

Analysis of the impact of cloud accounting systems on the quality of financial reporting

Ayi Jamaludin Aziz¹, Awa²

¹, University of Djuanda, Indonesia ;

², University of Djuanda, Indonesia ;

¹; ²;

Abstract

Background - The development of information technology in the era of the Industrial Revolution 4.0 has not only impacted business management but has also influenced the accounting process in companies. One significant innovation in accounting is the use of cloud accounting systems. This system allows companies to access, store, and manage financial data online, which increases accessibility and collaboration in managing financial information. The quality of financial reporting is a critical aspect that affects managerial decision-making, company credibility, and overall performance. These qualities include the reports' accuracy, reliability, and relevance. With the implementation of cloud accounting systems, many studies have shown that companies can improve the quality of their reporting through reduced errors, real-time data access, and reporting process efficiency. However, challenges in implementing this technology, such as the need for training and data security issues, are significant and need to be addressed. Therefore, it is essential to understand the impact of cloud accounting systems on the quality of financial reporting and to work towards overcoming these challenges.

Purpose - This study aims to analyze the impact of using a cloud accounting system on the quality of financial reports, assess how a cloud accounting system can improve the accuracy, reliability, and relevance of the resulting financial reports, identify the challenges and constraints faced by companies in implementing a cloud accounting system, and provide recommendations on best practices in implementing a cloud accounting system to improve the quality of financial reporting.

methodology - This study uses a descriptive qualitative research design. This approach allows researchers to explore and understand the phenomena of implementing a cloud accounting system and its impact on the quality of financial reporting. The methodology used in this study is a literature study with a systematic and analytical approach to reviewing existing literature.

Findings - The analysis results indicate that implementing a cloud accounting system can significantly improve the quality of financial reporting through better data access, process automation, and increased collaboration in preparing financial reports. However, the analysis also found challenges related to data security. The process of data security in cloud accounting systems involves [specific process], which can help mitigate these concerns. Human resource readiness is another challenge that must be faced.

Originality - This study, which examines the relationship between cloud accounting systems and financial reporting quality, is still a relatively new and developing topic. It is hoped that it can provide new insights into the accounting literature.

Keywords: Cloud Accounting, the quality of financial reporting
