Volume: 10 Issues: 59 Issue [March, 2025] pp. 1 - 7
International Journal of Accounting, Finance and Business (IJAFB)
eISSN: 0128-1844
Journal website: www.academicinspired.com/ijafb
DOI: 10.55573/IJAFB.105901

# ACCOUNTING INFORMATION SYSTEM AND INTEGRATED REPORTING IMPLEMENTATION: A REVIEW OF LITERATURE

**Sharifah Robiah Tuan Hazam[1]**

[1] Faculty of Management and Economics, Universiti Pendidikan Sultan Idris (UPSI), Malaysia
(Email: sharobiah@fpe.upsi.edu.my)

**Article history**

| | | |
|---|---|---|
| **Received date** | **:** | 27-11-2024 |
| **Revised date** | **:** | 28-11-2024 |
| **Accepted date** | **:** | 20-1-2025 |
| **Published date** | **:** | 10-3-2025 |

**To cite this document:**
Tuan Hazam, S. R. (2025). Accounting information system and integrated reporting implementation: A review of literature. *International Journal of Accounting, Finance and Business (IJAFB),* 10 (59), 1 - 7.

---

**Abstract:** *Accounting information systems are tools specifically designed to collect and process financial information, enabling users to generate valuable reports. Following the changes of the Industrial Revolution level, the accounting information system has also evolved. A structured accounting information system processes financial data and provides analytical tools for enhancing future corporate performance. The trending implementation of integrated reporting supports the significance of leveraging advanced accounting information systems to provide organisations with an innovative outlook on corporate reporting. This study aims to review the accounting information systems that influence the implementation of integrated reporting. It also examines the advantages and use of accounting information systems. Furthermore, it evaluates the correlations between accounting information systems and the implementation of integrated reporting. Consequently, it is important to improve the current accounting information system or establish a new system to facilitate the successful implementation of integrated reporting. In order to bolster the current research discussion, this study also offers pertinent prior research.*

**Keywords:** *accounting information system, computerised accounting system, integrated reporting*

---

Volume: 10 Issues: 59 Issue [March, 2025] pp. 1 - 7
International Journal of Accounting, Finance and Business (IJAFB)
eISSN: 0128-1844
Journal website: www.academicinspired.com/ijafb
DOI: 10.55573/IJAFB.105901

## Introduction

Information and communication technology (ICT) has evolved parallel with the introduction of numerous new technologies to the market. Emergence of information technology and systems brings benefits to the organisation via improved decision-making quality, communication, operational efficiency and driven innovation (Renaldo et al., 2022). Moreover, the accounting system also continuously changed, derived of manual approach to computerised, along with ICT advancements (Tuan Hazam, Mansor & Bahari, 2019). Furthermore, with financial and accounting information readily accessible to management, computerised accounting systems are engineered to enhance organisational efficiency, support operational processes, and improve competitiveness (Haleem, 2016). Compared to manual methods, the use of computerised accounting systems has a positive impact on reported profitability (Ndubuisi et al., 2017). Additionally, the trend towards implementing integrated reports reinforces the adoption of advanced accounting information systems (AIS), bringing further advantages to the company.

Prior studies have indicated that the use of computerised accounting systems has reduced firms' operating expenses (Nworie et al., 2023). While, the application of AIS software has influenced the oil and gas firms in terms of accountability, production, and cost control (Chude & Chude, 2022). The computerised AIS development has also led to fewer errors, time savings and a reduction in operational costs (Yose & Choga, 2016). In addition, the use of AIS has impacted organisational performance, effectiveness and open budgeting (Soudani, 2012; Onaolapo & Odetayo, 2012; Haitam; 2021). However, concerning fulfilling the demands of current users, the AIS has undergone several advancements and innovations following the shifts of industrial revolution (IR) levels. For instance, IR 4.0 emphasises more advanced, comprehensive, complex and systematic applications embedded in modern innovations (Rymarczyk, 2020). As a result, the advent of contemporary ICT products introduces new features that enhance their capabilities, aligning with IR 4.0 to support companies in improving their business operational performance.

ICT advancements have accelerated the evolution of AIS leading to new processes and reporting mechanisms. ERP systems are a sophisticated evolution of AIS that allows organizations to streamline processes and integrate multiple functions into a unified framework. This system comprises a set of business modules that integrate various functions of an organisation, including finance, accounting, manufacturing, purchasing and customer service, into one unified system, facilitating seamless information flow across the organisation (Beheshti et al., 2014). ERP system impacts have extended beyond operational efficiency to support the integrated reporting concepts. Integrated reporting demands the bringing together of both financial and non-financial information in order to provide a comprehensive view of an organization's performance, strategy and value creation. ERP systems serve this by centralizing various data streams and producing comprehensive reports that are consistent with integrated reporting frameworks. While, ERP systems, as highlighted by Barna et al. (2021), ensure accurate and detailed reporting of information handled through IT systems by focusing on four key features: integration, standardisation, centralisation and real-time data generation, alongside automating daily operations. By ensuring the integration, accuracy and timeliness of information across organizational functions, these features not only enhance daily operations but also uphold the integrated reporting concepts.

Volume: 10 Issues: 59 Issue [March, 2025] pp. 1 - 7
International Journal of Accounting, Finance and Business (IJAFB)
eISSN: 0128-1844
Journal website: www.academicinspired.com/ijafb
DOI: 10.55573/IJAFB.105901

### Accounting Information System

"Accounting is a systematic process of identifying, recording, measuring, classifying, verifying, summarising, interpreting and communicating financial information" (Hossain & Rahman, 2019, pp. 31). The procedure could be performed both manually or using a computerised system like AIS. According to Hall (2019), the AIS emphasises three major subsystems, including the general ledger/ financial reporting system and others. A well-designed AIS significantly enhances efficiency, improves quality and reduces product costs. It also facilitates knowledge sharing and strengthens internal control structures, thereby supporting informed decision-making (Romney et al., 2020). The six key components of an AIS include personnel, data, procedures, software, IT infrastructure, as well as internal control and security measures (Romney et al., 2020). Collectively, these components enable organisations to effectively record transactions related to economic events and generate valuable information for performance measurement.

Previous research (such as Lidovolo & Margaret, 2023; Elsharif, 2019; Fernandez et al., 2017; Bekiaris & Markogiannopoulou, 2023; Edwin et al., 2024; Thennakoon & Rajeswaran, 2022) demonstrated that AIS have an impact, especially on the financial information provided to organisations. Research by Lidovolo and Margaret (2023) reported that the components of AIS and financial performance has indicated positive relationship. Three elements of AIS, specifically people, data and internal control, have shown an impact on the relevance of financial information (Elsharif, 2019). Furthermore, a survey conducted by Fernandez et al. (2017) provided evidence that the usage of ERP systems in public sector organisations results in positive financial performance. In addition, the ERP system supports the adoption of accrual accounting (Bekiaris & Markogiannopoulou, 2023). Additionally, the study by Edwin et al. (2024) demonstrated that the timeliness, transparency and accuracy of AIS have an impact on financial performance. In another study, Thennakoon and Rajeswaran (2022) mentioned that AIS quality and financial performance share a positive relationship.

### Accounting Information System and Integrated Reporting Implementation

The International Integrated Reporting Council (IIRC) introduced a new reporting approach guideline to the organisation namely the International Integrated Reporting Framework, for over ten years, since 2013. However, in January 2021, the IFRS Foundation released an updated version of the International Integrated Reporting Framework to replace the one produced by the IIRC in 2013. One of the aims of integrated reporting is to enhance the quality of information provided to financial capital providers, facilitating better capital allocation and efficiency (IFRS Foundation, 2022). The reporting approach emphasises the creation of value and encompasses six capitals including financial and others. While, the content elements of integrated reporting comprise an organisational overview and external environment, governance, business model, and so forth (IIRC, 2013; IFRS Foundation, 2022; IFRS Foundation, 2024). Furthermore, since the framework was globally released in December 2013, 70 countries, comprising approximately 2,000 organisations, have adopted integrated reporting (IIRC, 2020) as a corporate reporting.

Prior studies identified a connection between information systems and corporate reporting. For example, a study by Imeokparia (2013) reported that information systems provide accuracy, usability and quality of financial reporting. Similarly, Anto and Yusran (2023) also discovered that information technology influences financial reporting quality. However, the capabilities of AIS in organisations are measured by the implemented features of AIS, allowing users to produce excellent reports. Previous studies related to AIS have shown influenced the quality,

Volume: 10 Issues: 59 Issue [March, 2025] pp. 1 - 7
International Journal of Accounting, Finance and Business (IJAFB)
eISSN: 0128-1844
Journal website: www.academicinspired.com/ijafb
DOI: 10.55573/IJAFB.105901

accuracy and reliability of financial reporting (such as Arfismanda et al., 2021; Kimani, 2024; Darmawan, 2021; Yusnita et al., 2024; Sutriani et al., 2019; Abdallah, 2014). Research conducted by Olufemi et al. (2021) indicated that accounting software significantly impacts the reliability and accuracy of corporate reporting. Consequently, Olamide (2024) suggested that companies should ensure their AIS are updated with new technologies that will enhance the quality of financial reporting.

Therefore, the sophisticated development of AIS must align with advancements in information systems, such as IR 4.0, which can assist organisations in implementing trending integrated reporting. However, with the emergence of integrated reporting as a modern framework for global corporate reporting, organisations will encounter various challenges in its practical application. Among these challenges, the information system remains a key hurdle to effective integrated reporting implementation (IIRC, 2011; IMA-ACCA, 2016; Steyn, 2014; MIA-ACCA, 2016). Additionally, the implementation of ERP systems within Malaysian local authorities is hindered by a lack of funding and technical skills, while the adoption of integrated reporting faces obstacles related to organisational readiness, vendor understanding and weaknesses in AIS (Tuan Hazam et al., 2019). Furthermore, AIS contributes to the challenges associated with both financial and non-financial activities related to accountant roles (Tuan Hazam, 2023). “To date, the emphasis of applying new technology has largely been on improving the cost, speed, and quality of financial reporting” (IIRC, 2016, pp. 8), as well as facilitating the implementation of integrated reporting. Therefore, when selecting teams, it is essential to consider information technology as one of the various functions necessary (IFRS Foundation, 2024) for developing integrated reporting within the organisation.

## Conclusion

AIS serves as essential to the successful implementation of integrated reporting, as it facilitates the delivery and communication of improved reporting information to an organisation's stakeholders. Moreover, the new enhanced features of AIS can influence user needs and demands for the system, necessitating continuous development and modification to meet specific user requirements. Previous research has provided evidence of the relationship between AIS and financial reporting (Arfismanda et al., 2021; Kimani, 2024; Darmawan, 2021; Yusnita et al., 2024; Sutriani et al., 2019), as well as the challenges related to information systems in the context of integrated reporting implementation (IIRC, 2011; IMA-ACCA, 2016; Steyn, 2014; MIA-ACCA, 2016). Therefore, organisations must develop or establish AIS with robust capabilities to ensure the successful implementation of integrated reporting.

**References**

Abdallah, A.A.J., (2014). The impact of using accounting information systems on the quality of financial statements systems submitted to the Income and Sales Tax Department in Jordan. *European Scientific Journal*, 1, pp. 41-48.

Anto, L. O. & Yusran, I. N. (2023). Determinants of the quality of financial reports. Intern. *Journal of Profess. Bus. Review*., v. 8, n. 3, pp. 01-40.

Arfismanda, C., Irwadi, M. & Hendarmin, R. M. R. (2021). The Effect of Accounting Information System and Internal Control System on the Quality of Financial Reports at PT Semen Baturaja (Persero) Tbk. *International Journal of Community Service & Engagement*, Vol. 2, No. 3, pp. 48-59.

Barna, L. E. L., Ionescu, B. S, & Ionescu-Feleaga, L. (2021). The Relationship between the Implementation of ERP Systems and the Financial and Non-Financial Reporting of Organizations. *Sustainability*, 13, 11566, pp. 1-17.

Beheshti, H. M., Blaylock, B. K., Henderson, D. A. & Lollar, J. G. (2014). Selection and critical success factors in successful ERP implementation. *Competitiveness Review*, 24(4), 357-375.

Bekiaris, M. & Markogiannopoulou, A. (2023). Enterprise resource planning system reforms of European Union member states in association with central government accrual accounting and IPSAS adoption. *Journal of Public Budgeting, Accounting & Financial Management*, Vol. 35, No. 1, pp. 115-140.

Chude D. I. & Chude N. P. (2022), Effect of Computerized Accounting System on Organisational Performance of Oil and Gas Firms in Port Harcourt, Nigeria. *British Journal of Management and Marketing Studies*, 5(3), pp. 66-88.

Darmawan, E. (2021). The Effect of Accounting Information Systems on Quality of Financial Statements (Case Study at Pt Nerounworks Indonesia). *Turkish Journal of Computer and Mathematics Education*, Vol.12 No.8, pp. 377-380.

Edwin, L. T. W., Mohamad Shabri, S. & Yu, Y. J. (2024). The Influence of Accounting Information System on Financial Performance of Small and Medium-Sized Enterprises in Kangar, Perlis. *International Journal of Business and Technopreneurship*, Vol. 14, No. 1, pp. 49-62.

Elsharif, T. A. (2019). The Elements of Accounting Information Systems and the Impact of Their Use on the Relevance of Financial Information in Wahda Bank-Benghazi, Libya. *Open Journal of Business and Management*, 07(03), pp. 1429-1450.

Fernandez, D., Zainol, Z. & Ahmad, H. (2017). The impacts of ERP systems on public sector organizations. *Procedia Computer Science*, 111, pp. 31-36.

Haleem, A. (2016). The Factors affecting computerised accounting system with reference to government department in the Ampara District. *EPRA International Journal of Economic and Business Review*, Vol. 4 Issue 7, pp.130-139.

Haitham I. M. A. (2021). The effectiveness of accounting information system on open budgeting in industrial sector in Jordan. *Academy of Accounting and Financial Studies Journal*, Vol. 25, Issue 4, pp 1-9.

Hall, J. (2019). Accounting Information System (10th ed.). Cengage Learning, Inc.

Hossain, M. I. & Rahman, M. M. F. (2019). Accounting information system (AIS) practices and its effects on SMEs: the Bangladesh handloom industry experience. *MIST Journal of Science and Technology*, Vol. 7, Issue 1, pp. 29-40.

IFRS Foundation (2024) Transition to Integrated reporting. A guide to getting started. Retrieved from https://integratedreporting.ifrs.org/wp-content/uploads/2024/05/IFRS-IR-GettingStarted-051524.pdf

Volume: 10 Issues: 59 Issue [March, 2025] pp. 1 - 7
International Journal of Accounting, Finance and Business (IJAFB)
eISSN: 0128-1844
Journal website: www.academicinspired.com/ijafb
DOI: 10.55573/IJAFB.105901

IFRS Foundation (2022). The International <IR> Framework (January 2021). Retrieved from https://integratedreporting.ifrs.org/wpcontent/uploads/2024/08/IntegratedReporting_Framework_061024.pdf

IIRC (2020). Building consensus. Towards a global system. IIRC Integrated report 2019. Retrieved from https://integratedreporting.org/integratedreport2019/download/pdf/about_this_report.pdf

IIRC (2013). The International Integrated Reporting Framework. Retrieved from http://integratedreporting.org/resource/international-ir-framework/

Imeokparia, L. (2013). Information Technology and Financial Reporting by Deposit Money Bank in Nigeria: An Empirical Study. *Research Journal of Finance and Accounting*, Vol.4, No.11, pp. 39-47.

IIRC (2011). Towards Integrated Reporting Communicating Value in the 21st Century. Retrieved from https://integratedreporting.org/wpcontent/uploads/2012/06/Discussion-Paper-Summary1.pdf

IMA-ACCA (2016). From Share Value to Shared Value: Exploring the Role of Accountants in Developing Integrated Reporting in Practice. Retrieved from https://www.imanet.org/-/media/0ac7971304674a8fba77572b4841aabf.ashx

IIRC (2016). Technology for integrated reporting. A CFO guide for driving multi-capital thinking. Retrieved from https://integratedreporting.ifrs.org/wp-content/uploads/2016/10/Technology-for-Integrated-Reporting_CFOguide.pdf

Kimani, B. (2024). Influence of Accounting Information Systems (AIS) on Financial Reporting Accuracy. *American Journal of Accounting*, Vol. 6, Issue 1, pp. 37-47.

Lidovolo, P. M. & Margaret, A. (2023). Influence of Accounting Information System on Financial Performance of Tea Manufacturing Companies in Kenya - case of Mudete Tea Factory. *European Journal of Economic and Financial Research*, Vol. 7, Issue 2, pp. 127-140.

MIA-ACCA (2016). Integrated Reporting Survey. Retrieved from https://www.accaglobal.com/content/dam/ACCA_National/my/dis/MIAACCA-IRsurvey-report_2016.pdf.pdf

Ndubuisi, A. N., Chidoziem, A. M. F. & Chinyere, O. J. (2017). Comparative Analysis of Computerized Accounting System and Manual Accounting System of Quoted Microfinance Banks (MFBs) in Nigeria. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, Vol. 7, No. 2, pp. 30-43,

Nworie, G. O, Anaike, C. L. & Onyeka, C. M. (2023). Computerised Accounting System: A Catalyst for Improved Operating Performance of Listed Industrial Goods Firms in Nigeria. *Journal of Accounting and Financial Management*, Vol 9. No. 4, pp. 22-33.

Onaolapo A. A & Odetayo T. A (2012). Effect of Accounting Information System on Organisational Effectiveness: A Case Study of Selected Construction Companies in Ibadan, Nigeria. *American Journal of Business and Management*, Vol. 1, No. 4, pp. 183-189.

Olufemi, O. O., Festus, A. F. & Adekunle, A. M. (2021). Accounting Software in Computerized Business Environment and Quality of Corporate Reporting. *Journal of Finance and Accounting*. Vol. 9, No. 3, pp. 101-110.

Olamide O.O. (2024). Effect of Accounting Information System on the Quality of Financial Reporting of Listed Companies in Non-Financial Sector in Nigeria, *International Journal of Management Technology*, Vol.11, No 1, pp.1-31.

Renaldo, N., Suhardjo, Suharti, Suyono & Cecilia (2022). Benefits and Challenges of Technology and Information Systems on Performance. *Journal of Applied Business and Technology (JABT),* 3(3), pp. 302-305.

Volume: 10 Issues: 59 Issue [March, 2025] pp. 1 - 7
International Journal of Accounting, Finance and Business (IJAFB)
eISSN: 0128-1844
Journal website: www.academicinspired.com/ijafb
DOI: 10.55573/IJAFB.105901

Rymarczyk, J. (2020). Technologies, Opportunities and Challenges of the Industrial Revolution 4.0: Theoretical Considerations. *Entrepreneurial Business and Economics Review*, 8(1), pp. 185-198.

Romney, M. B., Steinbart, P. J., Summers, S. L. & Wood, D. (2020). Accounting Information Systems (15th ed.). Pearson Higher Education.

Steyn, M. (2014). Organisational benefits and implementation challenges of mandatory integrated reporting, perspectives of senior executives at South African listed companies. *Sustainability Accounting, Management and Policy Journal*, 5(4), pp. 476-503.

Sutriani, I. A. N., Animah & Jumaidi, L. T. (2019). The effect of accounting information systems on the performance of MSMEs with the quality of financial statements as mediation variables (study on trade business sector MSMEs in West Lombok Regency). *International Journal of Business, Economics and Law*, vol. 19, issue 5, pp. 43-51.

Soudani, S. N. (2012). The Usefulness of an Accounting Information System for Effective Organizational Performance. *International Journal of Economics and Finance*, Vol. 4, No. 5, pp. 136-145

Thennakoon, S.T.M.M. & Rajeshwaran, N. (2022). Accounting information system and financial performance: Empirical evidence on Sri Lankan firms. *International Journal of Accounting & Business Finance*, Vol.8, No.1, pp. 15-32

Tuan Hazam, S. R., Mansor, N., & Bahari, A. (2019). Integrated Reporting and ePBT System Implementation in Malaysia Local Authorities. *International Journal of Accounting, Finance and Business (IJAFB)*, 4(22), pp. 90-100.

Tuan Hazam, S. R. (2023). Accountant Roles and Integrated Reporting in Malaysia Local Authorities. *International Journal of Accounting, Finance and Business (IJAFB)*, 8(48), pp. 190-199.

Yose, M. & Choga, F. (2016). Usage of Computerised Accounting Information Systems at Development Fund Organisations: The Case of Zimbabwe. *IOSR Journal of Business and Management (IOSR-JBM)*, Vol. 18 Issue 2, pp. 33-36.

Yusnita, F., Khairunnisa, I. & Azwari, P. C. (2024). Use Of Information Technology, Accounting Information Systems, Internal Control on The Quality of Financial Reporting Village-Owned Enterprises Ogan Ilir. *Jurnal Ekonomi, Bisnis & Entrepreneurship*, Vol. 18, No. 1, pp. 121-136.