

Utilizing cloud computing to improve the quality of financial reports through the mediating role of accounting disclosure in private banks in Iraq

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Abstract

This study aimed to determine the impact of cloud computing on the quality of financial reports and the role of accounting disclosure as a mediating variable. The study was conducted in the Iraqi banking sector, specifically in Babylon Governorate. The descriptive approach was adopted, and the sample included 81 accountants, financial controllers, and accounts managers from the banks included in the study. Data were collected using a validated questionnaire. For data analysis and hypothesis testing, PLS-SEM software (SmartPLS) was used. The results showed a significant positive impact of cloud computing on both the quality of financial reports and accounting disclosure, which aligns with their being two essential elements in modern accounting practices. On the other hand, the analyses indicated the absence of a significant mediating role for accounting disclosure in the relationship between cloud computing and the quality of financial reports. Based on these findings, the study recommended that banks in Iraq accelerate their expansion in using integrated cloud computing solutions and shift from traditional quantitative disclosure to smart digital disclosure to avoid overburdening the system.

Keywords: Cloud Computing, Accounting Disclosure, Financial Reporting Quality, Iraqi Banking Sector

Penelitian ini bertujuan untuk mengetahui pengaruh cloud computing terhadap kualitas laporan keuangan serta peran pengungkapan akuntansi sebagai variabel mediasi. Penelitian dilakukan pada sektor perbankan Irak, khususnya di Kegubernuran Babilonia. Penelitian menggunakan pendekatan deskriptif dengan sampel sebanyak 81 responden yang terdiri atas akuntan, pengawas keuangan, dan manajer akuntansi dari bank-bank yang menjadi objek penelitian. Data dikumpulkan menggunakan kuesioner yang telah divalidasi. Analisis data dan pengujian hipotesis dilakukan menggunakan Partial Least Squares-Structural Equation Modeling (PLS-SEM) dengan perangkat lunak SmartPLS. Hasil penelitian menunjukkan bahwa cloud computing berpengaruh positif dan signifikan terhadap kualitas laporan keuangan dan pengungkapan akuntansi, yang menegaskan pentingnya kedua aspek tersebut dalam praktik akuntansi modern. Di sisi lain, hasil analisis menunjukkan bahwa pengungkapan akuntansi tidak memiliki peran mediasi yang signifikan dalam hubungan antara cloud computing dan kualitas laporan keuangan. Berdasarkan temuan tersebut, penelitian ini merekomendasikan agar bank-bank di Irak mempercepat penerapan solusi *cloud computing* yang terintegrasi dan beralih dari pengungkapan kuantitatif tradisional menuju pengungkapan digital yang lebih cerdas guna menghindari kelebihan informasi yang dapat membebani sistem.

Kata kunci: Cloud Computing, Pengungkapan Akuntansi, Kualitas Laporan Keuangan, Sektor Perbankan Irak.

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1. Introduction

Advances in information and communication technology have played a crucial role in improving the financial and administrative processes of economic units. Accurate and timely financial reporting is a key decision-making tool for managers and stakeholders. With the increasing volume and complexity of financial data, and the accompanying rise in security threats, the need to cloud computing technologies has become more urgent than ever. by providing a secure and reliable environment, enables the rapid and accurate processing of financial data and elevates the quality of financial reports to a higher level. This study was conducted to analyze the impact of this integration on the quality of financial reports and to provide an operational framework based on modern technologies.

Recent evidence has increasingly highlighted the contribution of cloud-based accounting technologies to the quality of financial reporting. Cloud accounting can facilitate faster access to accounting data, reduce manual processing, and improve the accuracy and reliability of financial information. In the Iraqi context, recent empirical evidence indicates that the use of cloud accounting is positively associated with the quality of financial reports and the efficiency of accounting operations. Similar findings have been reported in other emerging banking environments, where cloud-based accounting contributes to improving the accuracy, transparency, timeliness, and accessibility of financial reports. These developments indicate that cloud computing is not merely a technological alternative for storing and processing data, but has become an important component in improving the quality of accounting information and financial reporting practices (Khattar, 2025; Alfartoosi & Mohsin, 2025; Oloruntoba, 2025).

Cloud computing has quickly emerged as a key technology that has had a big impact in various fields and industries. Cloud platforms have revolutionized how organizations run operations and deal with data as they provide on-demand access to very scalable and robust computing infrastructure and services. Moving the workloads to the cloud provides a great deal of flexibility, adaptability, cost, and scale in business operations (Armbrust et al. 2010). The financial industry has been the biggest beneficiary of cloud computing. Bankers (and other financial institutions) are increasingly being driven to optimize their operations and get insight from vast data storage and to provide services in more flexible ways (Valmohammadi, 2023). Cloud computing is a great solution for businesses using cloud-based financial management software, reporting systems, and data analytics tools to leverage technology without spending a lot of money in the first place (Bejjju, 2014). Cloud services allow for the adaptation of data storage and computational requirements to evolve over time.

Recent studies have also highlighted the importance of cloud computing to financial institutions (in particular banks) with the volume, sensitivity and continuous flow of financial information that require agile and reliable information infrastructure. Cloud accounting can give financial information access in real time, improve data

processing ability and help to make financial reporting transparent. For example, data from Iraqi commercial banks has shown a correlation between cloud accounting and the quality of financial reports, and research in the banking domain has also shown a positive impact of cloud accounting on the qualitative characteristics of financial reporting. This is evidence that cloud computing is necessary for the banking industry, as the quality of financial information is extremely important for managerial and investment decisions (Mansoor, 2024; Yikarebogha & Onwuchekwa, 2025).

Cloud accounting information systems helps the corporate reporting and disclosure mechanisms that are necessary for the establishment of robust data governance structures. Moreover, data management is the policy, process, and system that ensures the integrity and availability of information (Aleqab et al., 2025) of data-driven cloud-based information solutions, which are often distributed and retrieved by organizations. This research endeavor seeks to fill these voids by conducting a thorough examination of the influence of cloud computing on the caliber of financial reporting within bank branches located in Babylon Governorate, specifically focusing on the mediating role of accounting disclosure. A survey and qualitative insights were employed to investigate how cloud computing features enhance reporting characteristics through the mechanism of improved disclosure practices. The results furnish actionable recommendations for financial institutions aiming to modernize their operations and optimize their disclosure transparency through the utilization of cloud computing.

The interaction of technological development with accounting disclosure has also started to be more discussed in accounting research recently. The availability of information that is timely and reliable in digital systems can allow organizations to make more complete and transparent disclosure. This is very important especially in the banking sector because financial data can be used to assess performance, risks, and financial position of the company and the banking companies in the bank sector. The data from Iraqi banks suggests accounting disclosure is also very helpful in improving the quality of financial reporting and that effective disclosure practices can enhance the transparency of financial reports. In addition, recent results from the Iraqi banking industry suggest that better disclosure requirements can enhance the qualitative aspects of financial reporting such as relevance, faithful representation, comparability, and timeliness (Hamad & Manouba, 2023; Hussein et al., 2024).

The problem lies in the fact that traditional methods of preparing financial reports in the branches of banks in Iraq are facing critical challenges, including slowness, vulnerability to errors, and escalating security threats due to the increasing complexity of data. This delays providing stakeholders with timely and accurate information. This problem is exacerbated by a knowledge gap in previous studies, which have not thoroughly explored how to address these shortcomings through digital solutions. Therefore, this research aims to bridge this gap by measuring the impact of cloud computing on improving the quality of financial reports, while also identifying the mediating role of accounting disclosure in strengthening this relationship and ensuring the governance of banking data.

2. Literature Review

In light of the aforementioned concern, we shall conduct a thorough examination of the pertinent literature pertaining to cloud computing in general, as well as cloud-based accounting practices. Furthermore, we will evaluate the financial reporting frameworks applicable to cloud accounting, as delineated below.

Cloud Computing and quality of financial reports

Cloud computing has revolutionized how businesses and entrepreneurs manage and use computational resources. Cloud computing has been an integral part of information technology from the beginning with the first foundation in the 1960s and the development of utility and grid computing (Darwish, 2024). The National Institute of Standards and Technology (NIST) describes cloud computing as a technology that enables ubiquitous, convenient, on-demand access to a common set of computational resources (networks, servers, storage, applications, and services) that can be quickly provisioned and released with very little management involvement or interaction from the providers. As a result, we see a wide variety of services like Software as a Service (SaaS), Platform as a Service (PaaS), and Infrastructure as a Service (Shawish & Salama, 2013).

Cloud computing frameworks are rapidly becoming popular in various fields and have the benefits of scalability, economic efficiency, and ease of use. But security issues and the need for standardization are becoming critical issues. The decentralized nature of cloud infrastructure poses challenges in terms of data confidentiality, user access monitoring, and compliance with regulations. So efforts are being made to create standards that are more interoperable and compatible with the standards and security of the cloud environment so that they can be integrated more easily (Omolara, et al. 2026)

Transparency in financial reporting is very important to maintaining the confidence of the general public, investors and regulators in the organizations. Cloud accounting provides a way to update financial data very soon and maintain the current performance. This is in contrast to manual or desktop-based systems which take significantly longer to input, reconcile and produce a report (Cloud Computing: Enhancing or Compromising Accounting Data Reliability and Credibility). With cloud access, management and stakeholders can then see cash flow, profit and loss statements and balance sheets in a single click without having to wait for reporting periods. This is because there is no need to manage the data in a way that every transaction can be monitored, so that the information that is being released is more trustworthy.

Accountability is an additional dimension of transparency that is further strengthened with cloud accounting. Accountability is about the level of accountability of financial managers in every financial decision and activity that they make in financial operations. Cloud accounting systems have an audit trail feature that shows who entered data, when they recorded transactions and what changes have been made to it. This makes it possible to trace transactions more easily and the possibility

of fraudsters being found is reduced. Accountability is enhanced as every financial operation is being taken care of by the system and external parties (Limba et al., 2025). In addition, auditors can directly access data on cloud systems during external audits, enhancing the efficiency and reliability of the verification process.

Based on established scientific literature in information technology and cloud accounting (such as the National Institute of Standards and Technology (NIST) standards), cloud computing can be summarized in five key characteristics that directly contribute to improving the financial and banking environment (Mell et al., 2011; Christauskas & Kalinauskas, 2014)

1. **On-Demand Self-Service:** This enables bank employees and financial analysts to automatically and instantly access computing resources (such as storage space or financial analysis software) as needed, without requiring continuous human intervention from the IT department.
2. **Broad Network Access:** Access to data, accounting systems, and financial reports is possible from anywhere, at any time, and through multiple devices (computers, smartphones, tablets), facilitating remote work and instant communication between bank branches.
3. **Resource Pooling:** The provider's computing resources (such as servers and storage space) are pooled to serve multiple users based on a dynamic model, ensuring high efficiency in allocating storage and processing capacity according to workload and the volume of financial data.
4. **Rapid Elasticity:** The ability to scale up or down available resources very quickly as needed. For example, during periods of increased data volume, such as during final accounts or annual budget preparation, the cloud system can automatically scale up to accommodate the increased demand and then return to its normal size once the task is complete.
5. **Measured Service:** Cloud resource usage is automatically controlled and optimized based on precise measurement (such as storage volume or the number of transactions). This allows the financial institution to pay only for the services it actually uses, thus saving significant capital expenditures.

Based on the theoretical relationship, we conjecture the following hypothesis:

- H1: Cloud computing implementation has a statistically significant positive impact on the quality of financial reporting.

Cloud computing and accounting Disclosure

Cloud computing has become a core technology for organizations across many sectors, enabling access to leased IT resources over the internet. This approach allows multiple users to access resources remotely at a low cost, leading to increased efficiency and enhanced competitive advantage (ISACA 2009). Empirical data indicates that public disclosures of cloud computing use are typically met with positive market responses, demonstrating investor interest in companies leveraging cloud computing for operational benefits (Son et al. 2014). Cloud services are characterized by self-service, network access, resource pooling, speed, and high

performance. Deloitte (2017) predicts strong growth in the IT-as-a-Service sector, with total spending expected to rise from \$361 billion to \$547 billion in the coming years, while investment in traditional IT will decline. Cloud computing will transform business structures, facilitate data exchange between different organizational systems, improve the quality of financial reporting, and provide more accurate audit reports (PCAOB 2017). However, Alali and Yeh (2012) also point out that cloud computing service providers indicate that the quality of internal controls is often very poor and that they are concerned about the impact of cloud computing services on users.

H2: Cloud computing has a statistically significant positive impact on accounting Disclosure

The role of accounting disclosure mediation in enhancing the impact of cloud computing on the quality of financial reports

The quality characteristics of financial reports can be summarized in two types: basic characteristics that include relevance (providing information that influences decision-making) and honest representation (complete, neutral, and error-free data that truthfully reflects financial reality), and enhancing characteristics that raise the value of these reports, which are the appropriate timeliness of data release, clear comprehensibility, comparability across time periods or with other institutions, and verifiability by independent auditors to reach the same results.

Accounting disclosure is one of the key elements of soundness and stability in the financial system. In the broadest sense, it is providing all the material financial and non-financial information to external parties (such as investors, creditors, and regulators) so that they can make sound economic decisions. Financial reporting is of course all about the quality of the financial report and good financial reports would never be a reality without the clear disclosure policy. Financial reporting quality is the accuracy of the financial report of the entity to the economic truth, the freedom from misrepresentation or distortion, and the availability of relevant, credible, comparable, and verifiable information.

The importance of disclosure is to address the fact that the entity and the external parties are not able to share the information. Due to its position, management has a rich knowledge of the firm's financial and operational situation and is able to provide information to the external investors which does not exist. This is where transparency can help to close the knowledge gap. As Bushman and Smith (2001) point out, financial transparency and proper accounting disclosure enhance the economic environment by allowing investors to monitor management performance and allocate the best possible resources to the most profitable projects and therefore decrease the cost of capital and increase market efficiency. This means that strong disclosure and good financial reports are good for the individual investor and have an effect on the system as a whole.

Accounting disclosure is also instrumental to the qualitative characteristics of accounting information, in particular relevance and faithful representation that are crucial aspects of quality for the International Accounting Standards Board according to this concept. When companies present their accounting policies, management forecasts, and potential risks after the balance sheet date, then it gives its financial statements a greater predictive and assured power over future activities. In an important study on governance and the quality of reporting showed that weak disclosure and ambiguity in financial reporting is a fertile ground for fraud and mismanagement of earnings while accounting disclosure is a strong tool to control how management is trying to manipulate financial results and to show a true picture of performance (Beasley et al., 2000).

Thus, disclosure acts as a control mechanism which prevents management from engaging in earnings management and also makes the earnings reporting quality of data and even credibility of the company very difficult. And accounting disclosure does more than just increase the information that gets out to the market but it also impacts the time of that information flow. The timely disclosure of prices in financial markets prevents price shocks and increases public trust in published reports. In that regard, Healy and Palepu (2001) in their comprehensive review of the disclosure literature state that voluntary and structured accounting disclosure strategies are a key strategy for management to restore trust with capital markets during crises or strategic change. Good disclosure reduces the level of uncertainty investors face and this in turn has a positive impact on the valuation and share price of a company.

In accounting computing, DQM applies standardized data quality policies for data entry, processing and storage. Such a framework includes validation for accurate financial transactions, auditing and data cleansing to correct errors and redundancies in the system (Hernes et al., 2020; M. Al-Okaily et al., 2023). DQM will work if it is implemented in real time and monitors data quality using technology and machine learning (Sargiotis, 2024). It helps avoid manual data management and leads to better results by identifying errors and complications ahead of time.

DQM has become an important component of compliance and regulations in accounting (Osman, 2024). Organizations must adhere to specific standards, such as the Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS). Data quality maintenance and enhancement are the key requirements for them to comply with the standards as they are an important component to credible financial reporting (Rane et al., 2024). Poor data quality was identified as a leading risk factor that led to reporting errors, compliance problems, institutional challenges and loss of trust with the public (Mandre et al., 2021).

Digital transformation and digitalization have revolutionized enterprises and the organizational model and procedures (Al-Fraihat et al., 2022). Cloud accounting is one of the many such solutions we see companies using as a basis to achieve competitive advantage (Rane et al., 2024). In Iraq, a high proportion of banks are planning to use cloud accounting. But they are also taking a proactive approach in

achieving optimal performance and planning for their strategy. Cloud computing is the technology to do so from a theoretical point of view from the perspective of data processing. But this technological impact is not reflected in the quality of financial reports without accounting channels to translate it. This is where accounting disclosure as an intermediary variable plays a crucial role. The flexibility of cloud enables organizations to increase transparency and publish information in a timely manner, thus reducing information asymmetry and raising the credibility of reports.

H3: There is a statistically significant indirect effect of cloud computing on the quality of financial reports through the mediating role of accounting disclosure.

Figure (1) illustrates the proposed conceptual model for the study, which shows the nature of the relationships and links between the independent variable (cloud computing) and the dependent variable (quality of financial reports), while indicating the mediating role of the variable (accounting disclosure). The hypotheses (H1, H2, H3) cover these statistical paths:

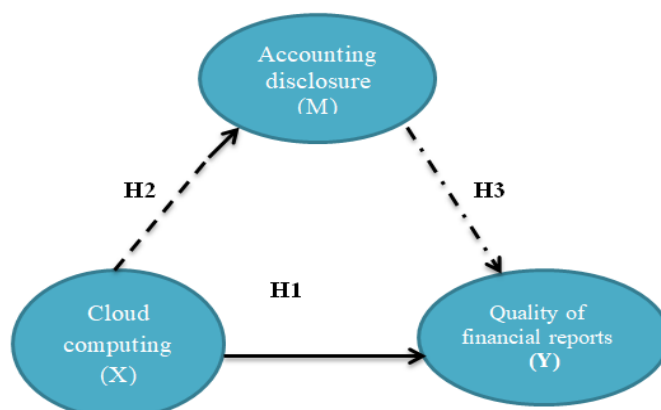


Figure 1. The Model of Research

3. Research Method

The study employed quantitative analysis using the Smart PLS software to examine the relationship between cloud computing, accounting disclosure, and the quality of financial reports in banks. A structured questionnaire was designed and distributed to participants, focusing specifically on the variables identified in the study.

To survey a representative sample of people from government and private banks in Iraq, 81 individuals were included. In order to make the results more generalizable to a broader population, the sample consisted of people of different age groups, genders, educational backgrounds, and job levels, and therefore an overall diversity of views and experiences with cloud computing are considered. Table (1) presents a questionnaire of Likert-based information on the components of cloud computing, accounting disclosure, and financial reporting quality. The cloud computing dimension is the ease of use, efficiency, security, and support of the system while the other dimensions are the accuracy, disclosure, and compliance of the data. This way, the respondents can comment on their views and we are able to get a more

representative picture of them as well. The Likert scale measures responses and helps to compare the trends and correlations of the various factors and their effect on performance and reporting quality.

Table 1. Questionnaire development

Variable	Reference
Cloud accounting	
1 The cloud computing programs implemented at the bank are characterized by their ease of use and operation.	Al-Nsour et al. (2021) and Marsintauli et al. (2021)
2 Reliance on cloud computing systems contributes to increased efficiency in managing and processing financial data.	
3 Cloud computing solutions provide a secure and reliable environment for protecting banking data and information.	
4 Cloud computing technologies enable the bank's management to prepare and update financial reports in real time.	
5 Cloud computing service providers offer outstanding technical support that meets the requirements of banking operations.	
6 Implementing cloud computing leads to a reduction in the bank's operating costs and expenses.	
Disclosure practice	
1 The bank is committed to the regular and periodic disclosure of financial information to all parties and stakeholders.	Healy and Palepu (2001); Hassan & Marston (2019)
2 The bank's current disclosure practices meet the expectations and needs of financial report users.	
3 The bank's disclosure mechanisms and procedures are characterized by high transparency and clarity.	
4 The bank adheres to ethical and professional standards and principles when preparing and publishing financial disclosures.	
5 The frequency and timing of the bank's disclosures are appropriate and sufficient for decision-making.	
6 Bank staff possess a thorough understanding of the legislation and regulations governing the disclosure process.	
Quality of financial reports	
1 The bank's financial reports provide essential and highly valuable information to users.	Erin and Adegboye (2022); Gibbins et al. (1990)
2 The bank's management is committed to preparing and publishing financial reports at the appropriate and specified times.	
3 The data and information contained in the bank's reports are highly reliable and trustworthy.	
4 The bank's financial reports are clear and concise, making them easy to understand and comprehend.	
5 The bank's financial reports comply with applicable regulatory and supervisory standards and regulations.	
6 Shareholder satisfaction reflects the quality and efficiency of the bank's financial reports.	

The data was collected from the targeted private banks online using a Google Form, based on a closed questionnaire and after obtaining the necessary official approvals from the relevant administrative authorities. In this context, the study's objective was explained to the participants in detail, with emphasis on their rights, the nature of voluntary participation, and ensuring complete confidentiality of information, in order to respect the privacy of the respondents, the integrity of the data, and to ensure its compliance with the ethical standards of scientific research.

SmartPLS software has been used to investigate and test the relationships between the study variables using Structural Equation Modeling (SEM). The main analyses were to test the reliability and validity of the standard scheme, model fit quality indicators, and hypothesis testing. Cronbach's alpha, composite reliability, and mean extracted variance (AVE) tests were used to ensure the reliability and validity of the three variables. In Figure 1, the cloud computing axis was assessed by ease of use, performance, security, reliability, and technical support. The accounting disclosure axis was for data quality and compliance with regulations and instructions, and controls to avoid distortion or manipulation of the information. The financial reporting quality axis was evaluated to be able to meet the requirements and expectations of stakeholders and shareholders. The Likert scale has contributed in this study to ensure stability and to make the measurement of the impact of these factors quantifiable, and the impact on the overall performance and satisfaction of the various parties and therefore to create, in order to have a more systematic and holistic view of the relationships among these key organizational joints.

4. Results and Discussion

4.1 Results

Construct Reliability and Validity

As shown in Table (2), the reliability and convergent validity results indicate that the scales are well defined and the parameters are statistically acceptable. Cronbach's Alpha values have been between 0.721 and 0.812, while CR values are between 0.814 and 0.870, above the recommended 0.70. The AVE values are between 0.511 and 0.582, exceeding the recommended 0.50. These results confirm the acceptable reliability and convergent validity of the study constructs.

Table 2. Reliability and Validity

Categories	Cronbach's Alpha	Composite reliability	AVE
Cloud computing (x)	0.721	0.814	0.511
Accounting disclosure (m)	0.752	0.835	0.534
Quality of financial reports (y)	0.812	0.870	0.582

Descriptive Statistics

Table (3) shows the descriptive statistics and distributional characteristics of the variables, with means, standard deviations, skewness, and kurtosis.

Table 3. Descriptive Statistic

	mean	St. deviation	Kurtosis	skewness
Cloud computing (x)	3.52	0.542	0.158	-0.347
Accounting disclosure (m)	3.48	0.449	0.705	0.211
Quality of financial reports (y)	3.44	0.504	0.444	-0.525

Table (3) shows that cloud computing recorded the best mean score (3.52), through accounting reporting (3.48) and satisfactory (3.44) through monetary reporting. Preference variances ranged from 0.449 to 0.542, indicating extremely low dispersion in responses. Moreover, the skewness values ranged from -0.525 to

0.211, while the kurtosis values ranged from 0.158 to 0.705, which indicates desirable distribution characteristics by looking at the variables.

Hypotheses Test

The results in Table IV show that cloud computing has the best ($\beta = 0.541$, $t = 5.415$, $p < 0.001$) large phenomenal effect on financial reporting, which helps with the primary estimation Cloud computing explains 40.2% of the variance in money reporting ($R^2 = 0.402$). The results also show a high-quality effect of full size of cloud computing on financial reporting ($\beta = 0.525$, $t = 7.830$, $p < 0.001$), which helps the latter estimation the model explains 27.6% of the variance in financial reporting ($R^2 = 0.276$). In the estimation, accounting disclosure now does not have a statistically significant direct effect exceptionally ($\beta = 0.152$, $t = 1.154$, $p = 0.248$) on financial reporting, as the t-value is below 1.96 and the p-cost is greater than zero. Therefore, the 1/3 hypothesis is not supported.

Table 4. Hypotheses Test

	Original sample	T test	p-value	R ²
$x \rightarrow y$	0.541	5.415	0.000	0.402
$x \rightarrow m$	0.525	7.830	0.000	0.276
$m \rightarrow y$	0.152	1.154	0.248	

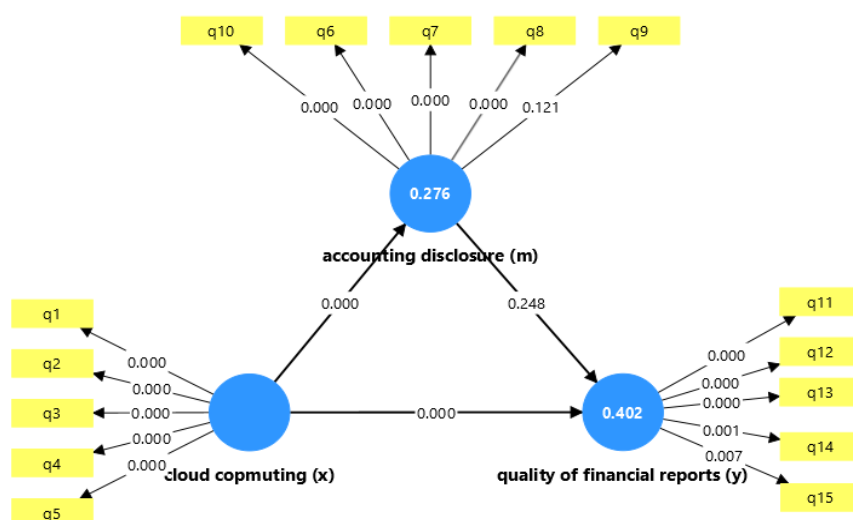


Figure 2. Structural Path Model

The results in Table 4 show that cloud computing has the best ($\beta = 0.541$, $t = 5.415$, $p < 0.001$) large phenomenal effect on financial reporting, which helps with the primary estimation Cloud computing explains 40.2% of the variance in money reporting ($R^2 = 0.402$). The results also show a high-quality effect of full size of cloud computing on financial reporting ($\beta = 0.525$, $t = 7.830$, $p < 0.001$), which helps the latter estimation the model explains 27.6% of the variance in financial reporting ($R^2 = 0.276$). In the estimation, accounting disclosure now does not have a statistically significant direct effect exceptionally ($\beta = 0.152$, $t = 1.154$, $p = 0.248$) on financial reporting, as the t-value is below 1.96 and the p-cost is greater than zero. Therefore, the 1/3 hypothesis is not supported.

4.2. Discussion

The findings of the study provide a lot of evidence for the association between cloud computing and accounting disclosure and financial reporting quality. The positive impact of cloud computing on financial reporting quality is that cloud-based technologies can enhance financial reporting because they support accounting information to be processed, integrated, stored and accessible. This behavior is more natural given that cloud computing is on-demand access and sharing resources and is scalable through a single technology environment (Mell et al., 2011). And, because this is happening, organizations can make financial information available faster. This allows for more useful and reliable financial reports. The result is also consistent with the accounting perspective of Christauskas and Kalinauskas (2014) that cloud technologies can assist accounting processes and make accounting information systems more efficient. Additionally, the PCAOB (2017) highlighted the potential for cloud computing to help to share information between systems and improve the financial reporting and audit processes.

Thus, the positive relationship found in the present study can be attributed to cloud systems being able to provide continuous access to accounting information, integrate information across organizational functions and facilitate rapid processing and communication of financial information. In this regard, cloud computing is more than just a technology in accounting systems; it is also a platform to generate, process, integrate and provide accounting information that is used for the improvement of financial reporting and audit.

As is clear from the findings', accounting disclosure does not have a significant effect on the quality of financial reports, but the direction of the relationship is positive. This indicates that not having accounting disclosure in itself (or increasing it) is not enough to help improve financial reporting quality. In principle, accounting disclosure should reduce information asymmetry and increase information transparency through monitoring the management and the understanding of the information environment through external users (Bushman & Smith, 2001). Similarly, Healy and Palepu (2001) emphasized that effective disclosure is important for reducing uncertainty and making confidence in the information reported. However, the small result of this study may indicate that data disclosure does not just contribute to better reporting quality but also to the quality, reliability, clarity, completeness, timeliness and usefulness to the users. Since disclosure which does not provide sufficient decision-making information may not have a significant impact on the quality of financial reports, the results also indicate that technological capabilities and disclosure practices should not be seen as the same process.

Cloud computing is the technological infrastructure through which accounting information is generated, processed, integrated, verified and made available, and disclosure is the way in which the information is disclosed to external users. Therefore, the quality of financial reports may be more influenced by the technological capabilities of cloud computing than the level of accounting disclosure. This result also demonstrates to me that for financial reporting companies to make a

quantum improvement, they should not just seek to increase the volume of accounting disclosure but also to improve the technological systems through which accounting information is generated, processed, integrated, verified, and communicated.

5. Conclusion

Cloud Computing is a crucial technology for accounting and financial reporting. We have shown that cloud computing has a very positive effect on the quality of financial reports and therefore the use of cloud-based technologies can contribute to the efficiency, accessibility, integration and processing of accounting information and thus enhance the quality of financial reporting. We have also shown that cloud computing has a very positive impact on accounting disclosure. It is important to note that cloud-based technology can improve the preparation, organization, accessibility and communication of accounting information which we need to consider. We can also see that accounting disclosure does not have a material (statistically significant) impact on the quality of financial reports despite the positive relationship. This means that disclosure alone is not sufficient to improve the quality of financial reports unless the disclosed information is relevant, reliable, clear, complete and useful to financial information users. In sum, the findings of the research indicate that the quality of financial reporting is not only that of disclosure to accounting information but also the technological environment in which it is generated, processed, integrated and communicated. As such, we find the outcomes of the study support cloud computing as a contributing technological mechanism to finance disclosure and financial reporting quality, but that the quality and usefulness of disclosure is what determines the quality of financial reporting.

Based on the findings of this study, several recommendations are proposed to enhance the effective implementation of cloud computing and improve accounting disclosure and financial reporting practices in the banking sector:

1. Accelerating the adoption of integrated cloud computing solutions and directing future research to examine the indirect impact of accounting disclosure as an intervening variable, given the lack of evidence for its direct, singular effect.
2. Transitioning from the traditional quantitative disclosure model based on data narration to a smart and standardized disclosure model via the cloud to avoid the problem of information overload.
3. Developing hybrid cloud environments that combine the efficiency of the public cloud with the security of private clouds for banks, to ensure the immediate and secure processing of data and its protection against cyber-attacks.
4. It is recommended that the central bank issue clear guidelines and regulatory standards governing banks' use of cloud computing technologies and define the legal frameworks for continuous digital disclosure in line with International Financial Reporting Standards (IFRS) and Basel Committee requirements.
5. It is recommended to invest in training and qualifying accountants and financial controllers within banks on skills for dealing with cloud software and big data

analytics, which ensures bridging the gap between traditional accounting knowledge and modern digital technologies, and positively impacts the accuracy and reliability of issued reports.

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