and effectiveness have profound

implications for financial reporting quality, managerial decision-making, and the overall financial health of an organization.

Basis of Recording Transactions

The two main basis of recording transaction in accounting which dictate how the company's transactions are recorded in the company's financial books are cash basis accounting and accrual basis accounting.

Cash –Basis Accounting

Ama (2021), states that cash basis of accounting revenue is recognized and recorded only when the cash is received. Expenses are recognized in the period when payment is made. Recording of revenue and expenses during an accounting period is based on an inflow and outflow of cash. A matching of cash receipts and cash disbursement is done to determine operating results during the period. This method is simple in application.

Rao (2006) defines cash basis as a basis of accounting by which a transaction is recognized only if cash is received or paid. Cash basis of accounting is suitable for such business organizations which operate for a short-term duration.

Accrual – Basis Accounting

The accrual basis of accounting is based on the principle that all revenue earned during a period and the related incurred expenses of earnings that revenue assignable to the period must be determined. These then are matched against each other to determine net income or net loss. Revenue is recognized at the time of sale of the services or merchandise and expenses are usually recognized at the time the service are received and used in the production of revenue.

Rao (2006) defines accrual basis as a system of classifying and summarizing transactions into assets, liabilities, capital, cost and resources and recording there of. A transaction is recognized when either a liability or asset is created or impaired. Whether payment is made or received is immaterial in accrued basis accounting.

Manual Accounting System

According to Ama (2004), this is a system, which uses special journals to stream line the journalizing and posting procedures. To handle a large volume of transaction rapidly and effectively, it is helpful to group the transactions into classes and to use a specialized journal for each. Recording and posting are made for these journals using the double entry record keeping. Also according to free online Marrian, manual system is a system in which the accountant or the book-keeper is required to post business transactions to the general journal, general ledger and worksheet by hand. This process can be computed by either using actual paper journal and ledger sheets or by creating these sheets in a computer program such as excel it is considered manual because each transactions is entered into the systems individually.

Concept of Computerized Accounting System

A computerized accounting system refers to an integrated technological framework that automates the processes of recording, classifying, storing, and summarizing financial transactions with the aid of computer hardware, software applications, and digital databases. It replaces the traditional manual accounting system with technology-driven processes that enhance speed, accuracy, and efficiency in financial information management. According to Romney and Steinbart (2018), a computerized accounting system combines information technology resources with accounting procedures and internal controls to produce timely and reliable financial information for both internal and external users. The system operates through programmed instructions that allow transactions to be captured and processed automatically, thereby minimizing human intervention and the errors associated with manual bookkeeping.

In modern organizations, computerized accounting systems have become indispensable because they facilitate real-time transaction processing, automated ledger posting, and

instantaneous generation of financial statements. Gelinas, Dull and Wheeler (2020) explain that computerized systems provide advanced features such as digital audit trails, secured data storage, system logs, and automated reconciliations, all of which contribute to efficient financial management. These systems also allow organizations to integrate various operational and financial functions into a unified platform, enabling seamless communication between departments and supporting better decision-making. For instance, modules such as accounts payable, accounts receivable, general ledger, payroll, and fixed assets can operate harmoniously within a single software environment, ensuring consistency and accuracy of financial data.

The reliability of a computerized accounting system is strongly influenced by its internal control mechanisms. Bodnar and Hopwood (2015) emphasize that computerized systems embed controls such as access restrictions, password policies, approval hierarchies, and error-detection algorithms, which help safeguard financial information and reduce the risk of fraud or unauthorized manipulation. These controls are critical in highly regulated sectors like banking, where data accuracy and security are essential for maintaining operational integrity and meeting regulatory expectations. In Deposit Money Banks, computerized accounting systems facilitate compliance with International Financial Reporting Standards (IFRS), prudential guidelines issued by the Central Bank of Nigeria, and disclosure requirements mandated by the Financial Reporting Council. Moreover, computerized accounting systems contribute significantly to enhancing the quality of financial reporting by ensuring the timely generation of financial statements. Automation reduces the reporting lag associated with manual processes and enables banks to submit accurate reports within statutory deadlines. Olatunji (2017) argues that the adoption of computerized systems has improved organizational efficiency and strengthened users' confidence in financial information because automated processes reduce the likelihood of inconsistencies and misstatements. However, the effectiveness of such systems depends largely on the competence and training of users, as inadequate knowledge of system functionalities may undermine the benefits of automation.

Overall, the concept of a computerized accounting system highlights its role as a transformative tool that enhances accuracy, timeliness, reliability, and transparency in financial reporting. It provides organizations, particularly Deposit Money Banks, with the technological infrastructure needed to manage large volumes of transactions, maintain regulatory compliance, and improve operational efficiency. By integrating digital technologies into financial processes, computerized accounting systems support strategic decision-making and promote long-term corporate sustainability.

Principles of Computerized Accounting System

In the course of recording, classifying and summarizing financial data, there may arise cases where the exercise of discretion becomes very essential. Some practical principles have been developed to help accountants in the exercise of such judgement, the four basic principles of accounting are important because they provide the conceptual guidelines for application of the basic accounting system. Also they give the measurement, recording and reporting phases of the accounting information processing cycle. They include:

Historical Cost Principle

Revenue Recognition Principles

Matching principles

Full-disclosure principles.

Historical Cost Principles

According to GAAP, this principle requires companies to account and report based on acquisition cost rather than fair market value for most assets and liabilities. This principles provides information that is reliable (removing opportunity biased market values) but not very relevant.

According to Bhorkar (2005), states that historical cost principle in account usually Past happenings are recorded. This is based on assumption of realizations. Accounting involves recording of business transactions which have taken place. The business transactions are recorded as and when they take place i.e. date – wise. This lead to the preparation of the historical records of all transactions.

Ama (2004) states that the principle defines the conceptual basis for measuring the assets, liabilities and owner's equity (including revenues and expenses) of a business, the cost principle states that the cash equivalent cost should be used for recognizing (i.e, recording) all financial statement elements. Cost is measured as the cash paid plus the current value of all non-cash consideration.

III. Result and Discussion

3.1 Revenue Recognition Principle

Ama (2004) states that the revenue principle relates to the income statement model (Revenue minus – Expenses = Income). This principle specifies when revenue should be recognized (ie recorded) and how it should be measured. Revenue should be recognized when there is an inflow of net assets from the sale of goods or services. Revenue is measured as the cash received plus the current Naira value of all non-cash considerations received. This principle requires companies to record when revenue is; Realized or realizable and Rained not when cash is received This way of accounting is called accrual basis accounting.

3.2 Matching Principle

In this principle, expenses have to be matched with revenues as long as it is reasonable to do so. Expenses are recognized not when the work is performed or when a product actually makes its contribution to revenue.

According to Bhorkar (2020) states that matching principles explains that we have to match the income of a certain period with expenses of that period only. The term matching refers to close relationship that exists between certain expired cost and revenues realized as result of incurring those costs.

Ama (2020) states that this principle relates directly to the income statement (Revenue – Expenses = income). Resources that are used to earn revenues are called expenses. The matching principle holds that when the accounting period revenues are properly recognized in conformity with the revenue principle, all of the expenses incurred in earning those revenues must be matched with the revenue of that period.

3.3 Full Disclosure - Principle

Bhorkar (2005) states that entries are made in such a way so that they provide honestly all information relating to the activities of the business, the records should not conceal anything from outsiders this implies that accounts must be honestly prepared and all material information must be disclosed there in. Information disclosed should also be enough to make a judgment while keeping costs reasonable.

Ama (2020) states that the periodic financial statements of a business must clearly report (ie. disclose) every relevant information about the economic affairs of a business. This principle requires (a) Complete Financial Statement. (b) Notes on the financial statements to elaborate on the “numbers”.

What is Computer and Computer Trends

Tanenbaum (2020) defines computer as an electronic device for storing and processing data, typically in binary form, according to instruments given to it in a variable program.

According to O'Leary (2021) computers are electronic devices that can follow instructions to accept input, process that input, and produce information.

Vermant and Shelly (2021) define computer as electronic device, operating under the control of instructions stored in its own memory, that can accept data, process the data according to specified rules, produce results and store the results for future use. Computers process data into information. Data is a collection of unprocessed items, which can include text, numbers, images audio and video. Information conveys meaning and is useful to people.

According to Wikipedia, the free encyclopedia, computer trends are changes or evaluations in the ways that computer are used which becomes widespread and integrated into popular thought with regard to these system. These movements often begin with one or two companies adopting or promoting a new technology which grabs the attention of others and becomes popular. Both hardware and software can be part of computer trends such as the developments and proliferation of mobile devices including smart phones and table's changes in the internets, the developments of new websites, and the expansion of the cloud.

Computing models are likely to be similar software trends throughout the early part of the 21st century. Much like changing fashions in clothing, computer trends indicate the types of technology or concepts that are popular at a given time. This can occur in a number of ways including a company introducing new technology to a market and computers finding that they can use certain products more effectively than others. As changes happen computer trends typically evolve and grow over time, so that popular technology one year may be considered out-dated the next. Identifying the next major trend and finding a way to get in on it ahead of time can be substantially profitable for companies that work with technology. Developments in interest coding and viewing continue to make its growth a major trend in the computer industry.

Computers have revolutionized all types of industries they proved to be faster than mankind. A computer is one of the most brilliant inventions of main kind. Thanks for computers technology, we were able to achieve strong and processing of huge amounts of data we could rest on basis by employing computers memory capacities for storage of information.

According to the Wikipedia, the free encyclopedia states the different types of computers and are categorized based on their operational, style of functioning based on the operational principle of computers, they are categorized as analog, digital and hybrid computers. The classification of computer based on their style of functioning following is a classification of the different types of computers based on their sizes and processing powers.

3.4 Analog Computers

These are almost extinct today. These are different form of a digital computer because an analog computer can perform several mathematical operations simultaneously. It uses continuous various for mathematical operations and utilize mathematical or electrical energy.

Digital Computers

They use digital circuits and are designed to operate on two states namely bits 0 and 1.

They are analogous to states ON and OFF. Data on these computers are suitable for complex computation and have higher processing speeds. They are programmable and either general or special purpose computers. Such as digital cameras. A digital camera is a device that allows users to take pictures and stores the photographed images digitally, instead of on traditional film.

Hybrid computers

These computers are a combination of both digital and analog computers. In this type of computer the digital segments perform process control by conversion of analog signals to digital ones

Mainframe Computers

According to Vermaat and Shelly (2021), a mainframe is a large, expensive powerful computer that can handle hundreds or thousands of connected users simultaneously. Mainframes store tremendous amounts of data, instructions and information. Most major

corporations use mainframe for business activities. With mainframes, enterprises are able to bill millions of customers, prepare payroll for thousands of employees, and manage thousands of items in inventory. One study reported that mainframe process more than 83 percent of transactions around the world.

According to O'Leary (2021), mainframe computers occupy specially wired air-conditioned rooms. Although not nearly as powerful as supercomputers mainframe computers are capable of great processing speeds and data storage. For example, insurance companies use mainframes to process information about millions of policy holders.

Micro – Computers

Microcomputers are the least powerful, yet the most widely used and fastest growing type of computer. They do not occupy space as much as mainframes do. When supplemented with a keyboard and mouse, microcomputers can also be called personal computers. A monitor, a keyboard and other similar input and output device, computer memory in the form of RAM and a power supply unit come packaged in a microcomputer. These can be fixed on desk or tables and prove to be the best choice for single – user's tasks. These are six types of micro computers; desktop, net book, notebook, handheld, tablet PC and media center computers.

Desktop Computers: According to O'Leary (2011) are small enough to fit on top of or alongside a desk yet are too big to carry around. A desktop is intended to be used on a single location. The space parts of a desktop computer are readily available at relatively lower costs. Power consumption is not as critical as that in laptops. Desktops are widely popular for daily use in the work place and household.

Laptops/Notebook Computers: Also portable, light weight and fit into most briefcases.

Laptops are similar in operation to desktops, laptops computers are miniaturized and optimized for mobile use. Laptops run on a single battery or an external adapter that charges the computer battery. They are enabled with an in built keyboard touch pad acting as a mouse and a liquid crystal display.

Servers

They are computers designed to provide services to client machines in a computer network. They have larger storage capacities and powerful processors. Running on them are programmes that serve client request and locate resources, like memory and time to client machine usually they are very large in size to be fail safe & resistant to crash.

Tanenbaum (2010) states that beefed – up personal computers or workstations are often used as network servers, both for local areas networks (typically within a single company), and for the internet. These come in single – processor and multiple – processor configurations have gigabytes of memory, hundreds of gigabytes of hard disk space and high – speed networking capability. Some of them can handle thousands of transactions per second. Architecturally, however a single processor server is not really very different from a single – processor personal computer. It is just faster bigger, has more disk space and possibly a faster network connection.

Supercomputers: These are the most powerful type of computer. These machines are special high – capacity computers used by very large organizations. IBM's Blue Gene is one of the fastest computers in the world. The highly calculations intensive task can be effectively performed by means of supercomputers, Quantum physics, mechanics, Weather forecasting,

Molecular theory are bests studied by means of supercomputers.

Wearable Computer: A record setting step in the evolution of computers was the creation of wearable computers. They can be worn in the body and are often used in the study of behaviour modeling and human health. Military and health professionals have incorporated wearable computers into their daily routine as a part of such studies.

Uses of Computers: According to Wikipedia the free encyclopedia, computers are now being used extensively in office administration to perform the routine clerical work. Today, most large and medium sized organizations are almost totally dependent on their computers.

Routine uses of computers are given below:

- Accounting, billing, inventory control system with MIS, CRM.
- Computers are extensively used in accounting and there are multitude of computer software for accounting MIS, CRM, HITECH financial accounting is one such software which has been customized for users in many segments in business and services.
- Payroll and personnel Records.

Payroll according was the first commercial area to become widely computerized. The calculation of wages or salaries involves a number of variables which relates to the personal details of each employee such as gross pay or rate for the job, individual deductions tax liabilities of the employees and so on.

□ Stock Control

The computer helps to exercise the type of stock control needed by the organization. It up to dates the sales and purchases records determines optimum reorder levels for different items and prints out stock list when desired.

□ Sale Accounts Records

Programming can be done for any sales accounting system. The computer will pin point defaulting debtors, determines the right limit for each debtors and maintain stores ledger.

□ Costing and Budgetary Control

Costing and Budgetary control can be affected through the computer, the computer will pin point out the variations from the planned performance.

□ Production Control

The computers also help greatly in planning and control. It is possible that scheduling of the work may become necessary due to break downs etc a new critical path may have to be worked out. The computer helps the lay down this new critical path.

Financial Reporting

Having discussed the history and essence of Computerized Accounting Systems, it is imperative to assess the importance of financial reporting in every company. The scenario posed by Enron and other companies like WorldCom, Tyco, Adelphia, Global Crossing, and Xerox, endears both management and users of accounting information to pay critical attention to the content of the financial statements (Romney et al 2022).

The Companies Code, 1963 (179) of Ghana mandates management of every company identified under the code to prepare and present financial statements to members of the company at least once in every calendar year.

The process of periodically providing general-purpose financial information to people outside an organization is termed financial reporting (Greuning, 2023). Financial Reporting can be defined as the process of presenting financial data about a company's financial position, the company's operating performance, and its flow of funds (Rose and Hudgins, 2022). Issues bothering on financial reporting are quite complex and cumbersome.

The function of financial reporting is to make publicly available information which concerns stewardship (for example, what resources are under control of the organization, and the consequence of their past use) and management's planning (for example, what are the future plans for the controlled resources, and how prior mistakes will be avoided) (Beaver 2021). The end product of financial reporting is a financial report. This financial report

generally consists of:

Statement of financial position at the end of the period

Statement of comprehensive income for the period

Statement of cash flows for the period

Importance of Financial Reporting

Financial reporting is a means of providing financial information to users. Financial information is a tool and, like most tools, it cannot be of much direct help to those who are unable or unwilling to use it or who will misuse it. In view of this, Paton (1922) stated that we must assume an intelligent reader of financial statements.

1. Financial reporting provides information that is useful to present and potential investors and creditors and other users in assessing the amounts, timing, and uncertainty of prospective cash receipts from dividends or interest and proceeds from sale, redemption, or maturity of securities or loans.
2. Financial reporting provides general information about an enterprise's economic resources, obligations, and owners' equity. This helps identify the enterprise's financial strengths and weaknesses and assess its liquidity and solvency.
3. Financial reporting provides a basis to evaluate information about the enterprise's performance during a period. This provides direct indications of the cash flow potentials of some resources and of the cash needed to satisfy many, if not all, obligations.
4. A financial report provides information about how management of an enterprise has discharged its stewardship responsibility to owners for the use of enterprise resources entrusted to it.

IV. Conclusion

In conclusion, the findings from the study reveal that multiple factors, including information quality, user competence, service quality, and information technology, significantly influence the financial Reporting of Deposit money banks companies in Nigeria.

The study establishes that information quality directly impacts the timeliness, understandability, and faithful representation of financial reports, underscoring the importance of reliable, accurate, and easily interpretable data for effective financial reporting.

Additionally, user competence plays a crucial role in ensuring the timeliness and clarity of financial statements, emphasizing the need for continuous staff training to enhance their skills and efficiency. Service quality further strengthens the relationship between financial reporting attributes, with better service delivery leading to more accurate and understandable reports. Moreover, the study highlights the essential role of information technology in improving the overall quality of financial reporting, particularly through its influence on accounting information systems. This suggests that integrating advanced technological solutions can significantly enhance the reliability, transparency, and effectiveness of financial reporting processes. These findings collectively stress the importance of investing in high-quality information, competent personnel, efficient service, and robust technological infrastructure to improve the overall financial reporting quality in the Nigerian money banks sector.

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