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The impact of internal environmental factors on the application of cloud accounting and its impact on the quality of financial reports

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Abstract
The Research aimed to contribute to a better understanding of the intricate relationship between internal organizational dynamics and the adoption of cloud accounting technology, thereby assisting organizations in improving the quality and effectiveness of their financial reports in an increasingly data-driven digital business environment. To achieve this goal, the Research employed a descriptive analytical approach. The researcher designed a questionnaire and distributed it to the Research population represented by employees at Tikrit University in Saladin Governorate - Tikrit. The research sample was selected using the simple random sampling method, considered the most representative and the least biased among other methods. The sample size was determined using the appropriate formula, resulting in a sample of 127 individuals. After analyzing the data and testing the hypotheses, the Research reached several conclusions. One of the most important findings is that the organization's culture significantly impacts the quality of financial reports and the adoption of cloud accounting applications. Additionally, developing employees' skills plays a decisive role in the quality of financial reports and the adoption of cloud accounting applications, thereby enhancing data security and governance policies. Therefore, cloud accounting solutions must be adopted to enhance the universities' financial reporting strategies and as a whole.

Keywords: Internal environmental factors, cloud accounting, the quality of financial reports

Introduction

In today's dynamic business landscape, organizations continually seek innovative ways to enhance their financial management processes and reporting practices. Another innovation that has bengt attention is technology which has moved accounting to cloud accounting systems. Cloud accounting as a technological tool has the capability and flexibility to change the way that it is currently done since it will allow the real-time access and management of financial data. However, the successful implementation of cloud accounting does not depend so much on technology but more on factors in the internal environment of cloud accounting organizations.

As a result, this research seeks to examine how internal environment factors influence cloud accounting applications with special emphasis on potential effects on quality of financial reports. The internal environment is actually a broad category, which taken within the brackets, comprises of organizational culture, employee skills, data security policies, resources, management support and much more. Analyzing this information as the factors that affect the utilization of cloud accounting technology is crucial in unlocking the potential of this innovation in generation of financial reports.

In the subsequent sections of the paper, a detailed analysis of these internal factors and the impact on the quality of financial reports, is presented. By exploring real life case, quantitative data, and practice of the cloud accounting, our intention is to bring out the fineness about how the cloud accounting is deployed. In addition, the result of this research will be beneficial and encouraging for those organizations that are willing to invest in cloud accounting technology to produce highly accurate, timely and efficient financial statements.

When starting with this exploration, it is clearly seen that the combination of advancing technology and organizational setting is a major turning point in the development of the

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overall area of financial reporting. The findings that will be realized from this Research will not only advance the knowledge of this subject area but also provide a heuristic to organizations as they manage the challenges of integrating cloud accounting systems to improve the quality of their financial reports.

Research Problem: In contemporary business environments, the rapid adoption of cloud accounting systems is evident, driven by the desire for enhanced efficiency, accessibility, and cost-effectiveness. However, despite the increasing integration of cloud accounting solutions, there is a need to investigate the challenges and opportunities posed by internal environmental factors within organizations. These factors may include organizational culture, employee skills, management support, and infrastructure readiness.

Research Question: "How do internal environmental factors within organizations influence the adoption and usage of cloud accounting technology, and what is the subsequent impact on the quality of financial reports?"

Importance of the Research: This research explores the connection between internal factors, cloud accounting adoption, and their impact on financial report quality. The significance lies in informed decision-making, maximizing returns on technological investments, ensuring regulatory compliance and risk mitigation, and gaining a competitive edge through strategic implementation of cloud accounting systems based on internal conditions.

Research Objectives: The primary objective of this research is a systematic investigation and analysis of the interaction between internal environmental factors within organizations and the adoption of cloud accounting technology, with a particular emphasis on their collective influence on financial reports' quality. Through this research, we intend to achieve the following key objectives**:**
1. Identify and analyze internal environmental factors
2. Evaluate the adoption and integration of cloud accounting technology:
3. Research the impact on financial reports' quality

4. Provide practical recommendations

Hypotheses
1. **Hypothesis 1: "**There is a positive and significant relationship between internal environmental factors and the quality of financial reports."
2. **Hypothesis 2: "**There is a positive and significant relationship between the quality of financial reports and the adoption of cloud accounting technology."
3. **Hypothesis 3: "**There is a positive and significant relationship between internal environmental factors and the adoption of cloud accounting technology."

Variables: In my Research of how internal environmental factors influence cloud accounting adoption and impact the quality of financial reporting, I identify a set of variables to investigate. Below are some examples of variables that could be part of my Research**.**

Independent Variable: Internal Environmental Factors
- Organizational Culture
- Employee Skills: Evaluation of employees' skills in using and adapting to cloud accounting technology.
- Data Security Policies and Governance: An analysis of how data security policies and governance affect safety and compliance.

Dependent Variable: Quality of financial reports
- Accuracy of Reports: Estimation of the accuracy of financial data provided using cloud accounting technology.
- Timeliness of Reporting: Analysis of the impact of cloud accounting technology on the time required to generate financial reports.
- Regulatory Compliance: Assessment of the extent to which financial reports comply with local and international regulations.

Mediating Variable: Cloud Accounting Application:
The relationship between the Research variables can be represented through the following Research model, Figure (1): Research mode

Dependent Variable Financial Report Quality	Mediating Variable	Independent Variable Internal Environmental Factors
Accuracy of Reports.	Cloud Accounting Application	Organizational Culture.
Timeliness of Reporting.		Employee Skills.
Regulatory Compliance.		Data Security Policies and Governance.

Fig 1: Prepared by the researcher based on previous literature Theoretical Framework

Chapter 1: Theories Specific to Cloud Accounting Technology and Its Impact on Organizations
The concept of cloud accounting: The term accounting cloud appeared in the year 2013AD, which is a term that refers to the package of accounting services provided through the Internet or it An accounting information system that can be accessed at any time and from anywhere via a network connection International (Internet) In the way of dealing with accounting information. (Nakhshin *et al*., 2023: 638) [19], It is defined as "a group of shared accounting information and data resources that rely on the Internet in terms of storage and applications so that they can be accessed easily by the service provider". (Mozan, 2023: 77) [20], Cloud accounting services have helped many small

business owners and medium enterprises in all parts of the world to prepare and maintain their accounts. (Mustafa and Hafez, 2022: 224) [21], In this chapter, we delve into theories that are specifically related to cloud accounting technology and its transformative effects on organizations, especially within the realm of financial management. Understanding these theories is crucial for contextualizing the subsequent chapters of the research. Here, we outline key theories and concepts that provide a foundation for the Research.

1. **Digital Transformation Theory:** Digital transformation refers to the integration of digital technologies into various aspects of an organization's operations, products, and services. The theory under consideration claims that adopting cloud accounting technology is one of the critical steps towards transformation of the financial department. Some benefits associated with the implementation of cloud accounting are; the improvement of the overall streamline of the accounting processes, access to real time data, and improvement of the decision-making process in organizations. (Kariyawasam, A.H.N,.2019.565) [18].

2. **Technological Determinism:** Technological determinism suggests that technological advancements drive social and organizational change. In the context of cloud accounting technology, this theory contends that the introduction and utilization of cloud-based accounting systems inherently influence how financial data is processed, leading to organizational change. Understanding this theory helps in comprehending the broader implications of technological adoption.

3. **Resource-Based View Theory:** The resource-based view theory suggests that a firm's resources, both tangible and intangible, are sources of competitive advantage. Cloud accounting technology is considered one such resource, and organizations adopting it aim to gain a competitive edge. This theory underlines the importance of internal capabilities, such as employee skills, in leveraging cloud accounting effectively. (Amron, M.T., Ibrahim, R., & Chuprat, S. 2017,276) [17].

4. **Innovation Diffusion Theory:** The innovation diffusion theory explores the process through which new innovations are adopted within organizations. Understanding this theory aids in comprehending the adoption rate and patterns of cloud accounting technology. It highlights the role of internal factors, including organizational culture, in shaping the diffusion process. (Wicaksono, A., Kartikasary, M., & Salma, N. 2020.98) [9].

5. **Agile Management Theory:** Agile management theory emphasizes adaptability and flexibility in organizational practices. Cloud accounting's real-time access and data sharing capabilities align with agile principles. This theory can be relevant when examining how cloud accounting fosters financial agility within organizations (Schwertner, K. 2017.313) [8].

6. **Data Governance Frameworks:** While not a traditional theory, understanding various data governance frameworks is essential. Frameworks like the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provide guidelines for data governance and data security. These frameworks are vital when exploring how cloud accounting impacts

data handling and financial reporting quality. (Ma, D., Fisher, R., & Nesbit, T. 2021.254) [5].

In the subsequent chapters, we will delve into the impact of internal environmental factors within organizations, and how these factors interact with cloud accounting adoption, ultimately affecting the quality of financial reports.

Chapter 2: The Impact of Internal Environmental Factors on Cloud Accounting Adoption:
Introduction: In this chapter, we examine the influence of internal environmental factors on the adoption of cloud accounting technology within organizations. Some internal environmental factors include; culture, employee skills, data security policies, resource controls, and management support. It is therefore important to be able to understand how these factors influences the successful implementation of cloud accounting systems. With the internal environmental factors established in the preceding section, this chapter explores the hypotheses and literature review of these factors in the context of the adoption of cloud accounting technology.

1. **Organizational Culture and Cloud Accounting Adoption:** The following is a commentary on two scholarly articles on how organizational culture influences the adoption of cloud accounting technology. Culture can be either an enabler or a hindrance enabling or making it difficult to adopt a particular technology. The chapter analyses how diverse organizational cultures influence the readiness of the employees to embrace new cloud-based systems. (T. Silalahi & S. Sinambela. 2017.98) [11].

2. **Employee Skills and Training:** The skills and competencies of employees are essential determinants of successful cloud accounting adoption. Research indicates that effective training and upskilling programs can enhance employee readiness and confidence in using cloud accounting systems. We investigate how investments in employee training correlate with technology adoption rates. MamićSačer, I., &Oluić, A. 2013.274) [12].

3. **Data Security Policies and Governance:** Stringent data security policies and robust governance structures are critical when dealing with sensitive financial information. The chapter delves into how data security policies and governance practices influence the level of trust that employees have in cloud accounting systems. It explores how well-defined data protection measures can encourage or hinder adoption. (L. Liyan. 2013.324) [13].

4. **Resource Allocation and Management Support:** Resource allocation, both in terms of financial resources and dedicated personnel, can significantly affect the implementation of cloud accounting systems. Management support is as equally important as that of top management support. The chapter explores how appropriate resources and great management support push forward the technology implementation process. (Ghobakhloo, M., Hong T.S., Sabouri, M.S., and Zulkifli, N., 2012.107) [10].

5. **Change Management Theories:** Theories of change offer a worthwhile source of information as to how Cloud accounting technology can be implemented, especially in organizations. This paper discusses the

human side of change as an important factor in the implementation of new technologies.

6. **Empirical Research Findings:** We discuss empirical research that has focused on internal environment factors and the adoption of cloud accounting. These concepts state how and in what manner these factors have impacted on technology in actual working organizations. (Kreher, M., T. Sellhorn, and T. Hess. 2017.761) [14].

Focusing on these aspects, this chapter shall endeavour to provide a rich understanding of the influence of internal environmental factors on the use of cloud accounting technology. The subsequent chapter is devoted to studying the impact of this adoption on the quality of financial reports. (Kreher, M., T. Sellhorn, and T. Hess. 2017.66) [14].

Chapter 3: Financial Report Quality and Cloud Accounting Technology:
Introduction: This chapter delves into the quality of financial reports and its relationship with cloud accounting technology. It is defined as the transmission of transparent and complete financial information designed in a way that avoids misleading or obfuscating users. (Ibrahim and Fares, 2021: 83) [22], Accounting information is good if the information used is appropriate and represented truthfully, (Al-Khafaji and Al-Saqqa, 2022: 160) [23], It examines how the adoption of cloud accounting technology can influence the accuracy, timeliness, and compliance of financial reports. The chapter emphasizes the pivotal role of data governance in shaping the quality of financial reporting in the digital era.

1. **Accuracy of Financial Reports:** The accuracy of financial reports is a fundamental consideration for stakeholders, including investors, regulators, and management. The chapter discusses how cloud accounting technology, with its real-time data accessibility and automated processes, can enhance the accuracy of financial data.
2. **Timeliness of Financial Reports:** Timeliness is another critical aspect of financial reporting. Delays in reporting can impact decision-making and investor confidence. The chapter explores how cloud accounting technology streamlines the reporting process, reducing the time required to prepare and present financial reports. (Ahmad, S.Z., A. R. A. Bakar, T. M. Faziharudean & K. A. M. Zaki.2015.41) [15].
3. **Compliance with Regulatory Standards:** Financial reports must adhere to regulatory standards and compliance requirements. Cloud accounting technology offers tools and features that can facilitate compliance. The chapter examines how these technologies help organizations meet their regulatory obligations. (Ali, Y., U. Thakur. 2017.82) [16].
4. **Data Governance and Financial Reporting:** Data governance practices significantly affect the quality of financial reporting. Proper data governance ensures data accuracy, security, and consistency. The chapter emphasizes how cloud accounting technology can be leveraged to enhance data governance, subsequently improving financial report quality. (Moll, J., & Yigitbasioglu, O. 2019.56) [6].
5. **Comparative Studies:** The chapter includes comparative studies that evaluate financial report quality in organizations before and after the adoption of cloud accounting technology. These studies offer insights into the real-world impact of technology on report quality. (Dimitriu, O., & Matei, M. 2015.19) [3].
6. **The Role of Automation:** Automation features in cloud accounting technology, such as reconciliation and error-checking, can play a vital role in improving report quality. This section highlights how automation reduces human errors and enhances the reliability of financial data. (Janaćković, T., Janaćković, M., & Radiš, D. 2018.43) [3].

By addressing these aspects, this chapter aims to shed light on the multifaceted relationship between cloud accounting technology and the quality of financial reports. It provides a foundation for the subsequent chapter, which presents valuable insights and recommendations for organizations seeking to leverage cloud accounting technology for more accurate, timely, and compliant financial reporting.

Practical Aspect
Introduction: The practical application of our Research involved an analytical examination of the Research sample. The Research population includes all employees at the University of Tikrit. The research sample was selected using a random sampling method, including employees at middle and upper management levels at the University of Tikrit, such as managers, department heads, individuals with higher education qualifications, and relevant experience. The aim was to measure and analyze the impact of internal environmental factors on the implementation of cloud accounting and the quality of financial reports. The Research population consists of all employees at the University of Tikrit. The research sample was chosen using a simple random sampling method because it is considered the most representative of the research community and less biased than other methods. The sample size was determined using the appropriate formula, resulting in a sample of 127 individuals.

We utilized tools and methodologies to analyze the gathered data, enabling us to derive significant findings and evidence-based suggestions. All these features signify our endeavors to attain the Research's objective of comprehending the influence of internal environmental factors on the deployment of cloud accounting and the quality of financial reports.

Chapter One: Research Methodology This research examines the measurement and analysis of the influence of internal environmental variables on the execution of cloud accounting and the quality of financial reporting.

Data Collection Method: In this Research, data was collected from both secondary and primary sources. The following are details of the data collection method:

Secondary Data: We predominantly utilized secondary sources and employed accessible web resources pertinent to the same study issue.

Primary Data: We employed two primary instruments for the collection of primary data. We initiated the creation of a study questionnaire aimed at eliciting responses to inquiries concerning the significance of internal environmental

factors on the deployment of cloud accounting and the quality of financial reporting. The questionnaire was disseminated to the selected participants in the research.

Research Tool: The Research tool used in this research consisted of an 8-part questionnaire. These parts were designed to cover the research problem and assumptions appropriately, distributing questions across these parts as follows:

1. **Part 1:** Pertains to the general characteristics of the Research participants, such as gender, age, educational qualifications, work experience, and job position.
2. **Part 2:** Organizational culture.
3. **Part 3:** Employee skills.
4. **Part 4:** Data security policies and governance.
5. **Part 5:** Report accuracy.
6. **Part 6:** Submission time.
7. **Part 7:** Regulatory compliance.
8. **Part 8:** Cloud accounting implementation.

Using these methods and tools, we aim to provide strong and reliable results that contribute to understanding the impact of internal environmental factors on cloud accounting implementation and the quality of financial reports.

Validity and Reliability Testing of the Tool
A. Tool Validity Testing - Face Validity and Content Validity: This research assessed the tool's validity using two evaluations: face validity and content validity. A group of management specialists evaluated the instrument for face validity to confirm its correspondence with the intended ideas. To assess content validity, the instrument was administered to a sample from the target demographic of the research, and their feedback about the correspondence of the instrument's content with the examined ideas was gathered.

The validity testing findings of the instrument were assessed employing suitable statistical criteria. The findings indicated a consensus over 60% among the experts, validating that all tool statements were acceptable and possessed clear and appropriate degrees of validity for use within the research population.

B. Tool Reliability Testing: The tool's dependability was statistically evaluated using Cronbach's alpha to assess internal consistency. The Cronbach's alpha scores for the dimensions and the overall questionnaire were exceptional, demonstrating the instrument's consistency and dependability in assessing the examined ideas.

Table No. (2) Cronbach's Alpha Internal Consistency Coefficients for the Questionnaire:

Dimension Number of Items Internal Consistency Organizational Culture 5.648 Employee Skills 5.717 Data Security Policies and Governance 5.754 Report Accuracy 5.737 Submission Time 5.753 Regulatory Compliance 5.852 Cloud Accounting Implementation 5.886 Overall 60.964

Consequently, the researcher may depend on the validity and reliability of the data gathering instrument employed. Consequently, the researcher possesses complete faith in the tool's capacity to fulfill the study objectives and satisfy the criteria for hypothesis testing and analysis.

Table 1: Cronbach's Alpha Internal Consistency Coefficients for the Questionnaire

Internal Consistency	Number of Items	Factor
.648	5	Organizational Culture
.717	5	Employee Skills
.754	5	Data Security Policies and Governance
.737	5	Report Accuracy
.753	5	Submission Time
.852	5	Regulatory Compliance
.886	5	Cloud Accounting Implementation
.964	35	Overall

Tool Validity: The validity of the Research's measurement tool was assessed through the calculation of Pearson correlation coefficients between the tool's items and the total factor scores. The following tables present the results of these tests:

The following tables present the results of the Pearson correlation coefficient (r) tests for the Research's measurement tool's items and their respective factor scores:

Table 2: Pearson Correlation Coefficients for Factor 1 (Organizational Culture) with the Total Factor Score

Item No.	1	2	3	4	5
r (Correlation Coefficient)	0.646**	0.695**	0.731**	0.634**	0.511**
Significance Level (p-value)	0.000	0.000	0.000	0.000	0.000

Table 3: Pearson Correlation Coefficients for Factor 2 (Employee Skills) with the Total Factor Score

Item No.	1	2	3	4	5
r (Correlation Coefficient)	0.456**	0.697**	0.721**	0.652**	0.731**
Significance Level (p-value)	0.000	0.000	0.000	0.000	0.000

Table 4: Pearson Correlation Coefficients for Factor 3 (Data Security Policies and Governance) with the Total Factor Score

Item No.	1	2	3	4	5
r (Correlation Coefficient)	0.622**	0.780**	0.787**	0.660**	0.729**
Significance Level (p-value)	0.000	0.000	0.000	0.000	0.000

Table 5: Pearson Correlation Coefficients for Factor 4 (Report Accuracy) with the Total Factor Score

Item No.	1	2	3	4	5
r (Correlation Coefficient)	0.722**	0.726**	0.805**	0.753**	0.699**
Significance Level (p-value)	0.000	0.000	0.000	0.000	0.000

Table 6: Pearson Correlation Coefficients for Factor 5 (Submission Time) with the Total Factor Score

Item No.	1	2	3	4	5
r (Correlation Coefficient)	0.678**	0.659**	0.787**	0.836**	0.796**
Significance Level (p-value)	0.000	0.000	0.000	0.000	0.000

Table 7: Pearson Correlation Coefficients for Factor 6 (Regulatory Compliance) with the Total Factor Score

Item No.	1	2	3	4	5
r (Correlation Coefficient)	0.786**	0.742**	0.706**	0.604**	0.734**
Significance Level (p-value)	0.000	0.000	0.000	0.000	0.000

Table 8: Pearson Correlation Coefficients for Factor 7 (Cloud Accounting Implementation) with the Total Factor Score

Item No.	1	2	3	4	5
r (Correlation Coefficient)	0.625**	0.709**	0.765**	0.755**	0.670**
Significance Level (p-value)	0.000	0.000	0.000	0.000	0.000

Note: Significance levels (p-values) for all correlations were found to be significant at $p < 0.001$, indicating a strong and statistically significant relationship between the questionnaire items and their respective factor scores. The correlation coefficients range from 0.511 to 0.836, suggesting various degrees of association between the items and their corresponding factors.

Section 2: Presentation and Analysis of Research Data and Testing Hypotheses
First: Presentation of Demographic Data for the Research Sample

Table 9: Description of Research Sample Individuals Regarding Their Demographic Variables

Variable	Category	Number	Percentage
Gender	Male	87	68.5
	Female	40	31.5
Total		127	100.0
Age	20 to less than 30 years	27	21.3
	30 to less than 40 years	52	40.9
	40 to less than 50 years	35	27.6
	More than 50 years	13	10.2
Total		127	100.0
Educational Qualification	Bachelor's	83	65.4
	High Diploma	9	7.1
	Master's	27	21.3
	Ph.D.	8	6.3
Total		127	100.0
Job Position	Internal Auditor	52	40.9
	Audit Department Head	29	22.8
	External Auditor	39	30.7
	Quality and Assurance Manager	7	5.5
Total		127	100.0
Experience	Less than 5 years	31	24.4
	5 to less than 10 years	23	18.1
	10 to less than 15 years	37	29.1
	More than 15 years	36	28.3
Total		127	100.0

This table provides a description of the demographic characteristics of the Research sample, including gender, age, educational qualification, job position, and experience. The sample consists of 127 individuals, with a majority being male (68.5%) and having a bachelor's degree (65.4%). The largest age group falls in the "30 to less than 40 years" category (40.9%), and "Internal Auditors" make up the highest proportion of job positions (40.9%). Regarding experience, individuals with "10 to less than 15 years" of experience are the most prevalent (29.1%).

Second: Data Analysis
First: Analysis of Dimensions for Internal Environmental Factors

Table 10: For Internal Environmental Factors Variables

Total Degree for the Axis	Mean	Standard Deviation
Axis 1: Organizational Culture	3.94	0.501
Axis 2: Employee Skills	3.88	0.586
Axis 3: Data Security Policies and Governance	3.94	0.609

This table presents the mean and standard deviation for the dimensions of internal environmental variables, encompassing company culture, personnel competencies, and data security rules and governance.

Second: Dimension Analysis for Financial Reports Quality Variables

Table 11: Analysis of Financial Reports Quality Axis Items

Total Degree for the Axis	Mean	Standard Deviation
Axis 4: Report Accuracy	3.80	0.694
Axis 5: Submission Time	3.84	0.578
Axis 6: Regulatory Compliance	3.87	0.619

This table presents the mean and standard deviation for the elements of financial report quality, encompassing leadership, human resources, and customer satisfaction.

Third: Dimension Analysis for Cloud Accounting Application

Table 12: For Cloud Accounting Application Axis

Total Degree for the Axis	Mean	Standard Deviation
Axis 7: Cloud Accounting Application	3.91	0.511

This table displays the mean and standard deviation for the dimensions of cloud accounting applications. These analyses facilitate comprehension of the core tendencies and variances within each dimension, which is crucial for the further investigation of the study hypotheses and objectives.

Thirdly, testing the Research hypotheses:
This step entails testing the Research hypotheses following the analysis and presentation of the Research results.

Hypothesis 1: There is a positive and significant relationship between Internal Environmental Factors and Financial Reports Quality.
We performed a Means test for the independent variable, Internal Environmental Factors (particularly Organizational Culture), and the dependent variable, Financial Reports Quality, taking into account its dimensions (Report Accuracy, Submission Time, Regulatory Compliance). The findings are displayed in Table 28.

Table 12: Analysis of Sub-Hypothesis 1
- Independent Variable: Internal Environmental Factors (Organizational Culture)
- Dependent Variable: Financial Reports Quality with its dimensions (Report Accuracy, Submission Time, Regulatory Compliance)

ANOVA Table

Source of Variation	Sum of Squares	df	Mean Square	F	Sig.
Report Accuracy * Organizational Culture	Between Groups (Combined)	15.823	12	1.319	6.081
	Linearity	13.545	1	13.545	62.470
	Deviation from Linearity	2.278	11	0.207	0.955
Within Groups	24.718	114	0.217		
Total	40.541	126			
Submission Time * Organizational Culture	Between Groups (Combined)	20.393	12	1.699	6.487
	Linearity	14.917	1	14.917	56.944
	Deviation from Linearity	5.476	11	0.498	1.900
Within Groups	29.864	114	0.262		
Total	50.257	126			
Regulatory Compliance * Organizational Culture	Between Groups (Combined)	21.913	12	1.826	5.215
	Linearity	13.580	1	13.580	38.780
	Deviation from Linearity	8.333	11	0.758	2.163
Within Groups	39.922	114	0.350		
Total	61.835	126			

Measures of Association

	R	R Squared	Eta	Eta Squared
Report Accuracy * Organizational Culture	0.578	0.334	0.625	0.390
Submission Time * Organizational Culture	0.545	0.297	0.637	0.406
Regulatory Compliance * Organizational Culture	0.469	0.220	0.595	0.354

Based on the ANOVA table and measures of association, we can conclude that there is a positive and significant relationship between Internal Environmental Factors (specifically Organizational Culture) and Financial Reports Quality across its dimensions (Report Accuracy, Submission Time, Regulatory Compliance). The p-values are less than 0.05, indicating statistically significant differences between levels of Organizational Culture and Financial Reports Quality. The measures of association (R-squared) suggest a moderate to strong relationship, meaning improvements in Organizational Culture can enhance the quality of financial reports, which is essential for decision-making and overall

management.

In this analysis, we tested the relationship between the independent variable, Employee Skills (part of Internal Environmental Factors), and the dependent variable, Financial Reports Quality with its dimensions (Report Accuracy, Submission Time, Regulatory Compliance). The results are presented in the following ANOVA table:

ANOVA Table

Source of Variation	Sum of Squares		df	Mean Square	F	Sig.
Report Accuracy * Employee Skills	Between Groups (Combined)	16.174	14	1.155	5.310	
	Linearity	12.701	1	12.701	58.378	
	Deviation from Linearity	3.473	13	0.267	1.228	
Within Groups	24.367		112	0.218		
Total	40.541		126			
Submission Time * Employee Skills	Between Groups (Combined)	22.762	14	1.626	6.623	
	Linearity	18.838	1	18.838	76.738	
	Deviation from Linearity	3.924	13	0.302	1.230	
Within Groups	27.495		112	0.245		
Total	50.257		126			
Regulatory Compliance * Employee Skills	Between Groups (Combined)	29.872	14	2.134	7.477	
	Linearity	24.711	1	24.711	86.591	
	Deviation from Linearity	5.161	13	0.397	1.391	
Within Groups	31.963		112	0.285		
Total	61.835		126			

	R	R Squared	Eta	Eta Squared
Report Accuracy * Employee Skills	0.560	0.313	0.632	0.399
Submission Time * Employee Skills	0.612	0.375	0.673	0.453
Regulatory Compliance * Employee Skills	0.632	0.400	0.695	0.483

Measures of Association

Based on the ANOVA table and measures of association, we can conclude that there is a positive and significant relationship between Employee Skills (an aspect of Internal Environmental Factors) and Financial Reports Quality across its dimensions (Report Accuracy, Submission Time, Regulatory Compliance). The p-values are less than 0.05, indicating statistically significant differences between levels of Employee Skills and Financial Reports Quality. The measures of association (R-squared) suggest a moderate to strong relationship, meaning improvements in Employee Skills can enhance the quality of financial reports, which is crucial for decision-making and overall management.

In this analysis, we tested the relationship between the independent variable, Data Security Policies and Governance (a part of Internal Environmental Factors), and the dependent variable, Financial Reports Quality with its dimensions (Report Accuracy, Submission Time, Regulatory Compliance). The results are presented in the following ANOVA table.

ANOVA Table

Source of Variation	Sum of Squares		df	Mean Square	F	Sig.
Report Accuracy * Data Security Policies and Governance	Between Groups (Combined)	14.550	14	1.039	4.479	
	Linearity	12.235	1	12.235	52.723	
	Deviation from Linearity	2.315	13	0.178	0.767	
Within Groups	25.991		112	0.232		
Total	40.541		126			
Submission Time * Data Security Policies and Governance	Between Groups (Combined)	18.585	14	1.327	4.694	
	Linearity	13.779	1	13.779	48.726	
	Deviation from Linearity	4.806	13	0.370	1.307	
Within Groups	31.672		112	0.283		
Total	50.257		126			
Regulatory Compliance * Data Security Policies and Governance	Between Groups (Combined)	29.440	14	2.103	7.270	
	Linearity	24.748	1	24.748	85.563	
	Deviation from Linearity	4.692	13	0.361	1.248	
Within Groups	32.395		112	0.289		
Total	61.835		126			

	R	R Squared	Eta	Eta Squared
Report Accuracy * Data Security Policies and Governance	0.549	0.302	0.599	0.359
Submission Time * Data Security Policies and Governance	0.524	0.274	0.608	0.370
Regulatory Compliance * Data Security Policies and Governance	0.633	0.400	0.690	0.476

Measures of Association

Based on the ANOVA table and measures of association, we can conclude that there is a positive and significant relationship between Data Security Policies and Governance (an aspect of Internal Environmental Factors) and Financial Reports Quality across its dimensions (Report Accuracy, Submission Time, Regulatory Compliance). The p-values are less than 0.05, indicating statistically significant differences between levels of Data Security Policies and Governance and Financial Reports Quality. The measures of association (R-squared) suggest a moderate to strong relationship, meaning that strong data security policies and governance can enhance the quality of financial reports, which is crucial for decision-making and overall management.

Certainly, based on the results, we can confirm the first hypothesis: "There is a positive and significant relationship between Internal Environmental Factors and Financial Reports Quality." The statistical analysis, including ANOVA tests, measures of association (R), and significance values (Sig.), indicates a positive and significant relationship between the independent variable, Internal Environmental Factors (specifically, Organizational Culture), and the dependent variable, Financial Reports Quality with its various dimensions (such as Report Accuracy, Submission Time, and Regulatory Compliance).

This analysis allows us to understand the positive influence of the organization's internal environmental factors, particularly its cultural aspects, on the quality of financial reports.

Hypothesis 2: There is a positive relationship and effect between Financial Reports Quality and Cloud Accounting Application Axis.

To investigate this hypothesis, a Means test was conducted on the dependent variable "Financial Reports Quality" and the mediating variable "Cloud Accounting Application Axis." The results are summarized in Table 29.

Table 13: Analysis of Sub-Hypothesis 2 Results

ANOVA Table							
			Sum of Squares	Df	Mean Square	F	Sig.
Cloud Accounting Application Axis *Report Accuracy	Between Groups	(Combined)	23.412	12	1.951	23.828	.000
		Linearity	22.498	1	22.498	274.770	.000
		Deviation from Linearity	.914	11	.083	1.015	.438
	Within Groups		9.334	114	.082		
	Total		32.746	126			

Measures of Association				
	R	R Squared	Eta	Eta Squared
Cloud Accounting Application Axis *Report Accuracy	.829	.687	.846	.715

In this analysis, the results indicate a significant positive relationship between "Cloud Accounting Application Axis" and "Report Accuracy" in the context of Financial Reports Quality. The high R-squared value (0.687) suggests that 68.7% of the variance in Financial Reports Quality can be explained by the Cloud Accounting Application Axis. The ANOVA test shows highly significant results ($p < 0.001$), indicating the impact of Cloud Accounting Application Axis on Financial Reports Quality.

Please note that the "Linearity" and "Deviation from Linearity" are components of the ANOVA analysis, but their p-values suggest no significant deviation from linearity in this context.

ANOVA Table

			Sum of Squares	Df	Mean Square	F	Sig.
Cloud Accounting Application Axis *Submission Time	Between Groups	(Combined)	23.185	13	1.783	21.077	.000
		Linearity	21.259	1	21.259	251.241	.000
		Deviation from Linearity	1.926	12	.161	1.897	.042
	Within Groups		9.561	113	.085		
	Total		32.746	126			

Measures of Association				
	R	R Squared	Eta	Eta Squared
Cloud Accounting Application Axis *Submission Time	.806	.649	.841	.708

In this analysis, the results show a significant positive relationship between "Cloud Accounting Application Axis" and "Submission Time." The high R-squared value (0.649) indicates that approximately 64.9% of the variance in Submission Time can be explained by the Cloud Accounting Application Axis. The p-value for ANOVA level for Cloud Accounting Application Axis is computed to be less than 0.001, which proves the influence of Cloud Accounting Application Axis is significantly affecting Submission Time. However, it is also possible to see that dispersion of some sort exists and is slightly inquisitive to the linearity of the results; however, the decrease is statistically significant, which again raises the question of its origin.

Based on these findings, it can be clearly observed that Higher values of Cloud Accounting Application Axis is positively associated with the values of the Submission Time in regard to the Research.

ANOVA Table

			Sum of Squares	Df	Mean Square	F	Sig.
Cloud Accounting Application Axis *Regulatory Compliance	Between Groups	(Combined)	19.333	15	1.289	10.666	.000
		Linearity	18.483	1	18.483	152.956	.000
		Deviation from Linearity	.850	14	.061	.502	.928
	Within Groups		13.413	111	.121		
	Total		32.746	126			

Measures of Association

	R	R Squared	Eta	Eta Squared
Cloud Accounting Application Axis *Regulatory Compliance	.751	.564	.768	.590

Regarding the corresponding hypotheses in this analysis of the research, it is found out that "Cloud Accounting Application Axis" has a positive correlation with the "Regulatory Compliance." The result of the research shows that the Cloud Accounting Application Axis has an R-squared of 0.564 meaning that about 56.4% of variance of the Regulatory Compliance is explained by the Cloud Accounting Application Axis. The analysis presented using the method of ANOVA is also very significant at the level of 0.001, which also indicates the effect of Cloud Accounting Application Axis on Regulatory Compliance. Also, there is no sign of any lack of fit as the calculated p-value is greater than 0.05 is used to test the null hypothesis of linearity.

Therefore, the evidence gathered in this study proposes a significant Cloud Accounting Application Axis Regulatory Compliance relationship within the context of the Research.

Based on the findings presented earlier, we can conclude that the second hypothesis is supported: Both Financial Reports Quality and Cloud Accounting Application Axis are significant and have a positive correlation. The analysis,

including ANOVA tests and measures of association, reveals a positive and significant relationship between Financial Reports Quality (specifically, Report Accuracy) and the intermediary variable, Cloud Accounting Application Axis.

This suggests that the quality of financial reports is positively influenced by the utilization of cloud accounting applications, highlighting the importance of integrating modern accounting technology into financial reporting processes.

The third hypothesis aimed to investigate the relationship between Internal Environmental Factors and Cloud Accounting Application Axis. To assess this relationship, a means test was conducted using the independent variable "Internal Environmental Factors" and the mediating variable "Cloud Accounting Application Axis." The results of this analysis are presented in Table 30, and they indicate whether a significant relationship exists between these variables. The key statistical results from Table 30 are as follows:

ANOVA Table

			Sum of Squares	Df	Mean Square	F	Sig.
Cloud Accounting Application Axis / *Organizational Culture	Between Groups	(Combined)	14.371	12	1.198	7.430	.000
		Linearity	11.349	1	11.349	70.412	.000
		Deviation from Linearity	3.021	11	.275	1.704	.081
	Within Groups		18.375	114	.161		
	Total		32.746	126			

Measures of Association

	R	R Squared	Eta	Eta Squared
Cloud Accounting Application Axis / *Organizational Culture	.589	.347	.662	.439

These results demonstrate a significant positive relationship between the "Cloud Accounting Application Axis" and "Internal Environmental Factors (Organizational Culture)." The R-squared value of 0.347 indicates that approximately 34.7% of the variance in Organizational Culture can be explained by the Cloud Accounting Application Axis. The ANOVA test shows highly significant results ($p < 0.001$), indicating the impact of the Cloud Accounting Application

Axis on Organizational Culture. Additionally, there is no significant deviation from linearity, as the p-value is greater than 0.05.

In conclusion, the findings suggest a strong and positive association between Cloud Accounting Application Axis and Organizational Culture in the context of the Research, supporting the third hypothesis.

ANOVA Table

			Sum of Squares	Df	Mean Square	F	Sig.
Cloud Accounting Application Axis *Employee Skills	Between Groups	(Combined)	12.825	14	.916	5.150	.000
		Linearity	10.835	1	10.835	60.914	.000
		Deviation from Linearity	1.990	13	.153	.861	.596
	Within Groups		19.921	112	.178		
	Total		32.746	126			
Measures of Association							
			R	R Squared	Eta	Eta Squared	
Cloud Accounting Application Axis *Employee Skills			.575	.331	.626	.392	

These findings imply a positive correlation between the proposed constructs, "Cloud Accounting Application Axis" and "Employee Skills." The R-squared value of 0.331 suggests that approximately 33.1% of the variance in Employee Skills can be explained by the Cloud Accounting Application Axis. Using the ANOVA test yields high significance ($p< 0.001$) for the Cloud Accounting Application Axis on Employee Skills. Also, no evidence of non-linearity is observed as value of $p> 0.05$ or $p< 0.15$ depending on sample size.

Thus, the results provide evidence for the third hypothesis, suggesting that Cloud Accounting Application Axis is strongly and positively correlated with Employee Skills in respect of the Research.

ANOVA Table

			Sum of Squares	Df	Mean Square	F	Sig.
Cloud Accounting Application Axis *Data Security Policies and Governance	Between Groups	(Combined)	13.617	14	.973	5.695	.000
		Linearity	11.470	1	11.470	67.155	.000
		Deviation from Linearity	2.147	13	.165	.967	.488
	Within Groups		19.129	112	.171		
	Total		32.746	126			
Measures of Association							
			R	R Squared	Eta	Eta Squared	
Cloud Accounting Application Axis *Data Security Policies and Governance			.592	.350	.645	.416	

These results reveal a positive correlation when the "Cloud Accounting Application Axis" is against the "Data Security Policies and Governance." Thus, the Cloud Accounting Application Axis accounts for 35% or R-squared = 0.350 of the variability of Data Security Policies and Governance. The F-test of the ANOVA yields also highly significant differences ($p< 0.001$), The evidence supporting the Cloud Accounting Application Axis and Data Security Policies and Governance is presented here. Also, there is no harsh non-linearity as the p value is greater than 0.05.

Therefore, it can be concluded that the research supports the third hypothesis, with Cloud Accounting Application Axis being highly correlated and positively related to Data Security Policies and Governance encompassed within the scope of the Research.

Based on the analysis conducted, we can conclude that the third hypothesis is supported: This preliminary result in line with the expectation which suggests that Internal Environmental Factors are positively and significantly associated with Cloud Accounting Application Axis. The conclusions from the descriptive analysis, ANOVA tests and measures of association give support to the hypothesis that Internal Environmental Factors, especially Organizational Culture, have a positive and statistically significant correlation with the Cloud Accounting Application Axis. This implies that the internal enabilities in an organization like culture affect the extent to which an organization adopts as well as utilizes the cloud accounting applications. The reluctance of organizations to integrate cloud-based accounting technologies could thus be attributed by the fact that organizations with a favorable internal environment might have a higher tendency to both adopt and practice cloud-based accounting technologies.

Establishing the relationship between internal environment and CAAs and FQR through the assessment of the three hypotheses, it is possible to state that internal environment factors played a role in the partial or complete adoption of CAAs and FQR. The findings of this study affirm that the hypotheses about the positive and significant links between internal factors to Cloud Accounting Application Axis and Financial Reports Quality are valid based on Organizational Culture, Employee Skills, and Data Security Policies and Governance. From this it can be inferred that organizational internal environment factors such as culture, employee skill levels, and data protection standards influence the extent to which cloud accounting applications are adopted, and the accuracy of financial reports generated.

In conclusion, the research points to the fact that an internal environment that is supportive of change, with an effective positive organizational culture that ensures efficient employees and strong data protection measures, is significantly and positively related to the practice and implementation of cloud accounting applications as well as the quality of reports generated within the organization. Altogether, this makes emphasis on the identification and development of these internal environmental conditions in order to improve the output and value of the financial reporting by means of cloud accounting applications.

Conclusion
Based on the findings gathered from the Research, one is in a position to deduce that internal environment has an important influence on the quality of financial reports as well as the take up of cloud accounting applications. Therefore, the following recommendations can be made:

1. **Enhance Organizational Culture:** That means, culture is the main driver presented in this research that influences the quality of financial reports and the use of cloud accounting applications. Management should ensure that the organizational culture does embrace the key provisions of financial standards and regulations.

2. **Develop Employee Skills:** From the results, devoid of a strong employee skills factor, financial reports' quality and the cloud accounting applications factor are significantly impacted. This research reveals the need for the employees of the organisations to acquire more skill and knowledge so that they can enhance the quality in financial reporting and increase the use of cloud-based accounting tools.

3. **Strengthen Data Security and Governance:** So, data security policies, and governance affecting financial reports quality and the use of cloud accounting applications give the scope of emphasizing data security as a critical factor for organizational growth and a higher quality of financial reports.

4. **Embrace Cloud Accounting Solutions:** When reporting on the hints, one may come across

implications that show that there is a high correlation between the adoption of cloud accounting application and the quality of financial reports the firms prepare hence firms should consider moving to the cloud accounting application solutions.

Your Research concludes the themes of internal environment conditions affecting the quality of financial reports and the application of cloud accounting applications while stressing the value of enhancing organizational culture, the acquisition and training of productive personnel, reinforcing data protective and administrative standards on the quality of accounting data, and transitioning to accounting in the cloud.

Recommendation
1. Host several awareness creation, seminars, and workshops for the employees at the University of Tikrit to enable them understand the internal environment scan and the effects on the implementation of cloud accounting.
2. Carry out a Research to establish the current status of the accounting system in the University of Tikrit and establish internal environmental factors that may pose a threat to the implementation of the cloud accounting.
3. Propose a specialist cloud accounting model for the University of Tikrit: Considering internal context and hoping for improvement of the company's financial reporting.
4. Call for the University of Tikrit and other universities to share with one another the experiences and the knowledge they have on the internal environmental issues in the use of cloud accounting.

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