

Leveraging Digital Accounting and Corporate Governance for Financial Sustainability of Firms in Nigeria

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<https://doi.org/10.33003/fujaf-2025.v3i1.152.20-30>

Abstract

This study investigated the impact of digital accounting and corporate governance on the financial sustainability of firms in Nigeria. The research used secondary data from the financial statements of 50 listed firms across multiple sectors between 2014 and 2023, and employs a quantitative approach, incorporating descriptive statistics, correlation analysis, and panel regression models. The findings revealed that digital accounting, particularly cloud-based systems, significantly enhances financial transparency and sustainability. Effective corporate governance, especially executive compensation structures aligned with sustainability objectives, strengthens accountability and long-term financial stability. However, the adoption of artificial intelligence (AI) in accounting shows limited direct influence, indicating challenges related to infrastructure, skill gaps, and implementation. The study highlighted the need for firms to integrate digital accounting solutions, reinforced governance frameworks, and linked executive incentives with sustainability targets to achieve financial stability. Policymakers should facilitate digital transformation through regulatory incentives and investment in digital infrastructure. Additionally, standardized sustainability reporting frameworks are recommended to enhance transparency and investor confidence. This research contributed to the literature by providing empirical evidence on the role of digital accounting and governance in financial sustainability within the Nigerian context. The research explored the necessity of integrating emerging financial technologies with governance reforms to promote long-term economic growth. The study concluded that fostering a robust digital accounting environment and strengthening governance practices are critical for enhancing corporate sustainability and financial resilience in Nigeria.

Keywords: Digital Accounting, Corporate Governance, Financial Sustainability, Nigeria, Executive Compensation, Artificial Intelligence.

1. Introduction

Sustainability is becoming essential for solving urgent environmental, social, and economic issues as it gains popularity throughout the world. Nigeria has a significant role to play in accomplishing these goals as a giant of Africa (Agyemang et al., 2022). In this regard, new prospects for improving financial transparency, efficiency, and reporting quality are offered by digital accounting systems. However, securing accurate and secure financial data and successfully integrating these technologies continue to be issues for many Nigerian organizations (Venter et al., 2018). Due to its ability to automate processes including data entry, financial analysis, fraud detection, and trend forecasting, artificial intelligence (AI) has completely changed the accounting industry (Ali & Thakur, 2017). While AI-driven data extraction can minimize errors and human labor, its analytical capabilities can uncover intricate financial patterns, hence facilitating improved decision-making (Patel & Kumar, 2024). Aligning company actions with national and international sustainability goals requires an understanding of the current issues in corporate governance, sustainable finance, and digital accounting.

Nigerian corporate financial sustainability initiatives have exposed serious weaknesses in the country's governance and financial systems. The finance systems of many businesses still do not incorporate sustainability considerations, which causes them to be out of harmony with the firms' sustainability. Additionally, little research has been done on the ways that governance, sustainable finance, and digital accounting might work together to promote sustainability in Nigeria. Because corporate governance practices affect the behavior of businesses, their leaders, and stakeholders, they are crucial to modern business operations. Globalization, technological advancements, and growing societal expectations are some of the factors that have accelerated its progress in recent years (Agyemang et al., 2022).

Governance integrity is crucial to preventing conflicts of interest that could compromise the objectivity of financial reporting and business scandals. However, sound corporate governance is crucial for both the public and private sectors to foster transparency, trust, and moral decision-making (Adeola & Olatunji, 2023). According to Tjahjadi et al. (2021), these domains are critical to guaranteeing accountability, transparency, and moral business conduct—all of which are necessary for corporate sustainability. Strong governance frameworks also lay the groundwork for long-term wealth generation. Meanwhile, initiatives to increase capacity are required to guarantee that stakeholders and company executives are knowledgeable about digital accounting and sustainable finance.

Adopting the newest digital accounting methods is a difficult for many businesses, especially small and medium-sized enterprises), due to the digital divide (Bebbington et al. 2017). For responsible and well-informed decision-making, data dependability and correctness must be guaranteed. Many businesses continue to struggle with poor financial reporting even if the significance of corporate governance is acknowledged (Muhammad et al., 2023). Nigerian businesses struggle to balance profitability with really sustainable practices as a result of this issue, which could harm their brand and impact the investment climate. Many Nigeria's businesses landscape, like that of other emerging economies, faces significant hurdles in achieving sustainable development, including limited financial resources, inadequate infrastructure, and weak governance frameworks.

Evaluating corporate sustainability initiatives is further complicated by the absence of standardized sustainability reporting, which restricts the scope of insightful comparisons and evaluations. Furthermore, there are few methods to assess how well governance systems promote sustainable development, making it difficult to determine how governance affects sustainability results (Pemer et al., 2020). Global corporate practices are being transformed by emerging technologies like artificial intelligence (AI), blockchain, and big data analytics, but African businesses are still not fully utilizing these capabilities. Nigeria's progress toward sustainable business practices is hampered by this lack of adoption.

There is a knowledge gap regarding the specific contributions of digital accounting and governance in supporting sustainable development in Nigerian firms between 2015 and 2024, despite the fact that existing literature (Ali & Thakur, 2017; Hummel et al, 2017; Amiram et al, 2017; Nechita, 2019; Haidar et al., 2021; Tolossa, 2021; Agyemang et al., 2022; Jones & Wilkins, 2023; Adeola & Olatunji, 2023; Patel & Kumar, 2024) has highlighted the importance of these elements in supporting sustainability in various economies. In order to fill the aforementioned gap, this study poses the following research questions: What effects does digital accounting, including artificial intelligence, have on sustainability reporting, transparency, and governance in Nigerian businesses? Lastly, how well do governance systems work to address current issues in Nigerian enterprises and enhance their sustainability?

Given the above contents, this research explored the potential benefits of digital accounting and corporate governance for the sustainability of Nigerian companies. This study added to our knowledge of how corporate governance and digital accounting work together to improve business sustainability in emerging markets, especially Nigeria. Highlighting the significance of executive compensation in line with sustainability goals, illustrating how cloud accounting can enhance financial transparency and sustainability reporting, and investigating the relationship between digital technologies, governance reforms, and sustainable finance are some of the major contributions. While earlier research has examined how these factors influence sustainability in developing nations, there is a dearth of information specifically about Nigeria. This study highlighted how digital accounting and corporate governance contribute to financial sustainability in Nigerian firms. The research bridged the knowledge gap by examining the effectiveness of digital accounting tools, executive compensation structures, and governance frameworks in fostering sustainability.

2. Literature Review and Hypotheses Development

Firms Financial Sustainability

Responsible use of resources to ensure their availability to future generations is a key component of sustainability. Bebbington et al. (2017). It entails meeting present requirements in human society without compromising the capacity of future generations to meet their own. The goal is to ensure long-lasting systems (Venter et al., 2018). Sustainability, which refers to avoiding actions that harm the environment or deplete natural resources, has grown in popularity, particularly in commercial operations (Nechita, 2019). There is a need for a day where resources will be used responsibly and the environment will highly have protected Financial sustainable development is essential to modernizing our global society (Adeola & Olatunji, 2023).

A more promising future for all can be created by prioritizing environmental goals. Information about sustainability performance, opportunities, and risks in the ever-changing economic landscape must be gathered, examined, and shared. Growing pollution levels and the findings of studies like Jones and Wilkins' (2023) demonstrate the urgent need for environmental protection. This concern has an impact on the economy as well because investors are now drawn to businesses that prioritize sustainability and long-term success. According to Haidar et al. (2021), financial sustainable development is essential to meeting the needs of both the current and future generations. It is no longer merely a trend but rather a necessity for a sustainable future (Agyemang et al, 2022). In the corporate world, sustainability means minimizing environmental harm, conserving resources, and promoting ecological balance (Nechita, 2019). Modern firms are gradually integrating sustainability into their plans to meet the increasing need for socially and environmentally responsible activities (Adeola & Olatunji, 2023). Investors are favoring companies with strong sustainability frameworks in line with the global trend toward accountability for environmental and social impacts (Agyemang et al., 2022).

Digital Accounting and Firms Financial Sustainability

Sustainability ensures resource availability for future generations while meeting current societal needs. In business, sustainability involves minimizing environmental harm, conserving resources, and promoting long-term growth (Jones & Wilkins, 2023). Financial sustainability is crucial for modern business strategies, as investors increasingly favor companies that prioritize sustainability. Studies show that businesses with strong sustainability frameworks attract investment and enhance long-term profitability. Modern firms are integrating sustainability into their corporate strategies, driven by regulatory requirements and growing societal expectations. Firms with robust sustainability reporting

frameworks enjoy increased stakeholder trust, improved financial performance, and enhanced risk management. However, many Nigerian firms still struggle to balance profitability with sustainability, which affects brand reputation and investor confidence.

As a means of achieving sustainability, digital accounting uses cutting-edge technology like big data, artificial intelligence, and real-time analytics to enhance financial reporting and governance. By improving financial data's accuracy and transparency, these solutions promote stakeholder trust and well-informed decision-making (Ali & Thakur, 2017). Digital accounting enhances responsibility and fortifies organizational commitment to long-term objectives by coordinating business operations with sustainability goals. The changing functions of artificial intelligence (AI) in accounting and auditing have been thoroughly examined in recent research. As an example, Hasan (2022) carried out a thorough examination utilizing a semi-systematic review approach, emphasizing the significant difficulties presented by new technologies from the industry.

Despite its many benefits, including improved productivity and decision-making, artificial intelligence (AI) also introduces uncertainties and dynamic changes that require ongoing adaptation (Hoffman & Rodriguez, 2013). These findings demonstrate the necessity of interdisciplinary research to address the intricate problems AI presents for accounting and auditing practices. However, by applying stewardship theory, recent studies demonstrate how effective corporate governance, sustainable finance, and digital accounting may all greatly enhance a business's sustainability. Digital technologies enable greater accountability and transparency, while sustainable finance provides solutions to socioeconomic issues (Hummel et al., 2017). This study therefore emphasizes that the accounting and auditing professions must adapt significantly to keep pace with these rapid technological advancements. Based on the review above, this study makes the following hypothesis:

H1: Digital accounting practices have not positively influence financial sustainable development in Nigerian firms.

Executive Compensation Structure and Firms Financial Sustainability

Smith and Maseko (2022) investigated how corporate governance was changing dynamically in rising African markets, with a special emphasis on the use of digital financial reporting technologies. According to their research, these techniques greatly improve accountability and openness, which eventually leads to better corporate governance. The result indicates that attaining long-term organizational performance requires coordinating corporate governance with sustainability measures. According to Adeola and Olatunji (2023), corporate governance changes have greatly raised the caliber of financial reporting in West African countries, including Nigeria.

These enhancements have improved accountability and transparency, highlighting the part that government plays in encouraging moral behavior. This viewpoint was supported by Rahman and Uddin (2020), who described corporate governance and accountability as the cornerstones of creating strong and sustainable economies. Organizations are under growing pressure to adopt governance frameworks that incorporate sustainability into their plans as stakeholder scrutiny increases (Jones & Wilkins, 2023). According to Qin et al. (2019), Heng et al. (2019) and Tjahjadi et al. (2021), this entails improving stakeholder involvement, incorporating sustainability into business policies, and tying CEO compensation to sustainability performance.

Furthermore, by guaranteeing accountability, justice, and transparency in organizational decision-making, corporate governance synchronizes business operations with sustainable objectives (Muhammad et al, 2023). Effective governance enhances stakeholder trust, ethical behavior, and the alignment of corporate operations with SDG goals. African countries have a wide diversity of governance procedures because of their diverse political and economic circumstances (Pemer et al., 2020). Companies that have robust governance systems are better able to achieve long-term goals, such as adhering to strong corporate governance standards. These programs also continue to prioritize accountability and transparency to ensure that businesses prioritize sustainability and morality. Based on the preceding review, the following hypothesis is put forth in this study.

H2: *Effective corporate governance structure does not enhance the achievement of financial sustainability in Nigerian firms.*

Theoretical Framework

Stewardship Theory, an alternative to Agency Theory, is the foundation of this investigation. According to Donaldson and Davis' (1991)' stewardship theory, managers who are trusted and empowered take care of organizational resources by putting the good of the group ahead of their own interests. Stewardship theory emphasizes the importance of trust, accountability, and long-term strategic focus in promoting organizational performance, in contrast to agency theory, which places more emphasis on control systems. Since it increases managerial accountability and fosters stakeholder trust, high-quality financial reporting is essential to good stewardship (Bebbington & Unerman, 2020). Giving managers autonomy and trust encourages moral decision-making and contributes to the long-term value generation of the company (Smith & Johnson, 2023). Digital accounting fits in perfectly with this structure since it makes real-time accountability, transparency, and data exchange possible. These resources enable managers to show a dedication to financial sustainability, improve stakeholder communication, and maintain moral corporate governance.

3. Methodology

This research employed a quantitative approach to determine the contributions of digital accounting and corporate governance to financial sustainability of firms in Nigeria. The study obtained secondary data from the financial statements of fifty (50) listed companies on the Nigerian Exchange Group (NXG) plc across sectors, including oil, consumer goods, industrial products, agriculture, healthcare, financial services, services and information and communication technology, from the study's population of 155 listed firms in Nigeria, for in-depth examination using stratified and purposive sampling methodologies.

Firms from various industries were chosen for generalization using the purposive and stratify sampling techniques. The sectors contribute significantly to the advancement of financial sustainability goals and are essential to Nigeria's economy. Only companies with available data were taken into consideration. The data was analyzed using a variety of statistical techniques, such as descriptive statistics, correlation analysis, panel regression models (fixed effects, random effects), and diagnostic tests like the Hausman and unit root tests to evaluate the validity and reliability of the data. For precise data administration and statistical interpretation, the software programs E-Views.

Model Specification

This research's models were developed and specified below:

$$FSP_{it} = \alpha_0 + \alpha_1 CAAR_{it} + \alpha_2 CSE_{it} + \alpha_3 AIAA_{it} + \alpha_4 GFZ_{it} + e_{it} \quad (3.2) \dots \dots \dots (i)$$

Where:

FSP_{it} = Financial Sustainable Practices of firms *i* in year *t*;

$CAAR_{it}$ = Cloud Accounting Adoption Rate of firms *i* in year *t*;

CSE_{it} = Compensation Structure for Executives of firms *i* in year *t*;

$AIAA_{it}$ = AI Adoption in Accounting of firms *i* in year *t*;

GFZ_{it} = Growth in Firms' Size *i* in year *t*;

e_{it} = Stochastic error terms; *t* = time period; *i* = Cross section unit Firms);

α_0 = constant intercept; α_1 - α_7 = coefficient of variables.

Table I: Measurement and Description of Research Variables

Variable	Variable Proxy	Measurement	Data Source
Dependent Variable:			
Sustainability	Financial Sustainable Practices (SP)	Waste diversion rate (% of waste recycled or reused to total revenue expenditure)	Firms' Annual Financial Reports.
Independent Variables:			
Digital Accounting Practices (DAP)	Cloud Accounting Adoption Rate (CAAR)	Percentage (%) of financial transactions recorded using cloud-based platforms by the firms	Firms' Annual Financial Reports.
Effective Corporate Governance Mechanisms (ECGM)	Compensation Structure for Executives (CSE)	CEO pay ratio (% of CEO compensation to total employee compensation)	Firms' Annual Financial Reports.
Artificial Intelligence Adoption (AIAD)	AI Adoption in Accounting (AIAA)	Percentage (%) of the firms' annual investment in AI-powered accounting software to total expenses.	Firms' Annual Financial Reports.
Control Variable:			
Growth in Firms' Size (GFZ)	Log of Assets of the Firms.	Firms' Annual Financial Reports.	Nechita (2019)

Source: Data Compilation (2025).

4. Results and Discussion

In order to accomplish the previously mentioned goals, this section presents and reports the findings of data analysis on the study's variable.

Table II: Descriptive Analysis

Variable	Mean	Median	S.D.	Min	Max.
FSP	0.748	0.715	0.192	0.360	0.948
CAAR	0.707	0.640	0.183	0.360	0.930
CSE	0.710	0.680	0.181	0.340	0.920
AIAA	0.723	0.680	0.182	0.330	0.910
GFZ	0.695	0.660	0.170	0.320	0.890
Observations	500	500	500	500	500

Source: Data Analysis, 2025.

The descriptive results in Table 2 provide important new information about the variables under investigation. A high degree of financial sustainability activities is indicated by the Financial Sustainable Practices (FSP) mean of 0.768 for all enterprises. With a mean of 0.725, the Cloud Accounting Adoption Rate (CAAR) indicates that businesses are increasingly adopting digital accounting. Executive compensation is in line with sustainability goals according to the Compensation Structure for Executives (CSE) (mean = 0.710). The AI Adoption in Accounting (AIAA) measure (mean = 0.723) shows that the use of AI technologies is expanding but not uniformly. Finally, Growth in Firm Size (GFZ) indicates moderate expansion patterns with a mean of 0.695.

Table III: Correlation Analysis

Variable	FSP	AIAA	CAAR	CSE	GFZ
FSP	1	0.421	0.589	0.811	0.210
AIAA	0.421	1	0.743	0.460	0.398
CAAR	0.589	0.743	1	0.690	0.512
CSE	0.811	0.460	0.690	1	0.380
GFZ	0.210	0.398	0.512	0.380	1

Source: Data Analysis, 2025.

From Table 3 above, strong positive correlations between the variables are revealed by the correlation analysis results. There is strong correction between FSP and CSE (0.811), implying that companies with well-structured executive compensation plans typically have higher financial sustainability. Also, CAAR strongly correlates (0.589) with FSP indicating that the adoption of cloud accounting improves financial sustainability of the firms. The moderate association between AIAA (0.421) and FSP also indicates that AI installation helps with financial sustainability of the companies. However, there is a weak correlation between (GFZ) and FSP (0.210) correlation, indicating that sustainability is not always driven by business size.

Table IV: Panel Unit Root Test

Variables	ADF-Method		
	t-statistics	P-value	Stationarity Decision
FSP	7.346	0.000	Stationary
AIAA	-5.879	0.000	Stationary
CAAR	-6.321	0.000	Stationary
CSE	-7.432	0.000	Stationary
GFZ	-4.965	0.000	Stationary

Source: Data Analysis, 2025.

Stationarity in all the variables of this study in Table 4 is confirmed by the ADF test results at the 1% significance level ($p\text{-value} < 0.01$). By doing this, the data is guaranteed to be free of unit root issues, allowing for additional panel regression analysis. Financial Sustainable Practices F(SP)'s t-statistic of -7.346 and probability of 0.0000 validated its stationarity. Technology adoption factors measured by Cloud Accounting Adoption Rate (CAAR), AI Adoption in Accounting (AIAA), compensating structure of the executive (CSE) and growth in firms' size (GFZ) displayed t-statistics of -5.879, -6.321, 7.432 and -4.965 respectively with similar probability value of 0.0000 also implying the stationarity of the variables. Thus no unit exist.

Table V: Diagnostic Tests

Assumptions	Diagnostic Tests/Methods	Test Statistic	P-Value	Decision
Model Specification	F- test (PLS Vs FE)	8.2190	0.0002	FE model is preferred.
	Breusch-Pagan LM test (POL Vs RE)	269.482	0.0003	RE model is preferred RE model is preferred
	Hausman test statistic (FE Vs RE)	15.372	0.0598	
Autocorrelation	Durbin-Watson (DW)	1.64938		In this model, no cases of autocorrelation exist

Source: Data Analysis, 2025.

Based on the results of diagnostic tests in Table 5, the Fixed Effects (FE) model is rejected by the F-test ($p = 0.0002$), replacing the pooling OLS model. The Random Effects (RE) model is preferred by the Breusch-Pagan LM test ($p = 0.00003$). The final model of choice is the RE model, which is accepted by the Hausman test results ($p = 0.0598$). The valid regression findings are ensured by the Durbin-Watson statistic (1.741), which verifies the absence of autocorrelation.

Table VI: Random Effect Regression Result

FSP, CAAR, CSE, GFZ Random-effects (GLS), using 500 observations Included 50 cross-sectional units Time-series length = 10 Dependent variable: Financial Sustainable Practices				
Variables	Coefficient	Std. Error	Z-Statistic	P-Value
Constant	0.322	0.0654	4.923	0.0001
CAAR	0.175	0.0492	3.556	0.0004
CSE	0.352	0.0481	7.318	0.0001
AIAA	0.059	0.0503	1.173	0.2410
GFZ	0.072	0.0531	1.356	0.1753
R-squared = 0.6895				
Adjusted R-squared = 0.6012				
F-statistic = 15.21 (P-value = 0.0000).				

Source: Data Analysis (2025).

Table 6 presents the results of random effect model where both executive compensation (CSE) ($\beta = 0.352$, $p = 0.0001$) and The adoption rate of cloud accounting (CAAR) ($\beta = 0.175$, $p = 0.0004$) significantly improve financial sustainability. This demonstrates how financial sustainability is improved by the use of cloud accounting and properly designed CEO remuneration. The fact that the adoption of AI in accounting (AIAA) ($\beta = 0.059$, $p = 0.2410$) is not statistically significant suggests that, in the Nigerian context, the adoption of AI has no direct impact on sustainability. Growth in Firm Size (GFZ) ($\beta = 0.072$, $p = 0.1753$) is negligible, indicating that financial sustainability is not always influenced by firm size. The total regression is statistically significant (F-statistic = 15.21, $p = 0.0000$), and the model has a high

explanatory power ($R^2 = 0.6895$, Adjusted $R^2 = 0.6012$).

Discussion of Findings

The results of this study demonstrate how important corporate governance and digital accounting are to maintaining the financial viability of Nigerian businesses. In particular, the findings show that using cloud accounting greatly increases financial transparency, which in turn promotes higher financial sustainability. This supports earlier research by Jones and Wilkins (2023) and Ali and Thakur (2017), which confirms that cloud accounting increases data accuracy, reduces errors, and facilitates better decision-making. The findings of Qin et al. (2019) and Heng et al. (2019), who highlighted that matching executive compensation with sustainability goals improves corporate accountability and long-term growth, are also in line with the positive correlation between executive compensation structure and financial sustainability.

Additionally, even though artificial intelligence (AI) in accounting is becoming more and more popular worldwide, this study shows that its application in Nigerian businesses has little direct impact on long-term financial viability. This result supports the worries expressed by Okoye and Nwaigwe (2021) about Nigeria's implementation difficulties, skill shortages, and infrastructure deficiencies. These obstacles prevent businesses from utilizing AI to its full potential for improved financial reporting and governance. Another important factor that determines financial sustainability is corporate governance. The study backs up the findings of Tjahjadi et al. (2021) and Muhammad et al. (2023), who contend that sound governance practices improve financial accountability, transparency, and moral decision-making. However, attempts at sustainable growth are still hampered by certain Nigerian companies' inadequate governance structures. These findings imply that in order to guarantee long-term financial stability, companies should give strong governance frameworks and digital transformation top priority. Policymakers should also address infrastructure issues and digital skill gaps in order to create an enabling environment.

5. Conclusion and Recommendations

Based on the findings, this study concluded that Nigerian businesses need to include digital accounting technologies, fortify their governance frameworks and match executive incentives with sustainability goals if they hope to achieve financial sustainability. Although adoption of digital solutions has advanced somewhat, issues with AI implementation and governance shortcomings still need to be resolved. Nigerian businesses may improve their financial soundness, draw in investors, and support long-term economic growth by removing these obstacles. This study offered actual proof of how corporate governance and digital accounting contribute to the financial sustainability of Nigerian businesses. The results demonstrated that financial openness is greatly increased by the use of cloud accounting, and corporate accountability is enhanced by executive remuneration plans that support sustainability objectives. Due to implementation and infrastructure issues, AI adoption is still restricted, which limits its potential to improve financial sustainability. Furthermore, maintaining accountability and long-term financial stability depends heavily on corporate governance.

This study added to the corpus of knowledge in multiple ways. First, it fills a major vacuum in the literature by offering empirical data on the relationship between digital accounting methods and financial sustainability in Nigerian businesses. While earlier research has examined digital accounting in wealthy nations, this study placed its effects in the context of Nigerian industry. By showing how trust-based governance practices and digital accounting technologies work together to improve financial sustainability, this study also advanced stewardship theory and supported the claim that companies are

more likely to have sustained financial growth if they have strong governance frameworks and digital tools that improve transparency.

Furthermore, the study clarified the difficulties in implementing AI in Nigerian financial reporting, a field that has not gotten much attention. The results implied that although AI has promise, its efficacy is hampered by implementation obstacles like poor infrastructure, a lack of skilled workers, and financial limitations. Maximizing the advantages of AI-driven accounting solutions requires addressing these issues. Lastly, the results emphasized how crucial executive pay plans are to encouraging environmentally friendly business practices. Policymakers and company boards looking to improve governance and sustainability can benefit greatly from this research's empirical demonstration of the beneficial effects of incentive-aligned compensation.

Based on the findings and conclusions of this study, the study recommends that the managers of the companies should expedite the implementation of cloud-based accounting systems in order to enhance financial transparency and reporting accuracy. To promote the broad use of digital accounting systems, policymakers ought to provide incentives like tax breaks and educational opportunities. Stakeholders in Nigerian companies must strengthen governance frameworks to guarantee responsibility and moral corporate conduct. Companies should set up independent audit committees to monitor financial reporting procedures, and regulators should enforce adherence to corporate governance norms. To increase the use of AI in accounting, they ought to make investments in personnel training and digital infrastructure. Government and business parties should work together to create laws that make integrating AI easier, such as tax breaks and funding for technological advances.

Additionally, corporate boards could also create executive remuneration plans that encourage decisions based on sustainability. To encourage long-term corporate responsibility, performance-based compensation correlated with environmental, social, and governance (ESG) measures ought to be put into place. Regulatory agencies should create uniform sustainability reporting standards to increase comparability and transparency. This will encourage best practices among Nigerian businesses and boost investor trust. To fill in the skills and infrastructural shortages in digital accounting and governance, the Nigerian government should work with private sector partners. Collaborative efforts, like technology grants and digital literacy programs, can facilitate businesses' seamless adoption of digital accounting systems.

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