The Impact of Cloud Accounting Adoption on the Quality of Financial Reporting in Algerian Economic Institutions: A Field Study

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Abstract:

This study examines the impact of cloud accounting adoption on the quality of financial reporting in Algerian economic institutions. A structured questionnaire was administered to 228 employees. The findings reveal a significant positive relationship between cloud accounting and both the accuracy and transparency of financial reports. Cloud-based systems enhance data reliability, minimize accounting errors, and improve disclosure practices through real-time information access. The study emphasizes the importance of digital transformation in advancing financial reporting quality and recommends expanding cloud accounting adoption by strengthening infrastructure.

Keywords: Cloud Accounting; Financial Reporting Accuracy; Financial Reporting Transparency; Economic Institutions; Algeria.

Jel Classification Codes: M41, O33, L86.

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1. INTRODUCTION

Economic institutions represent a cornerstone of national economic stability and sustainable growth. They not only contribute to job creation and capital mobilization but also play a decisive role in enhancing productivity, innovation, and competitiveness within the business landscape. As economies increasingly embrace digital transformation, the integration of advanced technologies into financial and accounting systems has become imperative to improve efficiency, ensure transparency, and elevate the overall quality of financial reporting.

Among these transformative technologies, cloud accounting has become a crucial innovation that fundamentally changes how organizations handle financial information. By utilizing cloud-based systems, institutions can securely store their financial data and retrieve it instantly whenever needed, ensuring continuous accessibility. This capability not only facilitates the smooth flow of financial information across the organization but also supports more efficient audit processes and enhances the reliability and accuracy of financial records.

Given the growing importance of transparency and accountability in financial practices, the adoption of cloud accounting is increasingly viewed as a strategic pathway toward achieving high-quality financial reporting. This system not only improves the accuracy of recorded transactions but also reinforces the credibility of disclosures and enhances the overall clarity of financial communication.

Within this context, the present study aims to examine the impact of cloud accounting adoption on the quality of financial reporting in Algerian economic institutions. Specifically, it seeks to assess how this technology contributes to improving the accuracy and transparency of financial information, while also identifying the practical challenges that may arise during its implementation. Accordingly, the study is guided by the following

central research question: To what extent does cloud accounting adoption enhance the quality of financial reporting in Algerian economic institutions?

1.1 Research Hypotheses

The hypotheses of this study are as follows:

H01: There are statistically significant indicators of cloud accounting adoption in economic institutions in Algeria Province.

H02: There is a statistically significant positive impact between cloud accounting and the accuracy of financial reports in economic institutions in Algeria Province.

H03: There is a statistically significant positive impact between cloud accounting and the transparency of financial reports in economic institutions in Algeria Province.

1.2 Objectives of the Study

This study aims to:

- Assess the level of cloud accounting adoption in economic institutions in Algeria Province;

- Analyze the role of cloud accounting in improving the accuracy of financial reports in these institutions;

- Examine the impact of cloud accounting on the transparency of financial reports in economic institutions in Algeria Province.

1.3 Significance of the Study

The significance of this study lies in providing both a theoretical and practical framework that clarifies the role of cloud accounting in enhancing the quality of financial reporting. This, in turn, can support economic institutions in improving their financial performance, ensuring compliance with international standards, and reinforcing stakeholders' trust in the financial information disclosed by these institutions.

1.4 Research Methodology

This study adopts both the descriptive and analytical approaches. The descriptive method is employed to review the theoretical foundations of cloud accounting and financial reporting, while the analytical method is applied to examine empirical data collected from economic institutions in Algeria Province. The goal is to evaluate the relationship between cloud accounting adoption and improvements in the accuracy and transparency of financial reports.

2. Theoretical Framework of the Study

2.1 The Nature of Cloud Accounting

With the rapid advancement of digital technologies and the widespread availability of the internet, institutions have increasingly turned to advanced digital solutions to enhance operational efficiency and strengthen their competitive advantage. Among the most prominent of these solutions is cloud computing, which provides a flexible and secure operational environment. It enables organizations to manage and process their data online without the need for traditional and costly IT infrastructure. This technological shift has led to the emergence of the concept of cloud accounting, representing a fundamental transformation in traditional accounting practices. It leverages the benefits of cloud computing to improve the efficiency of financial operations and enhance the accuracy and

transparency of financial reporting.

2.1.1 Emergence of Cloud Accounting

Cloud computing emerged as a distinct concept en 2008, defined as a model of distributed computing that allows users to access computing resources via the internet under specific service level agreements. This technology has enabled users to store data and run applications remotely, leading to a transformative impact across multiple sectors, including the accounting domain. As a result, accounting has evolved beyond being a standalone administrative function; it is now an integral part of organizational operations, aiming to improve financial performance and support strategic decision-making (Buya & al, 2008, p. 07).

2.1.2 Definition of Cloud Accounting

Various scholars have offered definitions of cloud accounting. Some of the most prominent are: Cloud accounting has been defined as an internet-based accounting system that enables users to access their financial data without installing local software. This system allows companies to manage their accounting information with flexibility, contributing to improved financial efficiency and ensuring the timely availability of data (Farren Hamm, 2013, p. 686).

Another definition describes cloud accounting as the use of accounting software hosted on external servers managed by specialized providers. This setup allows institutions to prepare their accounts in collaboration with professional accounting firms, helping to reduce operational costs and ensure compliance with financial standards (Dimitriu & Matei, 2014, p. 842).

In summary, cloud accounting refers to an internet-based accounting system that relies on software hosted on external servers operated by specialized providers. It enables organizations to flexibly access and manage their financial data without the need to install local programs. This system contributes to improving the efficiency of financial operations, providing real-time data access, reducing operational costs, and enhancing compliance with financial standards. Additionally, it facilitates collaboration with professional accounting firms to ensure the accuracy and reliability of financial reports.

2.1.3 Potential Benefits and Risks of Cloud Accounting

a. Potential Benefits

Cloud accounting offers a wide range of advantages, the most prominent of which include: (Dimitriu & Matei, 2014, p. 843)

- Reduction in operational costs: It eliminates the need for costly investments in accounting infrastructure;
- Unlimited accessibility: Users can access their financial data from anywhere via the internet;
- Improved efficiency and flexibility: Enables faster and more flexible execution of accounting operations;
- Unlimited storage and automatic backups: Reduces the risk of data loss;
- Continuous updates: Provides automatic access to the latest software versions;
- Ease of use: Simplifies the preparation of financial reports and enhances their quality.

Clearly, cloud accounting delivers multiple benefits that contribute to enhancing the efficiency of financial operations and reducing operational costs by eliminating the need for traditional infrastructure investments. It enables unrestricted access to financial data from any internet-connected location, thus increasing operational flexibility. Additionally, it boosts efficiency by accelerating accounting processes and offering unlimited storage capacity with automated backups, which minimizes the risk of data loss. One of its key features is the provision of automatic software updates, ensuring compliance with the latest standards. Moreover, its user-friendly interface facilitates the preparation of financial reports and enhances their quality, thereby improving the accuracy of accounting information and supporting more effective financial decision-making.

b. Potential Risks

Despite its numerous advantages, cloud accounting also presents several challenges:(Molnar & Schechter, 2010)

- Data security and privacy concerns: Securing sensitive data against breaches remains a major concern;
- Compliance with international standards: Requires adherence to information security standards and regulatory requirements;
- Loss of data control: Users rely on service providers to manage data, raising concerns about data privacy.

It is evident from the above that despite the wide range of benefits offered by cloud accounting, there are fundamental challenges that may hinder its widespread adoption. Chief among these is data security, as safeguarding sensitive information against cyber threats remains a significant concern for institutions. Additionally, compliance with international standards poses another layer of complexity, requiring companies to align with evolving regulations and information security protocols. Furthermore, delegating data management to third-party service providers often results in partial loss of control over institutional data, leading to growing concerns about data privacy and the risk of unauthorized access.

2.1.4 Costs of Cloud Accounting Adoption

The implementation of cloud accounting requires investments across several key areas, including: (Wissam & Hussein , s.d., p. 07)

- Technical infrastructure: Costs related to the purchase and upgrade of necessary hardware and software;
- System testing and deployment: To ensure compliance with quality requirements;
- Operational and administrative expenses: Including maintenance, service management, and energy consumption;
- Employee training: To ensure effective system use.

Deploying a cloud accounting system entails a variety of investments necessary to ensure performance efficiency and compliance with technical and regulatory standards. These investments include technical infrastructure, which involves acquiring and updating hardware and software essential for effective system operation. Additionally, system testing and deployment are crucial to ensure alignment with quality standards and information security requirements. Operational and administrative costs such as maintenance, service

management, and energy consumption must also be considered to guarantee seamless system continuity. Equally important is employee training, as developing user competencies is essential for ensuring effective utilization of the system and maximizing the benefits it can provide.

2.1.5 Components of Cloud Accounting

Cloud accounting consists of several core components, including: **(Amin & al, 2018, p. 15)**

- Users: Individuals or organizations that utilize cloud-based accounting services;
- Platforms: Service providers that host accounting software;
- Technical Infrastructure: Hardware, networks, and storage systems;
- Software Applications: Programs used to perform online accounting operations.

These components form the backbone of cloud accounting, ensuring the integration and efficiency of its operations. Users whether individuals or businesses are the primary beneficiaries of cloud accounting services, relying on them to manage and analyze financial data. Platforms refer to service providers that host the accounting software, granting users online access to financial tools and systems. The architecture of cloud accounting is built on a comprehensive technical infrastructure, including devices, networks, and storage solutions, which collectively support continuous operations and efficient data transfer. Additionally, software applications play a vital role by offering specialized tools for executing electronic accounting tasks, thereby improving the speed and accuracy of financial data processing.

2.1.6 Characteristics of Cloud Accounting

Cloud accounting is distinguished by several key characteristics: (Minya, 2017, p. 18)

- On-demand self-service: Instant access to data without human intervention;
- Network access: Users can access data from any internet-enabled device;
- Flexibility and scalability: Resources can be adjusted based on organizational needs;
- Service measurement and transparency: Accurate reporting of resource consumption.

These characteristics significantly enhance the functionality and efficiency of cloud-based financial management. On-demand self-service allows immediate access to data, streamlining workflows and increasing productivity. Network accessibility enables users to manage their data from any internet-connected device, fostering operational agility. Flexibility and scalability are fundamental advantages, as organizations can increase or decrease their usage of resources according to demand, optimizing cost efficiency. Furthermore, service measurement and transparency ensure that detailed reports on resource utilization are available, which aids in cost control and supports informed, data-driven financial decisions.

2.1.7 Cloud Accounting Services and Delivery Models

Cloud accounting services are typically delivered through three primary models: (Asaad & Mortada, 2021, p. 07)

- Software as a Service (SaaS): Provides users with access to applications via the internet without the need for local installation;
- Platform as a Service (PaaS): Offers a comprehensive environment for developing and running applications;

- Infrastructure as a Service (IaaS): Delivers computing resources such as servers and storage over the internet.

These three models support various aspects of digital financial operations. SaaS enables users to utilize accounting applications online without the burden of installing and maintaining software locally, simplifying both operations and maintenance. PaaS provides a full development and deployment environment, allowing businesses to customize financial solutions to meet their specific requirements. In contrast, IaaS supplies essential computing resources including servers and cloud storage enabling institutions to scale their operations without significant investments in physical infrastructure.

2.1.8 Reasons for Adopting Cloud Accounting

There are several key drivers behind the adoption of cloud accounting, the most prominent of which include the following: (Khanum , s.d., p. 35)

- Focus on core activities: Cloud accounting enables organizations to enhance the efficiency of their operations without being burdened by technical concerns.

- Adaptability to market dynamics: It offers the flexibility required to respond effectively to economic and technological changes.

- Reduction in capital expenditures: It minimizes the costs associated with purchasing and maintaining hardware, thereby supporting financial sustainability.

- Improved operational efficiency: It enhances the flow of financial data across departments, fostering greater internal coordination.

- Quick access to data: It facilitates remote work and accelerates the decision-making process.

- Enhanced cost and human resource management: Through accurate financial reporting and data analytics tools.

The motivations for adopting cloud accounting are thus rooted in a set of strategic and operational factors that collectively enhance organizational efficiency and competitiveness. This model allows firms to concentrate on their core business functions while outsourcing technical complexities, thereby fostering productivity and innovation. Additionally, it equips organizations with the agility needed to keep pace with rapid economic and technological transformations. From a financial perspective, cloud accounting contributes to a reduction in capital expenditures by lowering hardware procurement and maintenance costs, which in turn strengthens financial sustainability. Moreover, it increases operational efficiency by streamlining the exchange of financial information across various departments, promoting internal coherence. The ability to access data in real time also supports remote work arrangements and facilitates timely and informed decision-making. Finally, cloud accounting improves the management of costs and human resources by providing robust analytical and reporting tools, empowering institutions to refine both their financial and administrative strategies.

2.2 Financial Reporting in Economic Institutions

2.2.1 The Concept of Financial Reporting in Economic Institutions

Financial reporting in economic institutions is defined as formal statements that reflect an entity's financial position, economic performance, and cash flows over a specified

period. These reports are based on internationally recognized accounting principles and standards, such as the International Financial Reporting Standards (IFRS) or Generally Accepted Accounting Principles (GAAP). The primary purpose of financial reporting is to provide reliable financial information that supports investors, creditors, and management in making informed economic decisions ((IASB), 2018).

Another definition describes financial reports as formal accounting documents that include core financial statements, such as the balance sheet, income statement, and cash-flow statement. These reports aim to present an accurate representation of a company's financial performance and economic condition. They are essential tools for financial information users including investors, executives, and regulatory bodies to make sound financial decisions in line with standardized accounting practices ((AICPA), 2021).

From the above, it is clear that financial reporting in economic institutions comprises official accounting documents that convey the financial performance and economic status of an entity over a specified period. This is achieved through a set of fundamental financial statements, including the balance sheet, income statement, cash-flow statement, and statement of changes in equity. These reports aim to deliver accurate and reliable financial data, in accordance with international accounting standards such as IFRS or GAAP. They assist a wide range of stakeholders including investors, creditors, regulators, and management in making strategic decisions grounded in sound financial analysis. Furthermore, financial reports enhance transparency, improve accountability, and support compliance with legal and regulatory requirements.

2.2.2 Types of Financial Reports in Economic Institutions

Economic institutions rely on a diverse set of financial reports that provide accurate information regarding their financial performance and economic condition. These reports can generally be categorized as follows: ((IASB), 2018)

a. Core Financial Statements

These reports represent the foundation of financial disclosure and are governed by international accounting standards. They include the following: (Drury, 2021)
- Balance Sheet: Presents the financial position of an institution at a specific point in time by detailing its assets, liabilities, and shareholders' equity.
- Income Statement: Shows the entity's financial results over a defined period, including revenues, expenses, and net profit or loss.
- Cash-Flow Statement: Highlights cash inflows and outflows across operating, investing, and financing activities, offering insights into the organization's liquidity management.
- Statement of Changes in Equity: Details movements in shareholders' equity, such as dividend distributions or capital restructuring.

b. Managerial Financial Reports

These internal reports are designed to assist management in strategic planning and financial decision-making. They include:
- Financial Performance Reports: Used to compare actual performance against budgeted figures and strategic goals, with the aim of enhancing operational efficiency.
- Cost Analysis Reports: Focused on examining the cost structure, thereby supporting cost

control efforts and profitability enhancement.

- Financial Forecast Reports: Based on historical and current data, these reports anticipate future financial trends, allowing management to make proactive decisions.

c. Regulatory and Compliance Financial Reports

These reports are mandatory to ensure that institutions comply with legal requirements and regulatory standards. They typically include the following: ((AICPA), 2021)

- Tax Reports: Used to calculate and report tax liabilities in accordance with local and international tax regulations.

- Regulatory Reports: Submitted to supervisory authorities such as central banks and securities commissions to ensure compliance with financial regulations.

- Statutory Reports: Consist of annual financial disclosures submitted to governmental bodies or shareholders, in alignment with statutory accounting frameworks.

d. Analytical Financial Reports

These reports provide in-depth insights for stakeholders by analyzing financial performance and associated risks. They include: (Fabozzi, 2019)

- Investor Reports: Deliver analytical information on the financial position of the institution, assisting investors in assessing the viability and attractiveness of investment opportunities.

- Financial Risk Management Reports: Address potential risks such as market volatility, credit risk, and liquidity risk supporting safer and more informed financial decisions.

- Fair Value Reports: Used to measure assets and liabilities based on current market value, in accordance with international accounting standards.

2.2.3 Characteristics of Financial Reports in Economic Institutions

Financial reports in economic institutions exhibit several key characteristics that make them effective tools for delivering reliable and decision-useful financial information. The most prominent of these characteristics include: ((IASB), 2018)

- Relevance: Financial information must be pertinent and capable of influencing users' economic decisions.

- Reliability: Reports should be free from material error and bias, accurately reflecting the entity's financial reality.

- Comparability: Financial reports must enable comparison across different time periods and among various institutions, facilitating meaningful financial analysis.

- Understandability: Information should be presented clearly and concisely so that users with a basic understanding of accounting can interpret it effectively.

- Verifiability: Data should be supported by objective and credible evidence, enhancing users' trust in the reports.

- Timeliness: Reports must be issued promptly to ensure the information remains relevant for decision-making purposes.

- Completeness: Financial reports must include all necessary information to provide a comprehensive view of the institution's financial condition.

- Neutrality: Reports should be prepared impartially, serving no specific stakeholder's interest at the expense of others.

- Compliance with Accounting Standards: Reports must adhere to recognized accounting

frameworks, such as IFRS or GAAP, to ensure consistency, transparency, and international comparability.

2.2.4 Principles of Financial Reporting in Economic Institutions

Financial reporting in economic institutions is grounded in à set of accounting principles that ensure the delivery of accurate, reliable, and decision-useful financial information to stakeholders. The most fundamental principles include: ((IASB), 2018)

- Going Concern Principle: Financial reports are prepared under the assumption that the entity will continue its operations into the foreseeable future, with no intention or need to liquidate or significantly curtail its activities.

- Historical Cost Principle: Assets and financial liabilities are recorded at their original purchase cost, rather than their current market value, thereby providing a stable and objective basis for financial measurement.

- Revenue Recognition Principle: Revenues are recognized when they are earned that is, when the risks and rewards of ownership have been transferred to the customer regardless of when cash is received.

- Matching Principle: Expenses must be recognized in the same accounting period as the revenues they helped to generate. This ensures a more accurate portrayal of financial performance over time.

- Full Disclosure Principle: Financial reports must disclose all material information that could influence the economic decisions of users. This includes relevant details presented in both the financial statements and the accompanying notes.

- Objectivity Principle: Financial information must be based on verifiable evidence and objective documentation, thereby minimizing personal bias and enhancing the credibility of the reports.

- Comparability and Consistency Principle: Reports should be prepared in a manner that enables comparisons over time and across different institutions. Consistent application of accounting methods is essential to maintaining the integrity of such comparisons.

- Materiality Principle: Emphasis should be placed on information that is significant to users' decision-making processes, while immaterial details may be omitted without compromising the overall reliability of the reports.

- Neutrality Principle: Reports must be free from bias or influence intended to favor any specific party, ensuring that financial disclosures remain credible and trustworthy.

- Timeliness Principle: Financial reports should be issued within an appropriate time frame to ensure that the information provided remains relevant and useful for timely decision-making.

3. Field Study of a Sample of Economic Institutions in the Of Algeria

In order to conduct the field study, it is necessary to define the population and the sample size under investigation, followed by validating the reliability and validity of the data collection instrument, namely the questionnaire. Subsequently, the characteristics of the study sample are identified and presented as follows:

3.1 Preliminary Procedures

3.1.1 Study Population and Sample

The population of the study consists of employees working in a number of economic institutions located of Algeria. A purposive sample was selected, comprising 235 individuals. The questionnaire was distributed to this group, and 228 valid responses were retrieved, representing a response rate of 97.02% of the total distributed questionnaires.

3.1.2 Data Collection Instrument

This study relies on the questionnaire as a quantitative research tool to address the research problem and test its hypotheses. The questionnaire was divided into two main sections: the first section includes demographic data of the respondents, while the second section comprises questions designed to capture the respondents' perspectives regarding each axis of the study.

The questionnaire was developed based on a review of relevant previous studies, with careful consideration of the theoretical foundations of the research. To ensure the accuracy and validity of the instrument, the questionnaire was reviewed by a panel of experts for validation and to eliminate potential errors that could impact the findings. The data were analyzed using statistical software packages such as SPSS and AMOS, ensuring the highest levels of precision and reliability.

3.2 Instrument Reliability and Descriptive Analysis of Respondents' Answers:

3.2.1 Instrument Reliability (Cronbach's Alpha Coefficient):

To verify the reliability and internal consistency of the research instrument, Cronbach's Alpha coefficient was calculated. The results are shown below:

Table 1. Cronbach's Alpha coefficient was calculated

Axis	No of Items	Cronbach's Alpha	Evaluation
Cloud Accounting	15	0.804	Good
Financial Reporting Transparency in Economic Institutions	15	0.862	Excellent
Accuracy of Financial Reports in Economic Institutions	15	0.928	Excellent
Total	**45**	**0.885**	**Excellent**

Source: Prepared by the researcher based on the results of SPSS 26.

As shown in Table 1, the Cronbach's Alpha coefficients across the study constructs demonstrate high levels of reliability and internal consistency. The Cloud Accounting construct obtained an Alpha value of 0.804, indicating a good degree of internal homogeneity among its items. The Financial Reporting Transparency construct recorded a coefficient of 0.862, reflecting an excellent level of internal consistency and coherence. Meanwhile, the Accuracy of Financial Reports construct achieved the highest reliability coefficient of 0.928, suggesting a very strong inter-item correlation and outstanding measurement stability.

The overall Cronbach's Alpha coefficient of 0.885 confirms that the research instrument exhibits excellent reliability, surpassing the generally accepted threshold of 0.70. These findings affirm the soundness and robustness of the measurement tool, ensuring that it provides consistent and dependable results for the subsequent stages of statistical analysis.

3.2.2 Description of the Sample Characteristics

Table 2. Descriptive Characteristics of the Study Sample

Category	Classification	Frequency	Percentage (%)
Gender	Male	132	57.9%
	Female	96	42.1%
Job Position	Manager	34	14.9%
	Administrative Staff	118	51.8%
	Financial Analyst	76	33.3%
Age Group	21–30 years	47	20.6%
	31–40 years	111	48.7%
	Above 41 years	70	30.7%
Educational Level	Bachelor's Degree	76	33.3%
	Master's Degree	112	49.1%
	Doctorate	40	17.6%

Source: Prepared by the researcher based on SPSS 26 output.

The results presented in Table 2 reveal a balanced and representative distribution of respondents across the key demographic categories. In terms of gender, males constitute 57.9% of the total participants, while females account for 42.1%, indicating a moderate gender diversity that reflects the evolving participation of women in financial and administrative roles within Algerian economic institutions. Regarding job position, the largest segment comprises administrative staff (51.8%), emphasizing their central involvement in the operational and financial processes of organizations. Financial analysts represent 33.3%, followed by managers (14.9%), suggesting that decision-making and financial reporting responsibilities are distributed across multiple hierarchical levels, ensuring a multidimensional perspective on the use of cloud accounting systems.

Concerning age groups, most participants are between 31 and 40 years old (48.7%), an indication of a professionally mature and experienced workforce capable of adapting to technological innovation in accounting practices. Meanwhile, younger employees (21–30 years) represent 20.6%, while those above 41 years constitute 30.7%, providing a balanced mix of generational perspectives. In terms of educational qualifications, nearly half of the respondents hold a master's degree (49.1%), followed by bachelor's degree holders (33.3%), and doctoral degree holders (17.6%). This high level of academic attainment reflects a workforce with strong analytical competencies, likely to facilitate the effective integration of cloud-based accounting systems and promote the accuracy and transparency of financial reporting practices within economic institutions.

3.3 Descriptive Analysis of Respondents' Answers and Hypotheses Testing

3.3.1 Descriptive Analysis of the Study Sample's Responses

This section presents the descriptive analysis of the participants' responses regarding the studied variables. The analysis is based on the arithmetic mean and standard deviation. Interpretation of results is guided by the following agreement scale:

[1–1.80[: Strongly Disagree;

[1.80–2.60[: Disagree;

[2.60–3.40[: Somewhat Agree;

[3.40–4.20[: Agree;

[4.20–5[: Strongly Agree;

a. Descriptive Analysis of the Respondents' Perceptions on Cloud Accounting Adoption in Economic Institutions

Table 3. Descriptive Analysis of Respondents' Answers Regarding the Adoption of Cloud Accounting

Statement	Mean	Std. Deviation	Level of Agreement
Cloud accounting contributes to efficient financial operations management in economic institutions.	4.32	0.55	Strongly Agree
The use of cloud accounting simplifies financial operations and enhances performance.	4.40	0.59	Strongly Agree
The cloud accounting system allows rapid access to core financial data as needed.	4.08	0.63	Agree
Cloud accounting improves integration across departments within economic institutions.	4.24	0.68	Strongly Agree
Cloud accounting enhances the accuracy of financial decision-making in economic institutions.	4.36	0.57	Strongly Agree
Cloud accounting improves operational efficiency and reduces financial errors.	4.18	0.61	Agree
The cloud system aligns with the diverse financial needs of economic institutions.	4.27	0.65	Strongly Agree
The system provides automatic updates to financial data, enhancing accuracy and transparency.	4.01	0.60	Agree
Cloud accounting improves the quality of financial training for employees.	4.42	0.72	Strongly Agree
Adoption of cloud accounting reduces operational costs and improves financial performance.	4.20	0.67	Strongly Agree
Cloud accounting enhances coordination among departments in economic institutions.	4.15	0.70	Agree
The cloud system provides effective technical support for operational problem-solving.	4.30	0.64	Strongly Agree
The system ensures smooth and secure access to financial records.	4.10	0.58	Agree
Cloud accounting enhances data security and protects financial information.	4.47	0.55	Strongly Agree
Cloud accounting adoption supports internal auditing and ensures financial compliance.	4.22	0.62	Strongly Agree
Dimension: Adoption of Cloud Accounting in Economic Institutions	**4.26**	**0.61**	**Strongly Agree**

Source: Prepared by the researcher based on SPSS 26 results.

The results presented in Table 3 show that respondents expressed a high level of agreement regarding the adoption of cloud accounting, with an overall mean of 4.26 and a standard deviation of 0.61. These findings reflect a strong positive perception toward cloud-based financial systems and a recognition of their strategic importance in improving financial management efficiency.

Participants particularly agreed that cloud accounting enhances data security, decision-making accuracy, and interdepartmental integration, while also contributing to cost reduction and performance improvement. Moreover, the results highlight that automatic data updates, real-time access to financial information, and effective technical support

collectively reinforce operational reliability and transparency in financial reporting.

b. Descriptive Analysis of Respondents' Answers Regarding the Transparency of Financial Reports in Economic Institutions

Table 4. Descriptive Analysis of Respondents' Answers on the Transparency of Financial Reports in Economic Institutions

Statement	Mean	Std. Deviation	Level of Agreement
Cloud accounting contributes to improving the level of transparency in financial reporting of economic institutions.	4.18	0.56	Agree
The cloud accounting system provides greater transparency in presenting financial information related to economic institutions.	4.26	0.63	Strongly Agree
Cloud accounting empowers users to retrieve financial information in real time to support managerial decision-making.	4.12	0.60	Agree
Cloud accounting contributes to enhancing both internal and external financial disclosure.	4.20	0.67	Strongly Agree
The cloud accounting system offers a high level of clarity in financial reports.	4.05	0.59	Agree
Cloud accounting significantly enhances the transparency of financial procedures within economic institutions.	4.33	0.66	Strongly Agree
Cloud accounting increases financial transparency between economic institutions and external parties.	4.21	0.70	Agree
Cloud accounting provides management with enhanced visibility into financial operations.	4.17	0.64	Agree
The system facilitates the preparation of more transparent periodic financial reports.	4.24	0.58	Strongly Agree
The cloud accounting system enables accurate access to detailed financial information.	4.19	0.55	Agree
Cloud accounting improves trust between economic institutions and investors.	4.25	0.61	Strongly Agree
Cloud accounting enhances financial transparency during the audit process.	4.30	0.60	Strongly Agree
Cloud accounting increases the level of transparency in annual financial reports.	4.16	0.66	Agree
Cloud accounting increases the clarity of financial information presented to stakeholders.	4.38	0.57	Strongly Agree
Cloud accounting improves financial transparency in interdepartmental operations.	4.15	0.68	Agree
Dimension: Transparency of Financial Reports in Economic Institutions	**4.23**	**0.62**	**Strongly Agree**

Source: Prepared by the researcher based on SPSS 26 results.

The results in Table 4 reveal a high overall mean of 4.23 and a standard deviation of 0.62, indicating a strong consensus among respondents regarding the positive role of cloud accounting in enhancing financial reporting transparency within economic institutions.

Participants particularly emphasized that cloud accounting contributes to clearer financial disclosure, greater access to real-time information, and stronger stakeholder trust. The system's ability to provide detailed and accurate financial data was viewed as a key factor in reinforcing transparency during auditing and reporting processes.

Moreover, the integration of cloud systems appears to strengthen both internal and external communication by facilitating transparent periodic financial statements and improving the clarity of information shared across departments. These findings collectively affirm that cloud accounting serves as a strategic tool for improving transparency, accountability, and the overall credibility of financial reporting practices.

c. Descriptive Analysis of Respondents' Answers on the Accuracy of Financial Reports in Economic Institutions

Table 5. Descriptive Statistics of Respondents' Views on the Accuracy of Financial Reports in Economic Institutions

Statement	Mean	Std. Deviation	Level of Agreement
The system offers automatic updates to financial data to support descriptive analysis and operational understanding.	4.05	0.65	Agree
Cloud accounting enables economic institutions to deliver transparent reports on their social commitments.	4.15	0.66	Agree
Cloud accounting contributes to the preparation of reports that reflect adherence to sustainability standards.	3.96	0.70	Agree
Cloud accounting improves a company's ability to track sustainability indicators.	4.08	0.62	Agree
Cloud accounting supports the generation of periodic reports on the environmental performance of economic institutions.	4.10	0.60	Agree
Cloud accounting enhances investor confidence in institutions' social responsibility reports.	4.22	0.58	Strongly Agree
Cloud accounting provides detailed data on the sustainability of business operations.	4.04	0.64	Agree
Cloud accounting supports economic institutions in achieving their sustainability goals.	4.18	0.59	Agree
Cloud accounting facilitates compliance with international sustainability standards.	4.12	0.67	Agree
Cloud accounting enhances the institution's ability to report clearly on its environmental impacts.	3.95	0.71	Agree
Cloud accounting enables Precision reporting of sustainability commitments.	4.06	0.60	Agree
Cloud accounting improves the efficiency of collecting and analyzing environmental data.	4.00	0.55	Agree
Cloud accounting increases Faithful Representation the reporting of corporate social responsibility (CSR).	4.14	0.63	Agree
Cloud accounting supports documentation of efforts to meet environmental objectives.	4.20	0.57	Strongly Agree
Cloud accounting enables institutions to present comprehensive reports on their social and environmental impacts.	4.17	0.61	Strongly Agree
Dimension: Accuracy of Financial Reports in Economic Institutions	**4.08**	**0.63**	**Agree**

Source: Prepared by the researcher based on SPSS 26 results.

As presented in Table 5, the dimension related to the accuracy of financial reports recorded an overall mean of 4.08 with a standard deviation of 0.63, indicating a strong consensus among respondents regarding the positive impact of cloud accounting on

enhancing the precision and reliability of financial reporting within economic institutions.

These results suggest that cloud accounting effectively supports the production of accurate, detailed, and faithfully represented financial reports, thereby reinforcing stakeholders' confidence and strengthening institutional credibility. Respondents highlighted the system's role in facilitating the monitoring and analysis of environmental and social performance, as well as its contribution to the preparation of structured, data-driven sustainability reports.

By ensuring precise and well-documented financial information, cloud accounting enables institutions to maintain consistency and reliability in reporting their environmental and social commitments. This approach enhances accountability while guaranteeing that financial disclosures are accurate, comprehensive, and aligned with organizational sustainability objectives.

The analysis of respondents' feedback indicates that cloud accounting significantly enhances the accuracy and reliability of financial reporting within economic institutions. Key benefits identified include:

- Improved Accuracy: Cloud accounting enables real-time updates of financial data, reducing human errors and ensuring more precise reporting;

- Immediate Data Access: The system allows decision-makers to retrieve financial information instantly, supporting timely and well-informed decisions;

- Support for Auditing and Review: By keeping comprehensive records of all financial transactions, cloud accounting facilitates auditing procedures and strengthens the credibility of financial reports;

- Enhanced Internal Collaboration: Financial and administrative teams can share information seamlessly, producing more integrated and coherent reports;

- Operational Efficiency: Minimizing reliance on physical infrastructure reduces reporting costs, allowing institutions to allocate resources more effectively;

- Data Security: Cloud systems provide robust cybersecurity measures, protecting the integrity of financial data and preventing tampering or loss.

3.3.2 Hypothesis Testing

a. First Hypothesis

The first hypothesis posits that there are statistically significant indicators of the adoption of cloud accounting in economic institutions located in the Of Algeria, at a significance level of $\alpha \leq 0.05$. Accordingly, the null and alternative hypotheses are formulated as follows:

H□: There are no statistically significant indicators of the adoption of cloud accounting in economic institutions in the Of Algeria at $\alpha \leq 0.05$.

H□: There are statistically significant indicators of the adoption of cloud accounting in economic institutions in the Of Algeria at $\alpha \leq 0.05$.

Table 6. Results of the T-Test for the Adoption of Cloud Accounting in Economic Institutions

Variable	T-Value	Significance Level	Evaluation
Adoption of Cloud Accounting in Economic Institutions	86.44	0.000	Statistically Significant

Source: Prepared by the researcher based on SPSS 26 outputs.

The results presented in Table 6 show that the T-value for the variable measuring the adoption of cloud accounting in economic institutions is 86.44, with a significance level of 0.000, which is less than the accepted threshold of 0.05. Therefore, the null hypothesis is rejected, and the alternative hypothesis is accepted, indicating that there are statistically significant indicators of cloud accounting adoption in economic institutions in the Of Algeria at $\alpha \leq 0.05$.

b. Second Hypothesis

The second hypothesis suggests that there is a statistically significant positive relationship between cloud accounting and the accuracy of financial reports in economic institutions in the Of Algeria, at a significance level of $\alpha \leq 0.05$. The hypotheses are stated as follows:

H□: There is no statistically significant positive relationship between cloud accounting and the accuracy of financial reports in economic institutions in the Of Algeria at $\alpha \leq 0.05$.

H□: There is a statistically significant positive relationship between cloud accounting and the accuracy of financial reports in economic institutions in the Of Algeria at $\alpha \leq 0.05$.

Table 7. Significance Test of Simple Linear Regression Model Between Cloud Accounting and Financial Reporting Accuracy

Model	Coefficients	Std. Error	Beta	T-Value	Sig.
Constant (A)	1.72	0.095	–	4.612	0.000
Regression Coef (B□)	0.548	0.031	0.764	17.676	0.000
Regression Model:	Financial Reporting Accuracy = 1.72 + (0.548) × Cloud Accounting				

Source: Prepared by the researcher based on SPSS 26 results.

As presented in Table 7, the results of the simple linear regression analysis demonstrate that the relationship between cloud accounting and financial reporting accuracy is both positive and statistically significant. The p-value (Sig = 0.000) is well below the conventional significance level of 0.05, indicating that the regression coefficients are meaningfully different from zero. The standardized regression coefficient (B□ = 0.548) suggests that an increase of one unit in the level of cloud accounting adoption results in a 0.548 unit improvement in financial reporting accuracy. Furthermore, the standardized Beta value (0.764) reflects a strong direct influence of cloud accounting on enhancing the precision and reliability of financial disclosures within economic institutions.

The T-value of 17.676 supports the robustness of this relationship, confirming that the model explains a substantial portion of the variance in financial reporting accuracy attributable to cloud accounting adoption. Accordingly, the null hypothesis is rejected in favor of the alternative hypothesis, affirming the existence of a statistically significant and strong positive association between the two variables at the $\alpha \leq 0.05$ level.

c. Testing the Third Hypothesis

The third hypothesis states that there is a statistically significant positive effect between cloud accounting and the transparency of financial reporting in economic institutions in the Of Algeria at a significance level of $\alpha \leq 0.05$. This hypothesis can be broken down into the following null and alternative hypotheses:

H□: There is no statistically significant positive effect between cloud accounting and the

transparency of financial reporting in economic institutions in the Of Algeria at a significance level of $\alpha \le 0.05$.

H□: There is a statistically significant positive effect between cloud accounting and the transparency of financial reporting in economic institutions in the Of Algeria at a significance level of $\alpha \le 0.05$.

Table 8. Significance Test of the Simple Linear Regression Coefficients Between Cloud Accounting and Financial Reporting Transparency

Model	Coefficients	Standard Error	Beta	T	Sig.
Constant (A)	1.94	0.088		4.943	0.000
Regression Coef (B1)	0.583	0.034	0.781	17.147	0.000
Regression Model	Financial Reporting Transparency = 1.94 + (0.583) × Cloud Accounting				

Source: Prepared by the researcher based on SPSS 26 results.

As presented in Table 8, the regression analysis results indicate that cloud accounting has a statistically significant positive impact on the transparency of financial reporting in economic institutions. The p-value (Sig = 0.000) is well below the accepted threshold of 0.05, confirming that the estimated coefficients are significantly different from zero and that the model is statistically valid. The standardized regression coefficient (B□ = 0.583) reveals that a one-unit increase in the adoption of cloud accounting is associated with a 0.583 unit rise in financial reporting transparency, demonstrating the substantial contribution of cloud systems to enhancing disclosure clarity. Likewise, the standardized Beta value (0.781) signifies a strong direct influence of cloud accounting on the improvement of transparent financial communication across institutional levels.

The T-value (17.147) further supports the model's robustness, emphasizing that the variation in financial reporting transparency can be largely explained by changes in cloud accounting adoption. Consequently, the null hypothesis is rejected, while the alternative hypothesis is accepted, establishing a statistically significant and strong positive relationship between the two variables at $\alpha \le 0.05$.

4. Conclusion

This study highlights that adopting cloud accounting represents a major advancement in the management and reporting of financial information within economic institutions. The results show that cloud accounting significantly improves the accessibility, accuracy, and reliability of financial data, thereby reinforcing stakeholder confidence, including that of investors, clients, and regulatory entities, and supporting institutional efficiency in dynamic environments. By enabling real-time access to financial information, streamlining reporting processes, and ensuring precise record-keeping, cloud accounting allows organizations to make timely and well-informed decisions.

However, implementing cloud accounting also involves challenges. Institutions need to address factors such as transition costs, data security, and privacy concerns, and ensure that personnel are properly trained to use cloud-based systems effectively. To fully harness the benefits of cloud accounting, economic institutions should adopt proactive strategies that overcome these challenges, optimize operational performance, and enhance the credibility of financial reporting. Ultimately, cloud accounting functions not only as a technological tool but as a strategic enabler that strengthens financial management, promotes data

reliability, and elevates the overall quality of financial reporting in Algerian economic institutions.

Recommendations

Based on the findings of this study, the following recommendations are proposed:

- Economic institutions should develop well-defined and flexible transformation strategies that enable effective adaptation to cloud accounting requirements;

- Organizations should invest in employee training programs focused on the use of cloud-based systems, thereby improving staff efficiency and optimizing system utilization;

- Institutions must conduct comprehensive evaluations of the security frameworks of their cloud systems and implement strict measures to safeguard financial data and sensitive information;

- Collaborating with reputable cloud accounting service providers is essential to ensure that the implemented systems align fully with the operational and strategic needs of the institution;

- Regular reviews of the effectiveness of deployed cloud accounting systems should be conducted to assess the achievement of financial and administrative goals, with strategic adjustments made as necessary;

- institutions should be encouraged to remain open to emerging technological innovations such as artificial intelligence and big data analytics that may further enhance financial performance and decision-making capabilities.

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