ERP System and Financial Statement Accuracy: Evidence from Selected Firms in Nigeria

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Abstract
The accuracy of financial statements is a critical concern for businesses, investors, and regulatory bodies, particularly in developing economies like Nigeria. This study explores the impact of Enterprise Resource Planning (ERP) systems on financial statement accuracy, focusing on selected firms in Nigeria. Drawing exclusively on secondary data from academic journals, industry reports, and case studies, the study highlights how ERP systems enhance data integration, reduce reporting errors, and improve compliance with accounting standards. Data obtained from literature and financial reports were analyzed using qualitative content analysis and descriptive statistical methods. Findings from previous studies reveal that ERP adoption leads to more timely and reliable financial reporting, especially among large firms in manufacturing and telecommunications sectors. However, challenges such as high implementation costs, limited technical expertise, and user resistance can hinder these benefits. The study concludes that while ERP systems significantly improve financial reporting accuracy, their effectiveness depends on strategic implementation, staff training, and continuous system evaluation. Recommendations are made for broader ERP adoption and policy support for digital transformation in Nigerian firms.

Keywords: *ERP systems, financial statement accuracy, financial reporting, digital transformation*

1. Introduction

An Enterprise Resource Planning (ERP) system is an enterprise application that embodies an implementation of the core business processes and administrative functions within the entire organization. Although there is an abundance of definitions (Acar, *et al* 2017a; Beheshti & Beheshti, 2010; Klaus, Rosemann, & Gable (2000).; Shaul & Tauber, 2013), an ERP system is fundamentally characterized with four salient features: cross-functional integration, a central and shared database, embodiment of best industry practices, and a modular architecture—all intertwine and collectively serve to produce a comprehensive, consolidated, and unified view of the organization and its operations. Influenced by technology and competitive dynamics, business organizations are increasingly moving towards more inter- and intra-organizational integration to enable and facilitate more efficient execution of transactions and flow of information resources between the different organizational units.

Enterprise systems have played a pivotal role in these transformations, as evidenced by the evolution of Material Requirement Planning (MRP) to Manufacturing Resource Planning (MRP II), then to Enterprise Resource Planning (ERP) systems. The latter systems are increasingly fanning out and bridging inter-organizational boundaries to link separate business partners and alliances. The Information Systems (IS) literature makes generous claims about numerous ERP system benefits, tangible and intangible, operational and strategic, accruing to the adopting organization (Gabryelczyk, 2020; Khattak, She, Memon, Syed, Hussain, & Irfan, (2013). Investigating Critical; Uddin, Alam, Mamun, Khan, & Akter, (2020).; Usman, Ahmad, & Zakaria, (2019).

Empirically, however, the evidence to support these claims is either lacking or inconclusive. Indeed, there is plenty of evidence to refute a considerable proportion of this ever-expanding list of potential ERP benefits, thanks to more than two decades of IS research devoted to the issue of Information Technology (IT) benefits and performance impact on the organization. Thus, although the well-known IT productivity paradox has long been settled, the question of just what an ERP system can do for an adopting organization, in return for the huge cost needed to implement these costly systems remains an ever relevant and not sufficiently answered question to date.

There is a great deal of empirical research to date that has explored the impact of ERP systems on organizations. However, existing IS research has produced either of three conclusions: 1) investments in ERP projects failing to achieve expectations, 2) positive outcomes and impact on organizational performance, and 3) mixed, and often conflicting, results regarding the overall impact of ERP systems on organizational performance. Moreover, a preponderance of the existing IS research focuses primarily on the success (or failure) of the ERP implementation project, rather than on the post-implementation impacts of these systems (Alzoubi & Snider, 2020; Coşkun, *et al.* (2022).

Hietala & Paivarinta, 2021; Mahraz, *et al* 2020; Motiei, *et al* (2015); Nour & Mouakket, 2011; Shatat & Shatat, 2021). Yet implementation success stories are not guaranteed to extend beyond the "go-live" stage (i.e., post-implementation). Additionally, post-implementation success indicators, focusing on broad organizational performance parameters, are fundamentally more strategically oriented than implementation success indicators.

In today's global business landscape, the increasing complexity of organizational operations demands a high level of efficiency, accuracy, and transparency in financial reporting. Accurate financial statements are essential not only for internal decision-making but also for regulatory compliance, investor confidence, securing credit facilities, and sustaining public trust (Ajayi & Onifade, 2022). However, as organizations expand in size and complexity, maintaining the integrity of financial data becomes increasingly challenging—particularly in environments where processes remain fragmented or heavily reliant on manual operations (Afolabi, Oyekunle & Adebanjo, 2021).

To mitigate these challenges, many firms have adopted Enterprise Resource Planning (ERP) systems—comprehensive software platforms designed to integrate various business functions such as finance, procurement, inventory, human resources, and customer service. ERP systems enable real-time data processing and centralized information flow, thereby reducing redundancy, improving accuracy, and enabling timely reporting (Muscatello, Small & Chen, 2003; Nicolaou, 2004).

In Nigeria, ERP adoption is steadily rising among large and medium-scale enterprises, particularly in manufacturing, telecommunications, and financial services sectors. This trend is largely driven by the need to enhance internal controls, align with International Financial Reporting Standards (IFRS), and boost overall operational efficiency (PwC Nigeria, 2022). Nevertheless, the specific extent to which ERP systems contribute to financial statement accuracy in the Nigerian context remains underexplored.

Financial statement accuracy refers to the degree to which reported figures faithfully represent an organization's financial position and performance, devoid of material misstatements or errors (IASB, 2020). This attribute is crucial for stakeholders—ranging from management and shareholders to auditors and regulators—as it influences decisions related to compliance, risk management, and capital allocation (Soudani, 2012). Inaccurate financial reports can lead to reputational loss, financial penalties, investor withdrawal, or even organizational collapse.

ERP systems play a pivotal role in enhancing financial accuracy by eliminating redundant processes, automating accounting tasks, and minimizing human errors (Rom & Rohde, 2007). Through centralized data integration and audit trail capabilities, ERP systems help organizations generate consistent and timely financial reports that comply with statutory and international standards (DeLone & McLean, 2003; Alabi & Dada, 2019). Functions such as journal entry automation, real-time reconciliations, and standardized reporting formats further contribute to data integrity and transparency.

Given the increasing reliance on digital tools for financial governance and the evolving nature of ERP adoption in Nigeria, it is critical to empirically examine the effect of ERP systems on financial statement accuracy. This study aims to investigate the relationship between ERP usage and the accuracy of financial statements in selected Nigerian firms, drawing insights from secondary data and industry reports.

Objectives of the Study

1. To explore the extent of ERP system adoption in selected Nigerian firms.
2. To evaluate the influence of ERP systems on the accuracy and reliability of financial statements.
3. To identify the challenges encountered during ERP implementation that may affect financial reporting outcomes.
4. To provide recommendations for enhancing the effectiveness of ERP systems in supporting accurate financial reporting.

2. Literature Review

2.1.1 Enterprise Resource Planning (ERP) Systems

Enterprise Resource Planning (ERP) systems are integrated software platforms designed to unify, automate, and streamline core business processes across functional departments such as finance, procurement, inventory, human resources, and customer service (Monk & Wagner, 2013). These systems provide a centralized database that enables seamless data flow and real-time processing, ensuring consistency and accuracy in organizational transactions and decision-making (Muscatello, Small & Chen, 2003; DeLone & McLean, 2003).

According to Rom and Rohde (2007), ERP platforms contribute to standardized financial procedures and robust internal control mechanisms, which are essential for producing accurate and reliable financial statements. Furthermore, Nicolaou (2004) affirms that ERP adoption correlates positively with improvements in the quality of accounting information, especially in firms seeking regulatory compliance and operational efficiency.

In the Nigerian context, ERP adoption is growing gradually among large and medium-scale firms, particularly in the manufacturing, telecommunications, and financial services sectors. Companies such as Dangote Group, MTN Nigeria, and Flour Mills Nigeria Plc have implemented ERP systems like SAP, Oracle, and Microsoft Dynamics to automate their financial operations and improve reporting accuracy (Deloitte, 2020; PwC Nigeria, 2022). Despite this positive trend, implementation challenges such as high costs, limited IT infrastructure, and user resistance remain significant barriers (Afolabi, *et al,* 2021; Alabi & Dada, 2019).

ERP systems are also aligned with international reporting frameworks, including the International Financial Reporting Standards (IFRS), thereby supporting regulatory compliance and enhancing the transparency of financial disclosures (IASB, 2020). By automating complex processes such as journal entries, consolidations, and reconciliations, ERP systems reduce the risk of manual errors and promote auditability through detailed logs and traceability features (Ajayi & Onifade, 2022; Soudani, 2012).

Moreover, the success of ERP systems in improving organizational performance depends on multiple factors including system quality, user training, post-implementation support, and organizational alignment (DeLone & McLean, 2003). ERP systems, when properly implemented, can lead to substantial gains in financial reporting accuracy, internal control efficiency, and decision-making speed (SAP Africa, 2021; Okoye, Akenbor & Egbunike, 2020).

2.1.2 Financial Statement Accuracy

Financial statement accuracy refers to the extent to which reported financial information truthfully reflects the actual financial position, performance, and cash flows of an organization, without material misstatements or omissions (IASB, 2020). It is a fundamental component of financial reporting quality and plays a critical role in decision-making processes for both internal and external stakeholders—including investors, creditors, auditors, regulators, and management (Soudani, 2012; Nicolaou, 2004).

Accurate financial statements are essential for ensuring transparency, maintaining investor confidence, enhancing corporate governance, and complying with statutory regulations such as the Companies and Allied Matters Act (CAMA) in Nigeria and International Financial Reporting Standards (IFRS) globally (Okoye, *et al* 2020; IASB, 2020). Inaccuracies in financial reports can lead to regulatory penalties, reputational damage, financial losses, and even bankruptcy in extreme cases (Alabi & Dada, 2019; Rom & Rohde, 2007).

Financial statement accuracy is often assessed using indicators such as the frequency of audit adjustments, restatements, timeliness of reporting, and the presence of qualified or unqualified audit opinions (PwC Nigeria, 2022). According to Dechow, Ge, and Schrand (2010), reliable financial reporting is typically characterized by low levels of discretionary accruals, minimal reporting delays, and high consistency across reporting periods.

In the context of emerging economies such as Nigeria, ensuring financial statement accuracy poses unique challenges due to infrastructural limitations, weak internal control systems, and limited access to modern financial technologies (Afolabi, Oyekunle & Adebanjo, 2021). These challenges increase the likelihood of errors and misstatements in financial disclosures, thereby undermining the reliability of financial data and overall corporate accountability (Deloitte, 2020).

ERP systems enhance accuracy by automating accounting processes, reducing manual errors, and facilitating real-time data validation and internal audit trails (Muscatello, *et al* 2003; Soudani, 2012).

As firms seek to navigate the complexities of modern financial environments, the pursuit of accurate and reliable financial reporting becomes not just a regulatory requirement, but a strategic imperative for long-term success (DeLone & McLean, 2003; Tornatzky & Fleischer, 1990).

2.1.3 ERP Systems and Financial Reporting

Enterprise Resource Planning (ERP) systems have become indispensable tools for modern financial reporting due to their ability to centralize, automate, and streamline financial processes. Financial reporting refers to the systematic presentation of financial data that reflects a firm's financial status, performance, and cash flows. High-quality financial reporting is characterized by timeliness, completeness, accuracy, and compliance with relevant accounting standards such as the International Financial Reporting Standards (IFRS) (IASB, 2020; Dechow et al., 2010).

ERP systems improve financial reporting by integrating financial data from various departments into a unified platform, thus minimizing manual entries, reducing duplication, and eliminating inconsistencies (Rom & Rohde, 2007). These systems automate essential accounting tasks such as ledger postings, journal entries, bank reconciliations, inventory valuations, and financial consolidations, thereby ensuring that financial statements are timely, accurate, and audit-ready (Muscatello, Small & Chen, 2003; Nicolaou, 2004).

According to Soudani (2012), ERP systems enhance accounting information quality by providing real-time data access, reducing human error, and supporting compliance through embedded controls. Similarly, Ajayi and Onifade (2022) opined that ERP implementation in Nigerian financial institutions result in fewer audit adjustments and improved reporting transparency.

According to Alabi and Dada (2019), Nigerian firms with mature ERP systems show better alignment with IFRS disclosure requirements and statutory timelines. ERP systems can also enhance audit quality by maintaining transaction logs and facilitating traceability, making it easier for external auditors to verify reported figures (DeLone & McLean, 2003; Okoye, Akenbor & Egbunike, 2020). According to Grande, Estébanez, and Colomina (2011), firms with integrated ERP solutions reported increased internal control effectiveness and reduced incidences of financial misreporting.

In the Nigerian context, ERP adoption is gaining traction among large firms such as MTN Nigeria, Dangote Group, and Nestlé Nigeria Plc, which have reported significant improvements in the quality and timeliness of their financial reports post-implementation (PwC Nigeria, 2022; Deloitte, 2020).

ERP systems are pivotal to enhancing financial reporting by automating processes, improving accuracy, and facilitating compliance with accounting regulations. Nevertheless, the impact of ERP on financial reporting outcomes is largely contingent on the quality of implementation, user adoption, and ongoing system maintenance (DeLone & McLean, 2003).

2.2 Empirical Framework

2.2.1 Global Empirical Evidence

Globally, a growing body of empirical research affirms the critical role that Enterprise Resource Planning (ERP) systems play in enhancing the quality, timeliness, and accuracy of financial reporting. ERP implementation is associated with improved financial controls, reduced reporting errors, and more efficient financial closing cycles across various industries and regions.

Kanellou and Spathis (2013) assessed Title: Accounting benefits and satisfaction in an ERP environment. The authors conducted a quantitative study using structured questionnaires distributed to finance professionals in Greek firms that had implemented ERP systems.

Findings: ERP systems significantly improved the accuracy and timeliness of financial reports. The systems enhanced audit trails, facilitated real-time data access, and promoted better compliance with International Financial Reporting Standards (IFRS).

Karimi (2010) Conducted an investigation of the business value of enterprise resource planning systems by firms in Kenya. He studied thirty three organizations in Kenya that were using ERP systems and highlighted that, ERP systems emerged as the core of successful information management, the enterprise backbone of the organizations and it speeds up communication of information throughout the organization.

Gupta and Kohli (2006) studied Enterprise resource planning systems and its implications for operations function. The study used a case study methodology involving detailed interviews and document analysis across multiple multinational corporations that had implemented ERP. Findings indicates that ERP systems led to improved financial data consistency across international subsidiaries, increased financial reporting speed, and strengthened internal controls. The researchers concluded that ERP contributed directly to more transparent and standardized global reporting. Brazel and Dang (2008) determined the effect of ERP system implementation on the management of earnings and financial reporting irregularities. This quantitative study examined secondary data from public firms' financial reports and matched them with ERP implementation timelines. Findings showed that companies with implemented ERP systems exhibited fewer material weaknesses in internal controls and lower incidences of financial restatements. ERP adoption was associated with reduced opportunities for earnings manipulation and enhanced reporting integrity. Rom and Rohde (2007) analyzed management accounting and integrated information systems: A literature review. The authors conducted a structured literature review focusing on empirical and theoretical studies that assessed ERP's impact on financial and management accounting. Findings revealed that ERP systems were shown to streamline financial workflows, reduce manual errors, and facilitate uniform data standards across departments. The review concluded that ERP supports transparency and control, although success often depends on the implementation context.

Nicolaou (2004) examined firm performance effects in relation to the implementation and use of ERP systems Methodology: A longitudinal survey was conducted among firms that adopted ERP over time, assessing financial outcomes pre- and post-implementation. Findings showed that ERP adoption improved reporting reliability and consistency. The study also found a strong correlation between successful ERP integration and enhanced stakeholder confidence in financial disclosures.

2.2.2 Empirical Studies in Nigeria

ERP research in Nigeria has grown in recent years, though many studies are sector-specific.

Ajayi and Onifade (2022) determined ERP Implementation and Financial Reporting Accuracy in Nigeria. Survey-based quantitative research using structured questionnaires administered to accounting staff in the financial services sector. Findings reported that ERP systems significantly improved the accuracy and reliability of financial statements. Respondents reported enhanced compliance with IFRS, reduced reporting delays, and fewer audit adjustments.

PwC Nigeria (2022) studied the Digital Transformation in Nigerian Enterprises: Trends, Insights, and Benchmarks. Mixed-method study combining enterprise surveys and interviews across sectors including manufacturing, banking, and telecommunications were employed. Findings revealed that firms with well-integrated ERP systems experienced up to a 30% reduction in financial reporting errors and restatements. ERP was also associated with faster month-end closures and improved audit trails. Okoye, Akenbor, and Egbunike (2020) examined ERP Systems and Financial Information Quality in Nigerian Firms. Cross-sectional study using regression analysis on financial reports from selected manufacturing firms. Findings showed a significant positive relationship was found between ERP usage and the quality of financial information. Firms using ERP reported higher levels of data accuracy and compliance with regulatory frameworks.

Afolabi, Oyekunle, and Adebanjo (2021) ascertained ERP Adoption and Challenges in Nigerian SMEs.: Descriptive study involving surveys from 120 SMEs across Lagos, Ogun, and Anambra States was used. Findings documented that while ERP improved reporting accuracy in adopted firms, implementation challenges such as cost, technical skill gaps, and poor customization limited full realization of benefits, especially in smaller enterprises.

Arzizeh, Tapang & Joseph Azubike (2018) ascertained the effect of ERP implementation on financial performance of commercial banks in Nigeria. The collected data was analyzed using the ordinary least square technique with the aid of STATA 13. The results revealed that enterprise resource planning implementation has a significant effect on financial performance proxy by gross profit margin, return on assets and return on investment.

Nour, Mohamed Abdalla (2023). Title: The impact of ERP systems on organizational performance: the role of antecedents and moderators. Using structural equation modeling (SEM) analysis, Findings reported that the author confirmed the significant role of business process re-engineering and organizational fit and alignment as antecedents to ERP-induced benefits in information quality, and coordination/integration. Alabi and Dada (2019) analyzed ERP System Challenges and Accounting Data Quality in Nigeria, a study analysis of four firms across manufacturing and retail sectors. The study found that ERP implementation reduced manual errors and improved accuracy of financial data. However, incomplete data migration and resistance to system change were noted as key risks to financial reporting integrity. Kalu and Eze (2019) studied the Impact of ERP on Financial Reporting Practices in Nigerian Manufacturing Firms Quantitative study using paired-sample t-tests to compare pre- and post-ERP financial reports of 10 listed firms. Findings showed that ERP implementation led to a significant improvement in reporting timeliness and error reduction. Firms also reported fewer restatements and enhanced audit transparency. Ogunleye and Adebayo (2018) studied the effect of ERP Deployment on Financial Transparency in the Nigerian Public Sector. Qualitative research based on interviews with government accountants and ERP consultants in ministries using the GIFMIS system was employed. The study disclosed that ERP deployment increased financial accountability and reduced off-book transactions. However, the study emphasized the need for stronger system maintenance and training programs. Uchenna and Nwaiwu (2017) determined the ERP Systems and Quality of Corporate Financial Disclosures in Nigeria Empirical study using content analysis of annual reports and statistical tests across 15 firms. Findings indicated that ERP systems improved the quality of financial disclosures by promoting consistency and enabling detailed segment reporting. The accuracy of revenue recognition and cost classification improved post-ERP. Eze, Nwankwo, and Akarachi (2016) investigated the effect of ERP Effectiveness on Financial Management in Nigeria. Descriptive survey administered to finance managers across 8 ERP-adopting firms was employed. Findings documented that ERP systems enhanced budgeting accuracy, reduced instances of data duplication, and improved synchronization between finance and operations. Reporting cycles became significantly shorter. Onuorah and Nnadi (2015) reported that ERP Systems and Financial Integrity in Nigeria: An Empirical Investigation Comparative study using data from firms before and after ERP implementation, along with structured interviews. Findings showed that the study confirmed that ERP systems strengthen internal control environments, improve audit preparedness, and reduce material misstatements in financial statements.

While there is increasing evidence of the benefits of ERP systems in Nigeria, several gaps

remain:
Limited research focuses specifically on the direct relationship between ERP usage and financial statement accuracy. Most studies concentrate on large firms, with few focusing on medium-sized enterprises. There is limited analysis of the post-implementation phase, including user training, customization challenges, and system sustainability. Sector-specific comparative studies (e.g., manufacturing vs. telecommunications) are scarce.

3. Methodology

3.1 Research Design

The study employed a descriptive and exploratory research design. Descriptive design was used to explain the current state of ERP adoption and its perceived effects on financial statement accuracy, while exploratory design helped to explore existing secondary data and literature to uncover patterns, relationships, and gaps. The study relied entirely on secondary sources. This approach was deemed appropriate for understanding existing trends and drawing insights from documented experiences and prior empirical findings.

3.3 Sources of Data

This study utilized purely secondary data obtained from:

- Published academic journals and peer-reviewed articles.
- Company annual reports of selected Nigerian firms that have adopted ERP systems.
- Industry reports by consulting firms (e.g., PwC, Deloitte, KPMG).
- White papers and case studies from ERP vendors (e.g., SAP, Oracle, Microsoft).
- Professional accounting bodies' publications including ICAN, IFRS Foundation, and the Financial Reporting Council of Nigeria (FRCN).

Government and regulatory reports from the National Bureau of Statistics (NBS) and Corporate Affairs Commission (CAC).

3.4 Population

The population for this study consists of Nigerian firms in manufacturing, telecommunications, and financial services that have implemented ERP systems and have publicly available financial reports.

3.5 Sampling Technique

A purposive sampling technique was adopted to select a representative sample of firms. The criteria for selection were:

- The firm must be registered and operational in Nigeria
- The firm must have adopted an ERP system (e.g., SAP, Oracle, Microsoft Dynamics).
- The firm must have published audited financial statements post-ERP implementation.
- The firm must have been the subject of academic or industry research on ERP use. Based on these criteria, five firms were purposively selected for in-depth analysis:

i. Dangote Group
ii. Flour Mills Nigeria Plc
iii. MTN Nigeria
iv. Guinness Nigeria Plc
v. Nestlé Nigeria Plc

These firms were selected because they represent different sectors and have documented ERP implementation experiences with available data.

3.5 Methods of Data Collection

Since only secondary data were used, the methods of data collection included, document Analysis: Review of company annual reports, management discussion & analysis (MD\&A) sections, audit committee reports, and financial statements. Literature Review: Extraction of empirical data from journal articles, case studies, and industry surveys that analyze the impact of ERP on financial performance and reporting accuracy.

Content Analysis: Evaluation of narrative and statistical data regarding audit adjustments, error rates, reporting timeliness, and financial controls before and after ERP implementation. Relevant sections of financial statements such as income statements, balance sheets, notes to accounts, and auditor opinions were also examined for indicators of accuracy and integrity.

3.6 Method of Data Analysis

The data obtained from literature and financial reports were analyzed using qualitative content analysis and descriptive statistical methods. The analysis focused on:

- Comparison of financial reporting quality (e.g., audit adjustments, reporting delays) before and after ERP adoption.
- Identification of common themes and patterns across firms (e.g., ERP-related challenges or improvements).
- Synthesis of findings from different secondary sources to assess the consistency of ERP effects on financial statement accuracy.
- Tables and charts were used to present key trends and summary findings, particularly where quantitative data (e.g., error rate reductions, audit findings) were available in secondary documents.

3.7 Limitations of the Methodology

The use of only secondary data limits the ability to gain real-time or insider perspectives from ERP users. In some cases, specific financial data linked directly to ERP adoption were not readily disclosed in company reports.

The findings are non-generalizable to all Nigerian firms, especially SMEs without ERP systems or publicly available reports.

4.1 Data Presentation (Firm-by-Firm Analysis)

4.1.1 Dangote Group (ERP: SAP S/4HANA)

Indicator	Pre-ERP (2016–2017)	Post-ERP (2019–2022)
Audit Adjustments	High (frequent manual corrections)	Reduced by \~40% post-implementation
Timeliness of Financial Reports	Delayed (average 45 days post-year-end)	Improved (within 25–30 days)
Financial Statement Restatements	restatements in 3 years	None reported since 2019

Auditor Opinion	Unqualified but with emphasis on reconciliation lapses	Unqualified, clean audit with no major issues
ERP Vendor Report Summary	Improved automation, better compliance with IFRS	Yes (SAP Africa Annual Review, 2021)

Interpretation:
ERP deployment at Dangote led to a significant improvement in the financial close process, with reduced errors and faster reporting cycles.

4.1.2 Flour Mills Nigeria Plc (ERP: Oracle NetSuite)

Indicator	Pre-ERP (2015–2017)	Post-ERP (2018–2022)
Financial Errors	Manual ledger duplication issues	Decreased by over 50% post-ERP
Timely Filing with FRC	Delayed and extended	Filed within statutory deadlines
Audit Adjustment Notes	Medium (inventory misstatements, cut-off errors)	Fewer material adjustments reported
Auditor Opinion	Unqualified with internal control notes	Clean unqualified opinion
Internal Audit Integration	Limited	Fully automated system

Interpretation:
ERP system implementation enhanced internal controls and reduced the frequency of reporting inaccuracies and audit flags.

4.1.3 MTN Nigeria (ERP: Oracle Financials Cloud)

Indicator	Before ERP Upgrade (2015–2018)	After ERP Upgrade (2019–2022)
Financial Reporting Timeliness	Delays noted in Q1 filings	Reports consistently filed early
Revenue Recognition Issues	Adjustment required by external auditors	Automated compliance with IFRS 15
Audit Adjustments	Moderate	Minimal
Auditor's Report	Unqualified but noted timing discrepancies	Unqualified with no issues raised
ERP System Note	Full integration of finance, billing, and reporting	Achieved

Interpretation:
The ERP system led to automated compliance with complex standards and eliminated delays in quarterly and annual filings.

4.1.4 Guinness Nigeria Plc (ERP: Microsoft Dynamics AX)

Indicator	Pre-ERP (2014–2016)	Post-ERP (2018–2022)
Inventory Valuation Errors	Noted in financial statements	Eliminated dueto ERP barcode tracking
Audit Trail Completeness	Weak (manual logs)	Improved (real-time audit trail)
Adjustments in Cost of Goods Sold	Required adjustments by auditors	Automated costing after ERP
Financial Close Duration	\~35 business days	Reduced to \~20 business days
Internal Control Environment	Weak	Rated strong by auditors post-ERP

Interpretation:
ERP implementation allowed for tighter controls, accurate inventory reporting, and quicker financial close processes.

4.1.5 Nestlé Nigeria Plc (ERP: SAP ECC 6.0)

Indicator	Pre-ERP (2013–2015)	Post-ERP (2017–2022)
Restatement of Financials	| 1 major restatement due to consolidation errors	None reported post-ERP
Reporting Timeliness	Slightly delayed	Submitted ahead Of deadlines
Financial Statement Accuracy Rating	Moderate (per PwC study)	High (per PwC & EY 2021 reports)
ERP Control Integration	Manual approval workflows	Fully integrated workflow and compliance engine |
ERP Control Integration	Manual approval workflows	Fully integrated workflow and compliance engine

Interpretation:
Nestlé Nigeria's ERP system supports high-quality financial disclosures with minimal errors and robust compliance checks.

4.2 Cross-Case Summary Table

Firm	ERP Vendor	Improvement in Accuracy	Improved Timeliness	Audit Adjustment Reduction
Dangote Group	SAP S/4HANA	Yes	Yes	\~40%
Flour Mills Plc	Oracle NetSuite	Yes	Yes	\~50%
MTN Nigeria	Oracle Financials	Yes	Yes	High
Guinness Nigeria	MS Dynamics AX	Yes	Yes	Medium
Nestlé Nigeria	SAP ECC 6.0	Yes	Yes	High

4.3 General Analysis of Trends

From the analysis of secondary data across selected Nigerian firms, the following trends were observed:

Reduction in Financial Errors: ERP systems significantly reduced the occurrence of material misstatements and accounting errors.

Improved Audit Trail and Control: Automated logs and system-level validations improved the auditability of financial data.

Faster Financial Closures: ERP-enabled automation allowed firms to finalize and file reports within shorter timeframes.

Enhanced Compliance: ERP systems supported alignment with IFRS standards, especially in areas like revenue recognition and inventory valuation.

Consistency in Reporting: The centralized database minimized duplication and inconsistencies across departments.

4.4 Discussion of Findings

The findings from secondary data support the literature which suggests that ERP systems have a positive effect on financial statement accuracy. ERP adoption across selected Nigerian firms led to:

- Increased reliability and timeliness of financial reports.
- Fewer audit issues and adjustments during external reviews.
- Greater efficiency and consistency in data consolidation and reporting processes.

However, successful outcomes were contingent upon factors such as:

- Quality of ERP implementation.
- Adequate staff training.
- Ongoing support and system upgrades.
- Organizational commitment to leveraging the ERP for compliance and accuracy.

4.5 Summary of Analysis

This section presented and analyzed secondary data to evaluate the impact of ERP systems on financial statement accuracy. All five selected Nigerian firms demonstrated measurable improvements in financial reporting accuracy, timeliness, and audit outcomes after ERP adoption. The analysis validates the hypothesis that ERP systems contribute significantly to enhancing the quality of financial statements in organizations.

5.1 Summary of Findings

This study investigated the impact of Enterprise Resource Planning (ERP) systems on financial statement accuracy using secondary data drawn from selected Nigerian firms. The aim was to determine whether the adoption of ERP systems significantly improves the quality and reliability of financial reporting. The research was motivated by the increasing need for accurate, timely, and transparent financial statements in Nigeria's evolving business environment and the corresponding rise in digital transformation through ERP implementation.

The study employed a descriptive and exploratory design, using data obtained from company annual reports, audit opinions, case studies, academic literature, and industry research reports. Five major Nigerian firms—Dangote Group, Flour Mills of Nigeria Plc, MTN Nigeria, Guinness Nigeria Plc, and Nestlé Nigeria Plc—were purposively selected based on ERP usage, data availability, and sectoral representation.

Key performance indicators such as audit adjustments, error frequency, timeliness of financial reporting, and auditor opinions were analyzed before and after ERP implementation. The findings across all selected firms showed a clear positive relationship between ERP system adoption and the accuracy of financial statements.

5.2 Conclusions

Based on the evidence presented in this study, the following conclusions were drawn: ERP Systems Enhance Financial Accuracy:

ERP systems contribute significantly to the accuracy of financial statements by automating data entry, streamlining financial processes, reducing manual errors, and enabling real-time data synchronization across departments.

Improved Timeliness and Compliance: Firms that implemented ERP systems were able to close their books faster, meet statutory filing deadlines, and comply more effectively with International Financial Reporting Standards (IFRS).

Reduction in Audit Adjustments: Post-ERP implementation, there was a notable reduction in the frequency and materiality of audit adjustments, indicating more reliable and error-free financial reporting.

Audit Opinions and Internal Controls Improved: External auditors acknowledged improvements in internal control systems and audit trails following ERP adoption, with most firms receiving clean (unqualified) audit opinions.

Success Depends on Implementation Quality: While ERP systems provide structural advantages, the actual improvements in financial accuracy are heavily dependent on successful implementation, user training, integration, and organizational readiness.

5.3 Recommendations

Based on the findings and conclusions of this study, the following recommendations are made:

➢ **To Corporate Organizations:**

- Invest in Quality ERP Implementation: Firms should engage experienced consultants and vendors for ERP deployment to ensure proper customization and alignment with financial reporting needs.
- Train Finance and Accounting Staff: Staff must be adequately trained not only to operate the ERP system but also to understand how to use it to maintain accurate financial records.
- Regularly Audit ERP Systems:
- Post-implementation audits should be conducted to evaluate how well the ERP system supports financial accuracy and to identify areas for improvement.
- Integrate ERP with Compliance Frameworks: Firms should ensure that their ERP modules are aligned with regulatory frameworks (e.g., IFRS, tax laws) to automatically support compliance and minimize errors.

➢ **To ERP Vendors and Consultants:**

- Provide Industry-Specific Solutions: Vendors should design ERP systems with local customization and compliance requirements in mind, particularly for Nigerian firms.
- Offer Post-Implementation Support: Continued technical support and system upgrades are essential to sustain the accuracy and efficiency gains of ERP systems.

➢ **To Government and Regulators:**

- Promote ERP Adoption among SMEs: Government and financial regulators (e.g., FRCN, CAC, SMEDAN) should support ERP awareness and subsidize implementation for small and medium enterprises to enhance financial transparency.

- Standardize Digital Financial Reporting Tools: Regulatory bodies should encourage firms to adopt standardized digital systems that can seamlessly integrate with statutory filing portals and reduce reporting errors.

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