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Research Article

The Impact of Information Technology on The Qualityof Accounting Information (*SFAC NO 8, 2010*)

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Abstract

Technology has forced businesses to remain flexible, adapting their operations to newer and better technological advances. The purpose of this paper is to highlight the Impact of Information Technology (speed, accuracy, flexibility, consideration) on Accounting Information Quality of ***SFAC NO 8,2010*** **(**relevance, faithful representation, comparability, verifiability, timeliness, understandability). By using the model that sheds light on the complex nature of interactions between variables (Information Technology and Accounting Information Quality) that can help the organization plans to adopt Information Technology system. The main data for an analysis are from the Survey of how technology has had a (positive – or negative) effect in accounting applications and whether information technology in accounting makes effect on the quality of financial reporting in Saudi Arabia which is a sample-based survey of Saudi Arabia automated banks. The author used the mean, standard deviation, regression models for the analysis of the underlying variables. The research showed that speed and flexibility are the most technological effects on accounting applications, and Relevance and Faithful Representation in Fundamental characteristics affected by using technology, respectively. which is the same as 2010 FASB development. and the enhanced characteristics that consist of Comparability, Understandability, Timeliness, and Verifiability are respectively affected by using technology which is not the same as 2010 FASB characteristics arrangement,

Keywords: Information Technology, Quality of Accounting Information.

1: Introduction.

Technological advances in the past few decades have greatly increased the competitive nature of the economic business world. Companies have used software, computers, and the Internet to transform their businesses from local places of business to national and global market competitors. Many companies have responded to these changes by automating their business processes and capturing industry-related information and using it to their advantage.

Computers have changed the nature of accounting, turning it into a fast-paced and dynamic profession. The beginning of the shift in accounting technology came in the form of simple spreadsheet programs **(VisiCalc – 1978)** which Upgraded companies from manually calculated spreadsheets, Then **(Quickbooks – 1998)** The most

popular accounting program in the US and quickly dominated the market for day-to- day bookkeeping**, and software as a service(SaaS Accounting)** a web-based, secure hosting locations, and which Clients and accountants collaborate on the sameinformation. (Vineeta ,2018)

Because of these automated programs, accountants have more time to interpretdata, Give good financial advice, suggest smart business decisions, and be more involved in their client's business. Now accountants are expected to recommend best-practices to management and suggest ways to reduce costs while improving profit. (Sarokolaei et.al.2012:174).

Information is described as that form of data which is processed, organised, specific and structured, which is presented in the given setting. It assigns meaning

and improves the reliability of the data, thus ensuring understandability and reducesuncertainty (Surbhi S, 2018).

When the data is transformed into information, it is free from unnecessary detailsor immaterial things, which has some value to the researcher. Data includes qualitative or quantitative variables which take part in developing ideas or conclusions. On the other hand, information is a collection of data which brings news and meaning (Moss,2020).

The American Accounting Association defines accounting as "the process of identifying, measuring and communicating economic information to permit informed judgements and decisions by users of the information.. Another definitionof accounting is a data identification, collection, and storage process as well as information development, measurement, and communication process, By definitions, accounting is an information system, since an AIS collects, records, stores, and processes accounting and other data to produce information for decision makers (Romney&Steinbart.2012:30). Accounting is the system a company uses to measure its financial performance by noting and classifying all the transactions likesales, purchases, assets, and liabilities in a manner that adheres to certain accepted standard formats.(Ghasemi,2011)

Information system is an integrated set of components for collecting, storing, and processing data and for providing information, knowledge, and digital products. (Zwases,2020). Information systems are interrelated components working together to collect, process, store, and disseminate information to support decision making, coordination, control, analysis, and visualization in an organization (Dave Bourgeois and David T. Bourgeois, 2014). An information system is a manmade system that Generally consists of an integrated set of computer-based components and manual

components established to collect, store and manage the data and to provide output information to users (Gelinas et. al. 2012: 14). An information system is a set of interrelated subsystems that work together to collect, process, and store, transform, and distribute information for planning, decisions making and control (Dandago and Rufai,2013).

Information Technology (IT) deals with the application of computers and telecommunications equipment to store, retrieve, transmit and manipulate data Muchof what people use in the 21st century was created with help from information technology. Components of information technology interact to collect, process, store, and provide the information needed to support the decision of an organization (Bentley & Whitten, 2008). Information technology has been able to reduce the steps in the accounting cycle (Hurt, 2008). Information technology allows the rapid calculation of financial statistics, as well as electronic transfers of money. (Rush, 2017).

The advancements of technology have lead in the creation a computerized accounting system which is commonly adopted by business entities at present. Thishas created a competitive market. Thus, entities need to improve their systems in order to match their information needs for better decision making. (Francis ,2013)

All this progress in information technology and its impact in the accounting are forcing the accountant to acquire new tools related to information systems and technology. This is such that, in many countries, information technology is a part ofthe curriculum and it is even included in doctorates and post grades in said area, this

diversified opportunities in the field of accounting, new specialized areas haddeveloped, business owners started looking to professional accountants for technology advice (Pepe,2011)

The purpose of this study is to develop a model to find out answers of the following problems 1. How is the effect of information technology on the quality ofaccounting information? 2.How is the effects of modern technology in accounting on the quality of financial reporting.

2: Research Theoretical Principles. 2:1
Information technology.

Information technology (IT) is the acquisition, processing, storage, and dissemination.

of vocal, pictorial, textual and numerical information by a microelectronics-based combination of computing and telecommunications. (Reddy,2019). Information
technology (IT) benefits the business world by allowing organizations to work moreefficiently.

and to maximize productivity. Information technology is present in most accounting offices these days via computers, printers, and other equipment. An intrinsic part of financial processes, technology is often taken for granted in accounting offices, (Shanker,2020).

2:2 Information technology and accounting applications.

The biggest impact (IT) has made on accounting is the ability of companies to develop and use computerized systems to track and record financial transactions. Paper ledgers, manual spreadsheets and hand-written financial statements have allbeen translated into computer systems that can quickly present individual transactions into financial reports (Ghasemi,2011), The utilization of multiple technologies results in faster and more accurate results (**SPEED**), Technology has had a positive effect in accounting applications because calculations done by a computer program experience very few errors **(ACCURACY**), To be effective, information technology associated with accounting must be flexible to accommodate the changes Software (**FLEXIBILITY**), servers that are accessed over the Internet, and the software and databases that run on those servers, (**CLOUD**). In order to make technology effective in accounting with minimum down-time, businesses should have a plan to deal with electrical problems, Internet connection malfunctions and computer viruses (**CONSIDERATION**) (Shanker,2020).

Technology advancements have enhanced the accountant's ability to interpret data efficiently and effectively (pepe,2011), Advances in technology are taking accounting to new levels, ***a significant technology trend is working in the cloud***. The cloud allows instant access to resources, such as data and computing capabilities. An important advantage of a cloud-based system is the continual updating of information, which allows accountants and clients to analyze data and make decisions based on cutting-edge information., Many organizations are

turningto the cloud to help handle their big data initiative, the cloud can also enable companies to reduce their total storage costs.(Violino, 2020), ***Blockchain Technology***, Blockchain is the distribution and decentralization of database technology. It can protect encrypted data and maintain an expanding list of transactions among all parties involved. Especially in the financial sector.

Automation of Accounting Tasks*:* Automated technology has always presented the double-edged sword of convenience and the replacement of humans with technology. Technological systems will take on the repetitive and time-consuming jobs, leaving the analytical and managerial tasks to humans. one example is the use

of robotic process automation (RPA) to minimize processing times for audits and contracts down to weeks instead of months. (https://outbooks.co.2020)**.** ***Optical Character Recognition,*** OCR applications scan printed and handwritten documents and convert them into machine-readable text .(https://azure.microsoft). ***Accountants are going to become consultants*** Accountants are going to "transform from number crunchers to trusted advisors. (Marder,2017).

2:4 The quality of accounting information.

Quality means the ability of a product (including services) to meet or exceed customerexpectations (Stair & Reynolds, 2010). quality is the integrated information to meet the

requirement that the information must be accurate, complete, consistent, timely and unique (Baltzan, 2012:217). Furthermore, Information quality is related to the four dimensions of

the quality of information that is accurate, complete, consistent and currency. Criteria forquality information according to McLeod & Schell (2007: 43) is the information should be accurate, timely, relevant and complete. the value of information to the user is determined by the reliability of the information which is determined by the attributes of which are relevant, accurate, complete, concise and the right time (for this to happen, information must possess Certain attributes-relevance, accuracy, completeness, summarization and timelines). Through the application of Accounting Information Systems quality, user obtain quality information at the right timefor decision-making (Laudon and Laudon, 2012: 13).

High quality information has the dimensions of: accuracy, integrity, consistency, completeness, validity, timeliness, and accessibility, Meanwhile,(Hall ,2011) stated that the high quality information has the characteristics of: relevance, timeliness, accuracy, completeness, and summarization. Quality accounting information can redirect the user to the expected actions (Hall 2011) If the information is not qualified, then the accounting information becomes useless (Kieso et al, 2007: 41).

2 :5 Qualitative Characteristics of Useful Financial Information.

The entire concept of financial accounting is to create and compile useful information for investors, creditors, and other decision makers outside the business entity. But in order for financial information to be useful in the decision-making process, it must be understandable.

GAAP requires financial information to be understandable to a reasonably informed person. For that FASB created the qualitative characteristics of financial information. These characteristics describe what useful information is and how it relates to financial decision-making. The main qualitative characteristics of accounting information are Relevance. Reliability, Comparability and Consistency.

2 : 6 Statement of Financial Accounting Concepts No. 8 September (2010),

a replacement of FASB Concepts Statements No. 1 and No. 2

FASB's Conceptual Framework, a project begun in 1973 to develop a sound theoretical

basis for the development of accounting standards in the United States. From 1978 to 2010,the FASB released eight concept statements. If financial information is to be useful, it
must be relevant and faithfully represent what it purports to represent. The usefulness of financial information is enhanced if it is comparable, verifiable, timely, and understandable.
There are six qualitative characteristics of accounting information. Two of the six qualitativecharacteristics are fundamental (must have), while the remaining four qualitative

characteristics are enhancing (nice to have).

***Fundamental Characteristics**

***Enhancing Characteristics**

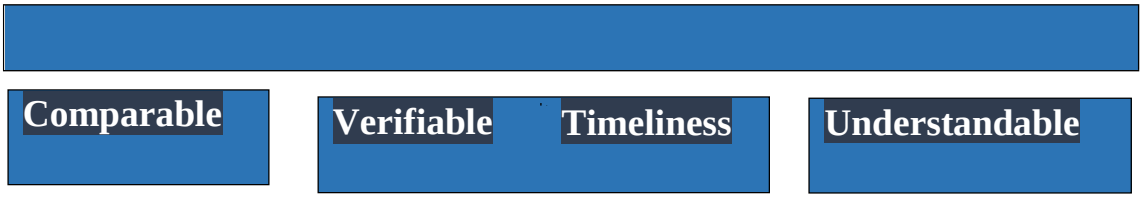

Figure 1 *Fundamental and Enhancing Characteristics

Source: https://corporatefinanceinstitute.com.

2:6:1 Fundamental Qualitative Characteristic.

The fundamental qualitative characteristics are relevance and faithful representation.

1) **Relevance** financial information is capable of making a difference in the decisions if it has

predictive value, confirmatory value, or both. (FASB No 8, QC6). Financial information haspredictive value if it can be used as an input to processes employed by users to predict futureoutcomes, and it has confirmatory value if it provides feedback (confirms or changes) about previous evaluations. The predictive value and confirmatory value of financial information

are interrelated. Materiality: Information is material if omitting it or misstating it could influencedecisions that users make on the basis of the financial information of a specific reporting entity

2) **Faithful Representation** means that a depiction would be complete, if it includes all information necessary for a user to understand the phenomenon, neutral, if it is without bias

in the selection or presentation of financial information and free from error, if there are noerrors or omissions in the description of the phenomenon.

2:6:2 Enhancing Qualitative Characteristics.

Comparability, verifiability, timeliness, and **understandability** are qualitative characteristics that enhance the usefulness of information that is relevant and faithfully represented.

Comparability means that decisions involve choosing between alternatives that enables usersto identify and understand similarities in and differences among, items. Consistency refers

to the use of the same methods for the same items. **Verifiability** means that differe knowledgeable and independent observers could reach consensus.

Timeliness means having information available to decision makers in time to be capable of influencing their decisions, Classifying, characterizing, and presenting information **understandabl.** The enhancing qualitative characteristics, either individually or as a group,
cannot make information useful if that information is irrelevant or not faithfully represented.

3. Methodology.

The population in this study consists of a set of foreign and local banks, which they have been more emphasize on the environmental business developments and employees training, and the observation is composed of accounting staff and accounting manager which are involved in the implementation of accounting Samples were taken randomly. This study uses primary data collected by distributing questionnaires to each respondent in Saudi Arabia banks, the questionnaire involves 3 main question related to the effects of technology on Accounting applications, the effect of information technology on qualitative characteristics of accounting information, and the effect of modern technology in accounting on the quality of financial reporting, The data obtained were then tested for validity and reliability, so that the data is valid for processing. The data then were analyzed descriptively to describe the characteristics of each variable, Regression statistic is used to test the significance of the effect of each independent variable on the dependent variable. From the test results, then we compare the t value with the table value of t at 95% confidence level ($\alpha = 0.05$) with the decision criteria: If $t \leq t$ table: Ho is accepted and Ha is rejected, and If t count > t table: H0 isrejected and Ha is accepted. Each hypothesis will be tested through statistical t-test: Ho is rejected if $t > t$ critical, $\alpha = 0.05$ level.

3.1 Theoretical Framework.

Accounting information system has become a topic of interest for researchers and practitioners for decades. There are many success stories about the implementation of information systems, but also a story of the failure of the implementation of information systems (Sari,2016,192)

It is affecting every implementation of accounting information systems and organizations require a strong management commitment, Employees Experiencesand training.

3.2 Study Model and Hypothesis.

The conceptual model is presented belo

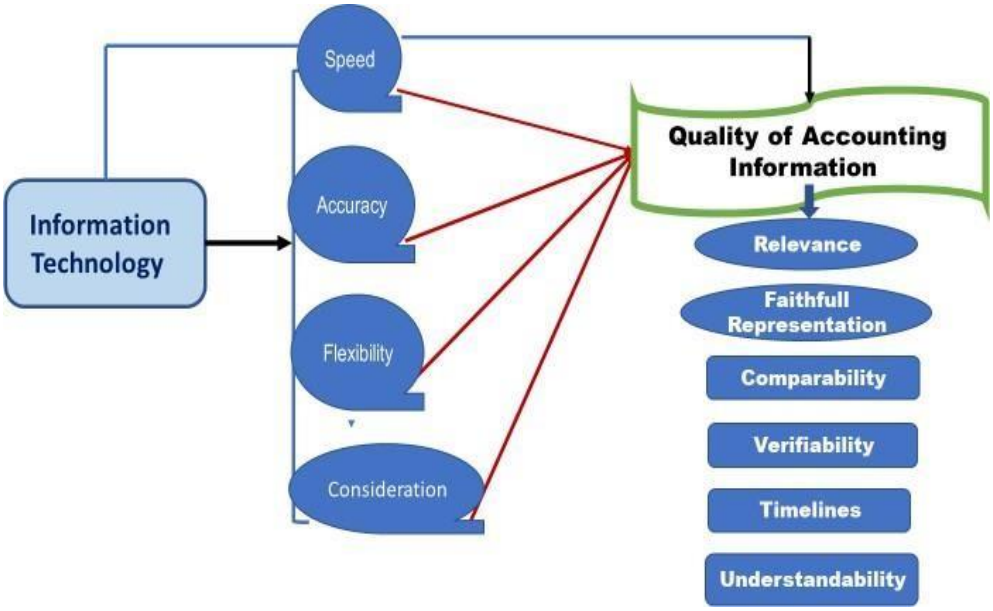

Figure 2: Theoretical Framework of The Study

To test this model, the following hypotheses were proposed as follows.

H01: There is no significant effect of information technology system on the Quality of Accounting Information.

H02: There is no significant effect of modern technology in accounting on thequality of financial reporting.

Data Analysis and Hypothesis Testing.

3.3 The results of empirical research- Saudi Arabia.

3.3.1 Information technology in Saudi Arabian foreign and local banks.

Computerized accounting software programs have made many advancements over the years. These programs tout making life easier for business owners when it comes to tracking expenses, preparing taxes and looking at revenue growth.

Accounting software programs have become common. The majority of analyzed Foreign and Local Banks in Saudi Arabia are within the first tow ages (less than one year, and from 1-3 years) that equipped with a relatively new hardware and software that support companies information system, They realize the significance

of investments in new IT equipment as a means of change to be more competitive in a dynamic environment. table 1 shows respondents answers on the age of computer equipment in their banks.

	Frequency	Percent
Less than one year	15	30.6
1-3 years	15	30.6
3-5 years	8	16.3
More than 5 years	11	22.4
Total	**49**	**100.0**

Table (1) average age of the new software that support the information system.

The empirical study results on the factors of accounting information quality in Saudi Arabia Banks.

The value of financial accounting is determined largely by its quality. The central concept of accounting quality is that some accounting information is better than other accounting information at communicating what it purports to communicate.

The empirical research was conducted from April to June 2020. Target populationincluded foreign and local banks in Saudi Arabia. The respondents were accountant,Final number of processed questionnaires was 49. The study was conducted to examine the perception of respondent about the quality of **accounting information quality** in analyzed banks, the two most important factors of AI quality ((top management commitment and education and training)) were observed in addition ofcooperation between accounting and IT professionals.

The Factors of Accounting Quality	**Frequency**	**Mean**	**Std. Deviation**
*Management recognizes the importance of Accounting data quality and supports the activities for ensuring data quality	**40.8%**	**4.1633**	**.96495**
Employees have appropriate education to understand and effectively use AIS (continues education, new employeetraining)	**42.9%**	**4.0408**	**.95654**
There is cooperation between accounting and IT professionalsin your bank	**53%**	**4.0408**	**.84061**

(AI) quality-total		**4.087**	**0.921**

Table 2. accounting information quality in analyzed banks in Saudi Arabia

Respondent assessed the extent to which they agree with the management supported the activities for ensuring data quality on the five-point Likert scale, theresults are given in Table 2. 41% of respondent stated that Management mostly

recognizes the importance of Accounting data quality and supports the activities for ensuring data quality with mean equal (4.16), There were 43% of those who had adequate education to understand and effectively use AIS with mean equal (4.1), In order to determine whether IT developments have helped banks save time, reduce errors and make better financial decision, it is necessary to cooperate accounting departments with IT professionals, 53% of respondents agree that There is cooperation between accounting and IT professionals in their banks with mean equal(4.1).

3.3.2 The effects of technology on Accounting applications in analyzed banks inSaudi Arabia

Technology Effects	**Frequency of agree**	**Mean**	**St. deviation**
Speed; Technologies results in faster and more accurate results.	**45%**	**4.12**	**0.88**
Accuracy; calculations done by a computer program experience very few errors.	**53%**	**3.94**	**0.88**
Flexibility; software is able to be updated to offer new processes, such as credit card processing, send invoices online.	**43%**	**4.00**	**o.84**
Flexibility; accountants use software for taxes and other accounting needs that changeoften.	**53%**	**3.86**	**0.96**
Cloud; Business signing up with a cloud provider and using its programs and space forsaving data" working in the cloud"	**47%**	**3.80**	**1.14**

	Consideration; businesses have a plan to deal with electrical problems, Internet connection malfunctions and computer viruses	**39%**	**3.94**	**0.99**
	Consideration; businesses arrange for the information to be called or faxed in as well, just in case something happens to the computer or Internet connection.	**53%**	**3.88**	**0.97**
	Technology effects-Total		**3.93**	**0.95**

Table 3. Technology and Accounting applications in analyzed banks in Saudi Arabia

Accounting functions are much easier to complete and require less labor when done by computer. Repetitive double entry accounting functions are accurate and accomplished quickly and easily. If a manager wants to try out a specific business strategy, such as expanding a production line, he can quickly run different scenarios using a computer program and analyze his options **(**Baylus,2017)

Table (3) gives the results that the average grade of technology effects in analyzedbanks is satisfactory (3.93) and most of respondents agree that speed (4.12) and flexibility (4.00) have the most effects on accounting applications as (Baylus,2017)said that two advantages computers offer businesses are speed and flexibility, the second technology effects are accuracy and consideration (3.94) and finally is cloud (3.80).

3.3.3 The effect of information technology on qualitative characteristics ofaccounting information (SFAC NO 8,2010) in analyzed banks in Saudi Arabia.

By the use of (IT) the financial accounting information should be such that the usersneed it and it is expected to affect their decisions.

Characteristics of Accounting Information	**Mean**	**St. deviation**
Fundamental		
1-Relevance	**4.12**	**1.03**
confirmatory value	**4.00**	**0.71**
Predictive value	**4.00**	**0.89**
The interrelated of predictive value and confirmatory value	**3.90**	**1.1**
Materiality	**3.84**	**0.96**

2-Faithful Representation : complete neutral free from error.	**3.82** **3.96** **3.86** **3.80**	**1.1** **0.79** **0.98** **0.93**
Enhancing 1-Comparability	**4.14**	**0.87**

consistency, (IT)increased valid comparisons between different periods	**4.06**	**0.99**
2-Verifiability	**3.84**	**0.85**
3-Timeliness	**4.06**	**0.88**
4-Understandability (IT) information makes a difference in the decision process, so it's useful	**4.12** **3.94**	**1.03** **0.97**
Average assessment	**3.96**	**0.94**

Table 4: qualitative characteristics of accounting information (SFAC NO 8,2010) in analyzed banks in Saudi Arabia (empirical survey 2020).

By holding all issuers to the same standards, investors would be assured of the highest-quality financial information they need to make informed investment decisions. Information quality is a function of the accounting methods used to develop the numbers, the reliability and transparency of the reported information,and the timeliness with which the information is presented to shareholders.

The overview of quality of accounting information 2010 is provided in table 4, theaverage grade of accounting information quality in analyzed banks is satisfactory (3.96), and respondents agree that **Relevance** is more affected by using technology than **Faithful Representation** in Fundamental characteristics, they ranked Enhancing characteristics from **Comparability** (4.14), **Understandability** (4.12). **Timeliness** (4.06), and **Verifiability** (3.84) of technological effects.

3.3.4 information technology and cost effectiveness

Computer and cost effectiveness	**percent**	**mean**	**St.deviation**
Computerize business processes lead to extremely cost effective moneymaking machines, This in turn increases productivity which ultimately gives rise to profits that means better pay and less strenuous working conditions	51% agree	4.12	0.88

Table (5) computer and cost effectiveness in Saudi Arabia banks

Hiring an in-house bookkeeper or outsourcing the work to a bookkeeper or accounting firm can be costly. The

software program has an upfront cost and might require contracting a bookkeeper to set up the accounts and coach the business owner on using the program, but it quickly becomes cost-effective. The owner doesn't need to pay for anything beyond the software purchase and setup. Most programs work with operating systems for years and only occasionally require an inexpensive upgrade. The mean 4.12 means that there was cost effectiveness from the usage of technology in Saudi Arabia banks.

3.3.5 The effects of modern technology in accounting on the quality of financial reporting in banks.

Modern technology and the quality of financial reporting	**mean**	**St. deviation**
Presentation of information in clear and explicit accounting reports.	**4.02**	**0.88**
Accounting Knowledge and ability in using accounting information	**3.73**	**1.06**
Time period for presentation of management accounting reports	**4.10**	**0.74**
Classification of reports of management accounting	**4.04**	**0.82**
Presentation of management accounting reports about deviation of income and expenses from approved budget.	**4.04**	**0.98**
Discretion of opportunities and identification of threatening.	**3.96**	**1.00**
Comprehensiveness and complete status of information mentioned in management accounting reports	**4.00**	**0.87**
Authentication and accuracy of management accounting reports	**4.22**	**0.74**
Comparison and evaluation of present management accounting reports in various periods.	**4.27**	**0.76**
Capability of comparison of accounting reports with other units.	**4.06**	**1.05**
Observing standardization and uniformity in presentation.	**3.98**	**0.97**

Table (6): The effects of modern technology in accounting on the quality of financialreporting in banks in Saudi Arabia

Information technology has made it possible to record information in real time, compile information from numerous sources and automate repetitive tasks. This has allowed accounting professionals to focus more on giving financial advice and monitoring performance. At the same time, IT developments have helped companies save time, reduce errors and make better financial decisions.

In table (6) the respondents have raised the effect of modern technology on Comparison and evaluation of present management accounting reports in various periods (consistency) with mean (4.27), then Authentication and accuracy of management accounting reports (4.22), then Time period for presentation of management accounting reports (4.10), then Capability of comparison of accounting reports with other units (4.06), Classification of reports of management accounting and Presentation of management accounting reports about deviation of income and expenses from approved budget with the (same mean = 4.04), Presentation of information in clear and explicit accounting reports (4.02), Comprehensiveness and complete status of information mentioned in management accounting reports (4.00).In general, The effects of modern technology in accounting on the quality of financial reporting in banks is satisfied (3.98).

statements	**mean**	**St,deviation**
Your computers AIS is easy to use	3.94	0.97
Your computers AIS is stable	3.55	1.10
Your computers AIS is upgradeable	4.06	0.88
Your computers AIS is integrated to other business activities.	3.78	1.01
Nature of AIS -total	**3.83**	**0.99**

Table (7): Nature of AIS in analyzed banks in Saudi Arabia (empirical survey 2020)

If we revised Table 1 that presented the frequencies of the average age of **the new software that support the information system** of the banks, we can see that 31% of respondent less than one year , 31% of them from 1-3 years, and 22% of them aremore than 5 years, this explain the lower simplicity and stability of AIS in their

banks, but the average grade of the nature of AIS that equal (3.83) is satisfactoryfrom respondents view.

4. Hypothesis Results

1- H0: There is no significant effect of information technology system on the quality of accounting information.

2- H1: There is significant effect of information technology system on the quality of accounting information.

Table (1) Regression result

R	**0.692**
R Square	**0.478**

F value	**5.370**
F (significance)	**0.000**
constant	**1.239**
Beta of speed & VIF factor Beta of accuracy & VIF factor Beta of flexibility & VIF factor	**0.486/1.736**
Beta of flexibility (change) & VIF factor Beta of cloud & VIF factor	**-0.378/1.940** **0.379/1.744**
Beta of consideration (plan) & VIF factor Beta of consideration (problem) & VIF factor	**-0.067/3.222** **0.129/1.544** **0.349/2.292** **-0.194/2.235**

In order to find out the relationship between Quality of AIS and {speed. accuracy, flexibility, flexibility(change) cloud, consideration (plan) and consideration (problem)}of information technology, multiple regression model was used in which(speed. accuracy, flexibility, flexibility(change) cloud, consideration (plan) and consideration (problem) were considered as explanatory variables and Q as

dependent variable. The results of the regression model demonstrated that there was a significant relationship between Q and the explanatory variables. This can be inferred from the t value and its associated p value. The value of R in this table , (themultiple correlation coefficient) which considered to be one measure of the quality of the prediction of the dependent variable (Quality of AIS) A value of 0.692 indicate a good level of prediction, The explanatory variables explain 47.8% of the variability of dependent variable (Quality of AIS) (refer to R square value) showingthat the strength of relationship between Q and the explanatory variables are moderate. By referring to the F value and its P value. It may be concluded that the model is valid and there is a correlation between Q and the explanatory variables, The value of sig = (0.000) < (0.01) ,p < .0005 (i.e. the regression model is a good fitof the data). To verify the existence of the mentioned relationship, a multicollinearity test was carried out. The result revealed the VIF factor of the model was < 5 indicating the non-existence of multicollinearity problem. (Table 1)

Thus the research indicate the following equation

Table (1) show that Predicted (Quality of AI) = 1.239 + (0.486 × speed) - (0.378

×accuracy) + (0.379 × flexibility) – (0.067 × flexibility with change) + (0.129 ×cloud) + (0.349 × consideration plan) – (0.194 × consideration problems)

Table (2)

T	**1.998**	**3.272**	**-2.392**	**2.427**	**-.358**	**1.186**	**2.289**
Sig.	**.052**	**.002**	**.021**	**.020**	**.722**	**.242**	**.027**

For Statistical Significance of the independent variables (the test whether the unstandardized or standardized

coefficient are equal to zero (0) in the population. If

p < .05 , we can conclude that the coefficients are statistically significantly differentto 0 (zero)

The t-value and corresponding p-value in table (1) are located in the t and sig columns. The ((sig)) column explore that"

1. The independent variable (speed, accuracy, flexibility and consideration(plan) coefficients are statistically significantly different from 0 (zero)
2. The independent variable (flexibility (change), cloud, and consideration(problem) coefficients are **not** statistically significantly different from 0 (zero) because p- value > .05 ""

H0: There is no significant effect of modern technology in accounting onthe quality of financial reporting.
H1: There is significant effect of of modern technology in accounting onthe quality of financial reporting.

Table (3) Regression result hypotheses 2

R R Square	**0.642** **0.412**
F value F (significance) Beta of time & VIF factor Beta of Classification Beta of Presentation Beta of Comprehensiveness Beta of Authentication Beta of comparison	**4.899** **0.001^b** **0.201/ 2.896** **0.058/ 3.505** **0.068/ 1.935** **-0.156/ 2.204** **0.532/ 2.533** **0.219/2.247**

In order to find out the relationship between ***the quality of financial reporting*** (QFR) and (time. classification, presentation, comprehensiveness, authentication and comparison), multiple regression model was used in which (time.cassification,presentation,comprehensiveness,authentication and comparison)

were considered as explanatory variables and QFR as dependent variable. The results of the regression model demonstrated that there was a significant relationship between QFR and the explanatory variables. This can be inferred from the t value and its associated p value. The value of R in this table , (the multiple correlation coefficient) which considered to be one measure of the quality of the prediction of the dependent variable (quality of financial reporting) A value of 0.642 indicate a good level of prediction, The explanatory variables explain 41.2% of the variability of dependent variable (quality of financial reporting) (refer to R square value) showing that the strength of relationship between QFR and the explanatory variables are moderate. By referring to the F value and its P value. It may be concluded that the model is valid and there is a correlation between QFR and the explanatory variables, The value of sig = (0.000) < (0.01) p < .0005 (i.e. the regression model is a good fit of the data).To verify the existence of the mentioned relationship, a multicollinearity test was carried out. The result revealed the VIF factor of the model was < 5 indicating the non-existence of multicollinearity problem (table 3). Thus the research indicate the following equation

Predicted (quality of financial reporting) = 0.052 + (0.201× time) + (0.058

×classify) + (0.068 × presentation) – (0.156 × comprehensive) + (0.532 × authentication) + (0.219× comparison)

The unstandardized coefficient in table (2) indicate how much the dependent variable varies with an independent variable when all other independent variables are held constant. All unstandardized coefficient have a positive relations with (quality of financial reporting (dependent variable) except q34 (comprehensiveness and complete status of information mentioned in management accounting reports) which has a negative relation equal -0.156 , So for each increase in comprehensiveness and complete status of information in M management accounting reports there is a decrease in quality of financial reporting of 0.156

Table(4)

T	**.069**	**.799**	**.220**	**.420**	**-.798**	**2.173**	**.966**
SIG.	**.945**	**.448**	**.827**	**.677**	**.430**	**.035**	**.339**

For Statistical Significance of the independent variables (the test whether the unstandardized or standardized coefficient are equal to zero (0) in the population. Ifp < .05 , we can conclude that the coefficients are statistically significantly differentto 0 (zero)

The t-value and corresponding p-value in table (2) are located in the t and sig columns. The ((sig)) column explore that"

1. Only the independent variable **Authentication and accuracy of management accounting reports** coefficients are statistically significantly different from 0 (zero).p=.035 < .05

2. The other independent variables (**Time, Classification, Presentation, Comprehensiveness, Comparison**) coefficients are **not** statistically significantlydifferent from 0 (zero) because p value > .05

6. Conclusion

Today businesses run at a breakneck speed. A global business climate demands even faster data

processing. Both large and small companies benefit fromaccounting software programs. This research showed that there is cooperation between accounting and IT professionals in banks, and Employees have appropriate education to understand and effectively use AIS, so IT developments have helped banks save time, reduce errors and make better financial decision.

* Two advantages computers offer businesses ae speed and flexibility ,but Accountants need to take steps to protect company data from misuse, damage or hacking. This research assured that speed and flexibility are the most technological effects on accounting applications, accuracy that means few errors and Consideration that means to deal with electrical problems, Internet connection malfunctions and computer viruses have the same effect on accounting applications.working in the cloud has the least effects on accounting applications.

 This research used the 2010 FASB developed six characteristics which called (Qualitative Characteristics of Useful Financial Information), and find that **Relevance** and **Faithful Representation** in Fundamental characteristics affected by using technology respectively , means that accounting information should relate to a specific time period or contain information regarding individual business functions and it also must faithfully represent the phenomena that it purports to represent, which is the same as 2010 FASB development.

On the other hand the enhanced characteristics that consist of **Comparability**, **Understandability** ,**Timeliness** ,**Verifiability** are respectively affected by using technology which is not the same as 2010 FASB characteristics arrangement, **understandability** of accounting information that came at the end of 2010 FASB enhanced

characteristics is the second item in this research, and **verifiability** that came before

timeliness also is the last characteristics of research respondents viewpoints.

 Business owners often require financial information when making business decisions. Incorrect or inappropriate information can hamper decision-making or cause business owners to make incorrect assessments about their companies.

This research approved that the effects of modern technology in accounting on the quality of financial reporting in banks is satisfied and the most effect is in the field of Comparison and evaluation of present management accounting reports in various periods(consistency).

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