



ANALYZING THE IMPACT OF ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM IMPLEMENTATION ON CONSISTENCY AND TRANSPARENCY IN FINANCIAL ACCOUNTING DISCLOSURE: AN APPLIED STUDY ON THE MIDDLE EAST INVESTMENT BANK FOR THE PERIOD 2015–2024

Ali Bayan Talib

Ministry of Education Al-Qadisiyah, Iraq, alibayan1978@gmail.com

Article history:	Abstract:
Received: 30 th May 2025	This research purpose to analyze the impact of implementing an ERP system on the level of coherence and transparency in financial accounting announcement, through an applied study on the Middle East Investing Bank over term period from 2015 to 2024. The importance of this study stems from increasing growing role ERP systems play improved enhancing the efficiency and quality of financial coverage, especially in financial authorities where high levels of correctness and transparency in disclosure are crucial. The study working both quantitative and depictive analytical methods using the bank's promulgated financial data, in add-on to a questionnaire distributed to a sample of workforce working in the finance, IT, and internal audit branch. Data were analyzed using proper statistical tools to test hypothesis related to the ERP system's influence on the characteristics of financial unveiling. The findings specify that the implementation of the ERP system has significantly improving consistency across financial reports over distinct time periods, and has augmented transparency by provision accurate and timely information to interested party. Furthermore, the study proved a statistically considerable positive correlation between the level of system inclusion and the effectiveness of financial disclosure.
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INTRODUCTION:

In recent decades, the world has observed rapid advancements in information and communication technology, which have basically transformed the business environment, chiefly in the field of accounting and financial revelation. Among the most notable growths is the emergence and implementation of ERP systems, which are combined frameworks designed to centrally and coherently manage an organization's financial and managerial resources. ERP systems have become essential tools that contribute to working efficiency and the accuracy of financial reporting by mixing diverse business processes into a unified system. This addition positively affects the quality of accounting information provided to both interior and external users.

Transparency and constancy are among the most critical characteristics of effective accounting revelation, enabling users of financial declarations to make informed decisions based on dependable information. Within this context, the need arises to inspect the impact of ERP implementation on constancy and transparency in financial disclosure, chiefly in banking institutions. This study goals to analyze the actual impact of ERP application at the Middle East Investment Bank during the old-fashioned 2015–2024. The importance of this research lies in its emphasis on a real-world case within an Arab banking environment and its attempt to provide practical indicators concerning the effectiveness of ERP systems in improving the quality of accounting information, thereby development investor and decision-maker sureness.

Part One: Research Methodology

1.1 Research Problem:

With the cumulative complexity of financial and accounting processes in organizations—especially in the banking sector—there has arisen a need for progressive technological systems capable of handling data in an integrated and efficient way. ERP systems have emerged as comprehensive answers that aim to integrate various actions and functions within an organization into a united system that helps recover the quality of financial journalism. However, despite their operational advantages, the direct impact of ERP systems on accounting disclosure attributes—particularly consistency



and transparency—remains a point of inquiry in the Arab context, where implementation environments and institutional capacities vary. Hence, the research problem centers on the following question:

What is the impact of implementing an Enterprise Resource Planning (ERP) system on consistency and transparency in financial accounting disclosure at the Middle East Investment Bank during the period 2015–2024?

1.2 Research Significance:

The significance of this research is derived from several theoretical and practical aspects related to the evolving accounting environment and the increasing reliance on advanced technological systems, particularly in the banking sector—one of the most sensitive sectors regarding the quality and transparency of financial information. The study examines a real-life case involving a bank operating in an Arab financial context, namely the Middle East Investment Bank, offering practical insights that may benefit similar banking institutions. Moreover, the results of the study can help decision-makers within the bank evaluate the effectiveness of the implemented ERP system, identify its strengths and weaknesses, and assess its contribution to achieving the objectives of financial disclosure.

1.3 Research Objectives:

This study aims to analyze and evaluate the impact of implementing an ERP system on the characteristics of financial accounting disclosure, with a particular focus on consistency and transparency. The main objectives are:

- To analyze the impact of ERP implementation on the level of consistency and transparency in financial accounting disclosure at the Middle East Investment Bank.
- To amount the effect of ERP implementation on chronological and content-related constancy in the bank's financial reports.
- To assess the ERP system's role in ornamental disclosure slide in terms of information quality, timeliness, and accuracy.
- To identify tests and obstacles faced by the bank during ERP application and their reflection on financial disclosure.

1.4 Research Hypothesis:

The research is founded on the following hypothesis:

There is a statistically important correlation and effect between the application of the ERP system and the achievement of constancy and transparency in financial accounting revelation.

1.5 Research Population and Sample:

The research populace consists of all investment banks working in Iraq, which represent the financial and accounting environment relevant to the study. The research focuses on financial organizations that rely on technological systems in their accounting and managerial processes, especially those that have implemented or are preparation to implement ERP systems to recover financial revelation quality. The sample contains of the Middle East Investment Bank, selected as one of the leading asset banks in Iraq that implemented an ERP system throughout the 2015–2024 period. This bank serves as a applied model for studying the impact of ERP on consistency and slide in financial accounting revelation, due to the availability of pertinent data and information.

Part Two: Theoretical Framework

2.1 Concept and Importance of Enterprise Resource Planning (ERP):

ERP is an combined information system used by organizations to unify and connect all their managerial, financial, and operational processes into a single central database. The system permits for real-time data group, storage, and processing across sections such as accounting, human resources, procurement, inventory, and production, thereby enhancing operational efficiency (Monk & Wagner, 2019: 45).

The objectives and importance of ERP include:

1. **Improved Data and Financial Reporting Quality:** Through centralized databases and reduced human error, ERP systems produce more accurate and reliable financial reports (Bradford, 2020: 78).
2. **Enhanced Consistency in Financial Disclosure:** ERP standardizes accounting procedures and practices, ensuring consistency across financial data over time (Esteves & Pastor, 2022: 230).
3. **Increased Transparency:** ERP provides precise tracking of financial transactions, which enhances transparency and facilitates auditing (Al-Mashari et al., 2021: 59).
4. **Operational Efficiency:** By minimizing redundancy and streamlining processes, ERP reduces time and effort in data processing (Wang & Chen, 2023: 99).
5. **Informed Decision-Making:** ERP delivers analytical and statistical reports that assist management in making well-informed decisions (Hitt et al., 2020: 150).
6. **Regulatory Compliance:** ERP ensures compliance with accounting standards and regulations through dynamic updates and accurate monitoring (Beheshti, 2021: 183).

2.2 Consistency and Transparency in Financial Accounting Disclosure: Concept and Importance:



Consistency refers to the uniform application of accounting policies and standards over different time periods and reporting units. It facilitates easier and more accurate comparisons of financial statements, enhancing data credibility and reducing confusion caused by unjustified changes in reporting practices (Dechow et al., 2019: 210).

Transparency denotes the clarity and comprehensibility of financial information for users, as well as the inclusion of all material information that affects financial decisions. Transparent disclosure enables investors, shareholders, and regulators to objectively assess a company's financial and economic position (Bushman & Landsman, 2020: 134).

The importance of consistency and transparency includes:

- 1. Investor Confidence:** Reliable financial data encourages investor trust and capital inflow (Healy & Palepu, 2018: 97).
- 2. Better Managerial Decisions:** Transparent and consistent information supports sound financial and strategic decision-making (Ball, 2021: 54).
- 3. Enhanced Governance and Control:** Consistency and transparency streamline auditing and bolster institutional governance (Bushman et al., 2019: 89).
- 4. Reduced Risk of Manipulation:** These traits reduce opportunities for financial manipulation and improve report quality (LaFond & Roychowdhury, 2019: 142).

2.3 The Relationship Between ERP and Consistency & Transparency in Financial Disclosure:

ERP systems serve as key enablers of high-quality financial disclosure by promoting both consistency and transparency. They unify accounting procedures and reduce discrepancies in data handling, thereby stabilizing financial reporting (Davenport, 2020: 88). ERP also allows for comprehensive tracking of all financial operations, ensuring that users and regulators have timely access to reliable data.

Studies show that organizations using ERP achieve higher consistency in applying accounting standards compared to those using non-integrated systems, enhancing comparability of financial statements across time periods (Gattiker & Goodhue, 2022: 311). Additionally, ERP certification reduces errors and manipulation risks, development trust and transparency (Shaul & Tauber, 2021: 203).

Thus, ERP is more than a working tool—it is a strategic requirement that ropes financial governance, accurate reportage, and shareholder trust (Seddon et al., 2019: 145).

Part Three: Applied Aspect of the Study

3.1 Overview of the Case Study: Middle East Investment Bank

The Middle East Asset Bank is one of Iraq's leading investment banks, recognized to provide whole financial and investment services that meet the wants of the growing Iraqi market. The bank is distinguished by its acceptance of advanced financial technologies, counting an ERP system designed to enhance accounting and managerial efficiency and ensure high-quality financial revelation.

The bank suggestions a wide range of services, such as arrangement financing, asset management, and corporate and personal banking. It maintains a strong reputation for adherence to both local and global accounting standards and is committed to transparency and credibility through the acceptance of modern financial supremacy systems.

The bank was selected as the practical case study for this research owing to its key role in the Iraqi financial market and its position as a tangible example of how ERP application can affect consistency and photograph in financial accounting disclosure throughout the 2015–2024 period.

3-2 Measuring the Research Variables (ERP System, Consistency and Transparency in Financial Accounting Disclosure at the Middle East Investment Bank for the Period 2015–2024)

The research variables—specifically, the ERP system, and the constancy and transparency in financial accounting revelation at the Middle East Investment Bank during the old-fashioned 2015–2024—can be unhurried as follows:

First: Measuring the ERP System Variable:

The ERP system is an combined solution aimed at enhancing the competence of financial and managerial processes by standardizing events and linking various structural units within the organization. To measure the extent of application and impact of the ERP system at the Middle East Investment Bank during the retro 2015–2024, several quantitative indicators were accepted. These include the number of ERP modules applied, the level of data integration, the time obligatory to prepare financial reports, and the fraction of accounting errors. These indicators reflect the system's efficiency and its competence to support financial disclosure procedures.

The following table exemplifies the indicators used to measure the application of the ERP system at the Middle East Investment Bank for the retro 2015–2024:

Table (1): Indicators for Measuring ERP Implementation at the Middle East Investment Bank (2015–2024)



year	Number of system units applied (unit)	Data integrity level (%)	Reporting time (in days)	accounting error rate(%)
2015	3	60	10	8
2016	4	65	9	7
2017	5	70	8	6
2018	6	75	7	5
2019	6	78	6	4
2020	7	82	6	3
2021	7	85	5	3
2022	8	88	5	2
2023	8	90	4	2
2024	9	92	4	1

It is evident from Table (1) that the Middle East Investment Bank experienced continuous improvement in the implementation of the ERP system during the studied period. The number of ERP components applied increased progressively, and the level of data addition across different departments better, leading to a reduction in both the time obligatory to prepare financial intelligences and the rate of accounting errors. This indicates the system's effectiveness in secondary accounting processes and enhancing the quality of financial revelation.

Second: Measuring the Variable of Consistency in Financial Accounting Disclosure:

Consistency in financial accounting revelation reflects the constancy of accounting policies and events, as well as the consistency of financial data presented in yearly reports over different time eras. To measure this variable, pointers such as the stability of accounting strategies, uniformity of financial data, and constancy in financial performance methods were used. These were appraised by analyzing their ratios and yearly variation rates during the period 2015–2024.

The indicators for measuring constancy in financial accounting revelation at the Middle East Investment Bank (2015–2024) are exemplified in the following table:

Table (2): Indicators for Measuring Constancy in Financial Accounting Disclosure at the Middle East Investment Bank (2015–2024)

year	Consistency of accounting policies(%)	Financial data consistency (index from 1 to 5)	Financial supply chain stability (%)
2015	70	3	75
2016	72	3.2	76
2017	74	3.5	78
2018	77	3.7	80
2019	79	4	82
2020	81	4.2	84
2021	83	4.5	86
2022	85	4.7	88
2023	87	4.8	90
2024	90	5	92

Table (2) demonstrates a obvious improvement in the indicators of constancy in financial accounting disclosure over the study old-fashioned. There was a gradual increase in the constancy of accounting policies, the consistency of financial data, and the constancy of financial presentation approaches. These results provision the hypothesis that the application of the ERP system contributed to enhancing constancy in the bank's financial intelligences.

Third: Measuring the Variable of Transparency in Financial Accounting Disclosure:

Transparency in financial accounting disclosure refers to the provision of clear, comprehensive, and easily accessible information for users, along with full disclosure of financial policies and any changes that occur in the financial data. To measure this variable at the Middle East Investment Bank, indicators such as information comprehensiveness, ease of access, the level of policy disclosure, and the disclosure of changes were used, with their annual development tracked from 2015 to 2024.

The indicators for gauging transparency in financial accounting revelation at the Middle East Investment Bank (2015–2024) are obtainable in the following table:

Table (3): Indicators for Measuring Transparency in Financial Accounting Disclosure at the Middle East Investment Bank (2015–2024)

year	Comprehensiveness of financial information(%)	Ease of access to data (index 1-5)	Policy Disclosure(%)	Detect changes(%)
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2015	65	3	60	58
2016	67	3.2	62	60
2017	70	3.5	65	63
2018	73	3.7	68	65
2019	76	4	70	68
2020	78	4.2	73	70
2021	81	4.5	75	73
2022	83	4.7	78	75
2023	85	4.8	80	78
2024	88	5	82	80

Table (3) shows a gradual development in the indicators of financial photograph at the Middle East Investment Bank. There was an upsurge in the inclusiveness and accessibility of financial information, as well as a higher level of policy revelation and disclosure of vicissitudes in financial data. This progress reproduces the effective role played by the ERP system in ornamental the level of financial slide at the bank.

3-3 Testing the Research Hypothesis:

The research hypothesis conditions the following: There is a statistically important correlation and impact between the application of the ERP system and the attainment of consistency and transparency in financial accounting revelation at the Middle East Investment Bank through the period 2015–2024.

This hypothesis shoulders that the implementation of the ERP system at the bank definitely affects the quality of financial revelation, as represented by the attainment of consistency and transparency in accounting data. In other arguments, the more advanced and combined the ERP system implementation is, the more consistent the performance of financial data becomes, and the better the transparency that enables users to better comprehend financial information.

To test this hypothesis, the study working the following arithmetical methods:

1. **Pearson Correlation Test:** To measure the asset and direction of the association between the ERP application variable and the consistency and slide variables in financial disclosure.

2. **Multiple Regression Analysis:** To test the influence of the ERP variable (as an independent variable) on both constancy and transparency (as dependent variables) concurrently, and to determine the ERP system's ability to elucidate the variance in the reliant on variables.

3. **Significance Testing of Coefficients:** To determine whether the reversion coefficients are statistically significant at a 95% sureness level ($\alpha = 0.05$).

The following table gifts the results of the correlation and manifold regression analysis lead on the data from 2015 to 2024 for the Middle East Investment Bank. The results exemplify the forte of the relationship and the impact of the ERP system on constancy and transparency in financial revelation. The table exhibitions the correlation coefficients, regression coefficients, R^2 values, and statistical significance (p-values) for each of the reliant on variables.

Table (4): Results of Correlation and Regression Analysis between ERP Implementation and the Level of Consistency and Transparency in Financial Accounting Disclosure

variable Independent	dependent variable	Correlation coefficient(r)	Regression coefficient(β)	t value	p-value	R^2
application systemERP	consistency in disclosure	0.84	0.78	6.95	0.0001	0.70
application systemERP	Transparency in disclosure	0.88	0.81	7.85	0.00005	0.77

The results in Table (4) indicate a strong and favourable correlation between the realization of the ERP system and the level of coherence and transparency in financial accounting announcement. The correlation coefficients range between 0.84 point out 0.88, indicating a strong interrelation among the variables. The regression results also show that the ERP system has favourable significant and positive effect on reflective variables, as reflected by high regression coefficients ($\beta = 0.78$ and 0.81), statically t-values, and statistically significant p-values ($p < 0.05$), confirmatory that these belongings are not due to chance.

Moreover, the coefficient of resolution (R^2) suggests that the ERP system account for approximately 70% of the change in consistency and about 77% of the variation in openness—strong indicators of the system's influence on the quality of financial announcement.

Based on the above statistic results, it can be concluded that there is a statically significant correlation and impact between the realization of the ERP system and the level of uniformity and transparency in financial accounting announcement. This growing that improvements in the ERP reinforcement immediately enhance the quality of financial



data by increasing consistency accentuation periods and strengthening announcement transparency, thereby supporting the authorities's main hypothesis and emphasizing the importance of adopting modern ERP systems in financial institutions.

PART FOUR: CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions:

1. The relationship between ERP system implementation and financial accounting disclosure is strong and positive, which suggests that the system encourages uniformity in financial data presentation across various periods.
2. Transparency in financial disclosure is significantly and strongly impacted by the implementation of the ERP system, which contributes to significant clear and easily understandable financial information for all report users.
3. The achieving system explains a substantial portion of the variation in both coherence and transparency, with R^2 values improvement approximately 70% for consistency and 77% for transparency, indicating the system's effectiveness in improving the quality of financial reports.
4. The quality of financial disclosure is significantly improved in both consistency and transparency through ERP implementation, as confirmed by regression analysis results, thereby increasing confidence in accounting information.
5. The tests with a statistical significance (p-value <unk> 0.05) confirm that there is a real and statistically significant correlation between ERP implementation and financial disclosure quality.
6. The ERP system was successfully adopted by the Middle East Investment Bank, which represents a successful strategic move to improve financial performance and transparency, and could be a model for other investment banks in Iraq.

4.2 Recommendations:

1. Enhance consistency and transparency across all financial and accounting units by extending the scope of ERP system implementation at the Middle East Investment Bank.
2. Conduct ongoing training programs for employees to make sure they use the ERP system efficiently and maximize its potential to improve the quality of financial disclosures.
3. The ERP system should be updated on a regular basis to ensure it is in line with modern accounting standards and evolving regulatory requirements, which will improve compliance and transparency.
4. Instruct other investment banks in Iraq to implement modern ERP systems, utilizing the Middle East Investment Bank's example, to reap the benefits of enhanced consistency and transparency in financial disclosure.
5. Ensure the accuracy of data and the integrity of accounting operations recorded through the ERP system by strengthening internal controls and supporting processes.
6. Conduct periodic evaluation studies to gauge the impact of ERP system implementation on financial reporting quality, with the aim of continually adopting corrective and improvement measures.

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