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Digital Transformation and Financial Reporting Quality: A Cross-Jurisdictional Analysis of Public Sector Entities in the United States and Emerging Economies

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Abstract

Digital transformation encompasses the new ways public institutions are creating, managing, and reporting financial information. Indeed, as governments adopt such tools as enterprise resource planning (ERP) systems, cloud-based financial platforms, e-invoices, and machine-readable reporting taxonomies, the question arises as to whether public financial reports improve in quality with these innovations. This paper evaluates how digital transformation impacts financial reporting quality across public sector entities in the United States and emerging economies through a comparative analysis. It aims to identify how these digital technologies improve or limit core dimensions of reporting quality in areas such as accuracy, timeliness, transparency, reliability, and accessibility. Empirical studies, international standards, and policy reports support points of the analysis. Therefore, it concludes that digital transformation would create a solid basis to improve the quality of public financial reporting in the world, but its long-term success depends on institutional readiness, integration capacity, regulatory support, and continued investment in digital public infrastructure.

Keywords: Digital transformation; financial reporting quality; public sector; United States; emerging economies; ERP systems; cloud computing; transparency; accountability; digital taxonomies; public financial management.

Introduction

The speedily growing findings revolution perceived by the rise of digital technologies came to be the deposits into the post-gold gripping financial data, public service delivery and accountability to citizens by governments. Digital transformation (DT) in the public sector refers to making use of new-age tools such as cloud computing, enterprise resource planning (ERP) systems, e-invoicing platforms, artificial intelligence (AI), or machine-readable reporting formats (OECD, 2020; United Nations, 2022). Such technologies could promote efficiencies in financial operations, augment internal controls and produce better quality financial reports that can, in turn, facilitate enhanced decision-making and restore the public trust needed (Braz et al., 2023). Quality financial reporting is a fundamental aspect of effective public financial management. Financial reports of fine quality must be accurate, complete, timely, reliable, and accessible to users on both the internal

and external sides (Chan, 2019). Governments, however, have had their own historic struggles with discontinued information system processing, unsynchronized systems of reporting and antiquated tools of data retrieval (Peters & van der Meer, 2021). An antidote to such challenges could be automation, real-time processing and the standardization of entities in government through digital transformation.

Thus, the modalities of digital transformation will greatly vary in effect depending on the jurisdiction where they occur. Digital reporting in the USA stands to gain with institutional frameworks being fully developed and public financial management reforms dating back a long time. In the recent past, initiatives of the Governmental Accounting Standards Board (GASB) such as establishing machine-readable XBRL-based financial reporting taxonomies have been aimed at improving the transparency, accessibility and comparability of governmental financial reports (GASB, 2022; Ciesielski & White, 2021). The effects of these developments create an environment in which technology and digital tools can thereby directly enhance reporting quality.

However, in many emerging economies, the environment becomes more complex, with limited digital infrastructure leading to capacity shortages, suitably functioning regulatory frameworks and governance viz-a-viz challenges (World Bank, 2021; AfDB, 2020). While some of the countries have gone ahead to implement IFMIS and e-government platforms, their overall achievements vary greatly depending on institutional readiness and political commitment (Dorotinsky & Watkins, 2020). As a result, the rewards of DT on reporting quality may become scattered across these emerging jurisdictions. This article discusses the effects of digital transformation on financial reporting quality in the public sector, particularly in countries including USA and a few certain emerging economies. This allows assessing the improvements that digital technology can bring and sometimes damages, in the traditional qualities of reporting such as accuracy, timeliness, reliability and transparency.

The study includes salient motivators, impediments and context-specific criteria that would be relevant to the way Digital Transformation (DT) outcomes could differ by jurisdiction having been evaluated from empirical research, international policy reports and the public-sector accounting literature. It concludes that the potential for international public-sector reporting enhancement through the process of digital transformation is phenomenal; however, success will depend on institutional capacity, digital infrastructure, regulatory fit, human resources and compatibility of financial information systems. Knowledge of these factors is significant for governments for upgrading their public accountability and financial governance with innovations in the digital world.

Literature Review

Building on the previous themes, much of the literature regarding digital transformation (DT) in the public sector sustains a view of a rapidly changing landscape made so by technological, institutional and governance considerations. The positions across accounting, information systems and public administration stress that Digital Transformation (DT) goes beyond the adoption of a few new tools: it is a multidimensional process transforming the way governments manage resources, deliver services, and account for themselves. These changes have direct consequences for public financial management systems and, therefore, for the quality and credibility of financial reporting. Moreover, because digital systems are becoming increasingly entrenched in financial oversight, it becomes increasingly necessary to revisit the existing studies on how these technologies will affect the behaviors towards reporting, enhance internal controls and provide transparency. Notably, differences in institutional capacity, regulatory environments, and socio-economic development

create considerable variation in how these digital reforms are adopted and harnessed across countries. Recognizing and understanding these contextual differences should be along two paths: one is toward a robust theoretical underpinning for the present study.

Thus, the review of literature is structured in three interlinked streams: the first examines the relationship between digital transformation and public financial management, especially efficiency, accountability and system integration; the second takes a description of the determinants and dimensions of financial reporting quality, focusing on how digital tools and institutional factors impact reporting outcomes; and the third recognizes cross-jurisdictional differences between developed and emerging economies, illustrating why the digital transformation effects vary in governance contexts. This intertwining of themes would provide ground for the theoretical framework to follow and to propose relevant hypotheses.

Digital Transformation in Public Financial Management

Across academic articles, digital transformation manifests as the major catalyst of reforms in public financial management (PFM). Generally, this is true of the digital tools like the integrated financial management information system (IFMIS) as well as enterprise resource planning (ERP) systems, the cloud-based accounting system standards and machine-readable reporting standards that change the behavior of governments in asset management (OECD, 2020; United Nations, 2022). Certainly, research has shown that digitization has enhanced flow in financial information, audit trail maneuverability, and internal control mechanisms among them (Braz et al., 2023). By their documentation, IFMIS reduces throwaway errors, spurs spending discipline, and influences improvements in budget execution reporting across Africa, Asia and Latin America (Hashim & Piatti, 2020; Dorotinsky & Watkins, 2020). The cloud-based financial systems also turn out to intensify system integration and lessen duplication of data while broadening the access of information among government agencies (Pang et al., 2014).

In the United States, e-government systems like the digital framework for reporting had accelerated considerably over the last decade. One initiative put forward by GASB is frequently quoted as the landmark reform which is aimed at enhancing transparency and comparability in the financial statement, like introducing XBRL-based digital reporting taxonomies (GASB, 2022; Ciesielski & White, 2021). Broadly, this reform is aligned to the trends in the public sector of widening their scope toward open data and machine-readable financial reporting. Overall, the literature supports the idea that DT creates enabling conditions for improvements in financial reporting quality. However, researchers also caution that DT success requires adequate digital infrastructure, user training and consistent regulatory enforcement (Peters & van der Meer, 2021)

Determinants and Dimensions of Financial Reporting Quality

In FRQs, public define FRQ mostly in terms of reliability, relevance, accuracy, transparency timeliness, and comparability (Chan 2019; IPSASB 2021). Such studies emphasize that reporting quality depends mainly on the technical and institutional factors.

Table 1: Determinants and Effects on Financial Reporting Quality

Category	Determinants	Effect on FRQ	Supporting Literature
Technical Factors	System integration, automation, data standardization, audit tools, staff digital skills	Higher accuracy, fewer errors, improved timeliness	Hashim & Piatti (2020); Troshani & Lymer (2019)
Institutional Factors	Governance quality, regulatory strength, transparency requirements, accountability bodies	Improved reliability, transparency, comparability	World Bank (2021); AfDB (2020)
Digital Transformation Linkages	XBRL, real-time data, cloud systems, automation	Enhances accuracy, comparability, timeliness	Braz et al. (2023); Ciesielski & White (2021)

Automation has drastically reduced processing errors and made financial reports more reliable, according to studies by Hashim and Piatti in 2020. In other words, XBRL and other machine-readable formats enhance usability for analysts, auditors, and oversight bodies (Troshani and Lymer 2019). The empirical research also indicates that, in the absence of integrity, corruption, or the enforcement of reporting standards, no advanced digital systems could improve reporting quality (World Bank 2021; AfDB 2020). Such a conclusion is particularly relevant to developing economies, where institutional capacity differs widely. However, some scholars note that Digital Transformation (DT) implementation can initially reduce reporting quality if systems face integration challenges, staff lack training, or data migration is poorly executed (Peters & van der Meer, 2021). This nuance is important for your upcoming discussion section.

Differences Between the United States and Emerging Economies

Digital Readiness

The United States has a high level of digital readiness with strong technological infrastructure, stable regulatory systems and comprehensive and well-established public financial management (PFM) processes. Oversight bodies such as those by GASB provide consistent rules and audited mechanisms that support effective financial reporting integration with digital. However, many developing economies are still struggling with adopting a limited scope of digital space, intermittent Internet connection and to some extent, weak institutional controls. Further, restrictions emanating from limited budgets and insufficiency of digitally skilled personnel are slowing the adoption and effectiveness of digital reforms (World Bank, 2021; AfDB, 2020). These differences in the context are significant enough to affect how digital transformation influences the quality of financial report production among jurisdictions.

Policy and Regulatory Environment

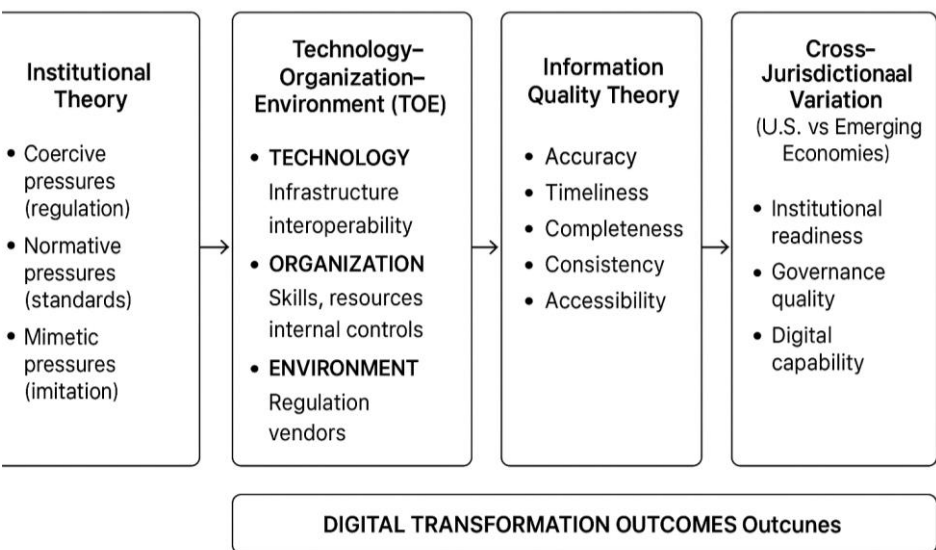
Public sector reporting in the United States is underpinned by quite a solid regulatory framework in terms of standards prescribed by GASB, federal and state reporting mandates and open-data policies meant to promote transparency and accountability. Prominent among these approaches are reform agendas driven externally by partners such as the IMF and the World Bank, and through regional harmonization programs that involve adoption of international public sector accounting standards (IPSAS) and rollout of integrated financial

management information systems (IFMIS) (IPSASB, 2021). These reforms will be modern reporting, but the level of success will be different for all based on political and institutional conditions on the ground.

Theoretical Framework

Theoretical Framework for Understanding Digital Transformation and Financial Reporting Quality

This research is based on three complementary theoretical frameworks: Institutional Theory, Technology-Organization-Environment (TOE) Framework and Information Quality Theory. They explain the adoption of digital technologies in public sector entities, how organization- and environment-level pressures yield adoption outcomes and how digital systems affect financial reporting quality in the end. The use of these numerous theories thus allows a more extensive analytical lens in understanding the cross-jurisdictional differences between the United States and emerging economies.



Institutional Theory

According to Institutional Theory, organizations adopt some practices not due to their efficiency but due to social expectations, regulatory pressures and culture prevailing in their environment (DiMaggio & Powell, 1983). Public sector entities are highly subject to institutional pressures such as coercive, normative and mimetic forces, greatly impacting their view on digital transformation. While coercive pressure comes from laws, regulations, and oversight mechanisms, some mandates in the United States-that is, Federal Data Strategy, IT Modernization Act and GAO reporting requirements, urge government agencies to modernize legacy systems and reporting standards (GAO, 2022). In developing economies, coercive pressures vary. While some governments introduce reforms that push ministries to digitization, others lack consistent regulatory enforcement, thus weakening compliance incentives (Ibrahim & Yilmaz, 2020). This uneven institutional environment certainly provides a partial explanation for the slower pace at which these countries improve their financial reporting quality. Normative pressures derive from professional standards deriving their influence from an international organization, namely the International Public Sector Accounting Standards

Board (IPSASB). In countries adopting IPSAS, accounting processes are also digitized to enhance the comparability and transparency of reporting (IPSASB, 2020).

Mimetic pressures come into play when states decide to copy the successful digital initiatives of some other countries. In relation to evidence from the discussions, many of the emerging economies have developed e-government systems on the lines of the United States and Europe-lending some legitimacy to FMIS platforms, real-time reporting dashboards, and procurement automation (World Bank, 2021). Resource limitations clipped the full implementation of these systems. Thus, the Institutional Theory explains why the paths of digital transformation differ across jurisdictions and emphasizes the effect of governance structures on the quality of reporting.

Technology–Organization–Environment (TOE) Framework

The TOE model (Tornatzky & Fleischer, 1990) has essentially pioneered a model that may be used to explore the determinants of organizations in adopting digital technologies. According to this theory, successful implementation depends on three contextual dimensions, namely: technological readiness, organizational capacity, and external environmental conditions.

Technological Context

This dimension includes the availability, quality, and compatibility of digital tools. In the United States, a strong infrastructure for information and communication technology (ICT) allows the seamless integration of FMIS, cloud accounting, and advanced analytics (OMB, 2019). By contrast, in the emerging economies, often due to unstable connectivity, outdated hardware, and lower system interoperability, the actual job of digital reporting tools is greatly impeded (IMF, 2021).

Organizational Context

Managerial support, employee digital skills, internal controls, and resource availability are organizational factors. Among other forms of assistance, U.S. public sector agencies are noted for their large budgets, structured training, and mature IT governance frameworks for successful system implementation. Those characteristics are the opposite in many emerging economies, where financial constraints, low level of ICT competency, and inconsistent internal controls severely hinder the successful running of digital reporting systems (Hashim, 2014).

Environmental Context

Environmental factors include regulatory expectations, political stability, vendor support, and stakeholders' pressure. In developing countries, political interference, lack of regulatory oversight, and weak accountability institutions constitute a major challenge for implementation (Oyegoke & Arapovic, 2022). In contrast, agencies in the United States operate across a stable regulatory environment that promotes digital modernization. Overall, the TOE framework aids in understanding why the digital transformation adoption outcomes are significantly different across jurisdictions and in understanding the variations in financial reporting quality.

Information Quality Theory

Information Quality Theory emphasizes the properties that affect the usefulness and reliability of information. According to Wang and Strong (1996), information quality can be categorized into dimensions such as accuracy, completeness, timeliness, consistency and accessibility—attributes vital for high-quality financial reporting. **The direct effect of digital transformation on these areas is as follows:**

- Accuracy:** Automation with real-time validation reduces human errors in the preparation of financial reports (Christiaens et al., 2021).
- Timeliness:** With clouds, companies can prepare faster financial statements minimizing delays after closing the reporting period (Veltri & Silvestri, 2020).
- **Consistency:** Integrated FMIS platforms apply a standardized format of reporting to ensure commonality across departments.
- Completeness:** Digital workflows increase the capturing of transaction details, often the most difficult to reconstruct during manual operations.
- Accessibility:** simply increase the web-portal availability of financial information for auditors, public and private oversight, and the entire public.

In an advanced digital infrastructure, strong internal control mechanisms exhibit the information quality throughout the United States. In contrast, a missing system integration, data governance, and information and communication technology capability decreases the quality of information (IMF 2021). Frameworks of Information Quality Theory will integrate into the current study to help explain the type of impact that digital transformation has on financial reporting quality, as well as why those impacts vary in jurisdictions that are technologically advanced versus those that are resource restricted.

Methodology

The study is intended as a qualitative comparative investigation of the way digital transformation impacts on financial reporting quality in public sector institutions in the U.S. as well as three emerging economies. The methodology employs document analysis, expense analysis of secondary datasets and cross-country comparison to shed light on the patterns, drivers and divergence in reporting outcomes across jurisdictions.

Research Design

A cross-jurisdictional comparative design was selected since digital transformation does not unfold uniformly across countries; rather, its impact depends largely on institutional maturity, regulatory strength and technological capacity. With this comparative approach across the United States and the countries of India, Brazil and Kenya, the study captures variation between advanced and emerging economies. **This design allows the research to:**

- Identify structural differences (ICT capacity, governance strength).
- Compare the regulatory and institutional pressures shaping digital adoption.
- Investigate how these differences affect the quality of financial reporting.

The multiple-case approach adds depth and provides a stronger basis for explaining why innovations in some contexts face barriers while they flourish in others with direct connections back to institutional theory, TOE and information quality theory.

Data Collection

The data has been collected from multiple credible sources to comprehensively cover various digital transformation initiatives and practices in financial reporting.

Government Reports and Audit Documents

Real-world implementation outcome documents, oversight findings, and status assessments.

-For the United States, sources include GAO reports, GASB guidelines, and federal/state audit documents. Also, for emerging markets, reviews of IMF assessments of countries, World Bank PFM reviews, as well as national audit office publications were assessed.

Peer-Reviewed Academic Literature

These scholarly documents built theoretical and empirical foundations regarding FMIS adoption, e-government reforms, ERP systems, digitized accounting, and outcomes of transparency.

Policy and Regulatory Frameworks

The transformative processes of digital transformation are established by law and regulation. Hence the analysis of e-government acts, digitization mandates, IPSAS adoption policies, and IFMIS implementation guidelines.

Secondary Quantitative Indicators

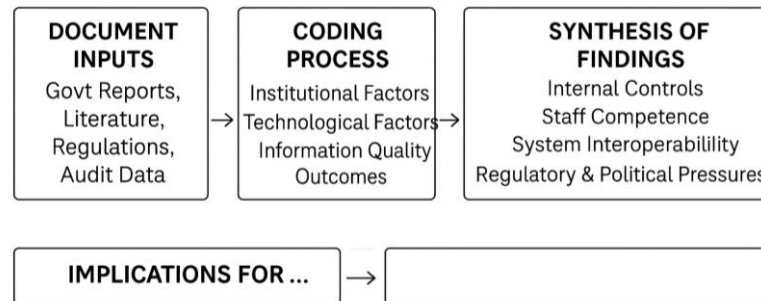
Where available, the study incorporated indexes such as digital readiness and ICT infrastructure rankings, transparency and accountability indicators, audit compliance and reporting timeliness metrics. The metrics aid in the contextualization for each jurisdiction's tech and institutional environment.

Data Analysis

A thematic comparative analysis was used to interpret the collected data.

Figure 1: Thematic Comparative Data Analysis Process

THEMATIC COMPARATIVE DATA ANALYSIS PROCES



The data analysis methodologically employed thematic comparative procedures as elaborated in Figure 1. This enabled systematic movement from raw documentation and literature to elucidate insights that determine the impact digital transformation has on financial reporting quality, which is comparative across jurisdictions.

Coding Process

It is not limited to official documentation, which includes government reports, academic research, audit documents, and rules prescribed by regulatory guidelines, but it also includes all three major categories that have been derived theoretically:

- Institutional Factors:** regulatory pressures, governance strength, political stability, and accountability mechanisms.
- Technology factors:** digital system capabilities such as FMIS functionality, cloud adaptation, and automation to system interoperability.
- Information Quality Outcomes:** dimensions of reporting quality include accuracy, timeliness, completeness, transparency, and consistency.

In this way, the documents have been coded and are being processed for the identification of recurring concepts, patterns, and issues across the various resource sources.

Cross-Jurisdictional Comparison

Once coded, cases were compared across the United States and the selected emerging economies. This step revealed:

- **Similarities:**
For example, all jurisdictions are gradually adopting cloud and FMIS platforms to modernize reporting.
- **Differences:**
Notable variations appeared in governance strength, enforcement of regulations, and ICT infrastructure.

- **Gaps:**

Weak internal controls, insufficient staff training, integration challenges, or incomplete reforms—particularly common in emerging economies.

This comparative step made it possible to understand not just *what* digital tools were adopted, but *how* their adoption differed depending on institutional readiness.

Synthesis of Findings

In the last phase, the comparative schemes were synthesized to form conclusions about the impact of digital transformation. Mediation was afforded to the following factors recognized to affect reporting integrity:

- The credence placed on internal control systems
- Staff digital literacy and accounting competence
- The quality of technological integration across agencies
- Political will or commitment and support from regulation

Through these mediating factors, we seek to explain why in some countries, digital reform leads to a dramatic improvement in reporting quality, while in others it faces great challenges. The more structured analysis links digital transformation directly to changes in financial reporting quality but stresses that such outcomes are heavily reliant on institutional capacity, technological readiness, and governance environments.

Reliability and Validity

What triangulation involved was the criteria of cross-checkability with government documents, academic studies, and international datasets. Transparency meant documenting the coding criteria and comparison logic clearly, while consistency meant applying the same procedures of analysis across all countries. Also, high-quality sources were used, with peer-reviewed research having priority, as well as internationally accepted institutional documents, such as GAO, IMF, or World Bank. These solidify the trustworthiness and reproducibility of this study.

Limitations

A few of the limitations are as follows:

- **Dependence on Secondary Evidence:** Interviews or surveys formed no part of this study, and so it has limitations on some insights from practitioner perspectives.
- **Scope:** Included three emerging economies, the results will necessarily differ in other worlds.
- **Change Speed:** The change pace for digital technologies is really very fast, and findings may become outdated with some newer tools or reforms associated therewith.

On the other hand, notwithstanding these limitations, the method still provides a robust and systematic basis for comparing outcome measurements of digital transformations across the developed and emerging economies.

Analysis and Discussion

This section looks at the impact of digital transformation on the quality of financial reporting in the public sector-the experiences of the USA in comparison with some emerging economies such as India, Brazil, and Kenya. The argument employs evidence from existing research, government reports, and secondary datasets while interpreting findings through Institutional Theory, the TOE framework, and Information Quality Theory.

United States: High Maturity and Effective Adoption

In terms of high maturity, digital transformation in the United States attains such readiness with the help of advanced technological readiness, stringent regulatory control, and institutionally matured structures already in place. Federal and state agencies have already implemented both enterprise resource planning (ERP) systems and integrated financial management information systems (FMIS), which incorporate procurement, payroll, grant management, budgeting, and accounting functions. The transaction processing is near-real-time, and reconciliation is automated; this also allows better reporting across departments, thereby strengthening internal controls and improving financial accuracy.

The digitization process accordingly enhanced the information quality. By utilizing XBRL-based taxonomies, for example, GASB allows the issuance of financial statements in machine-readable form, improving comparability, analytical utility, and transparency. These enhancements are a manifestation of coercive and normative institutional pressures such as mandatory reporting standards and professional accounting norms that create incentives for agencies to foster high-quality digital reporting practices.

The U.S. example coincides with the TOE framework, whereby technological readiness, organizational ability, and an environmentally supportive culture are collectively conducive to the successful adoption of digitalization. Investments in cloud-enabled systems, strong IT governance structures, and highly skilled personnel further enhance reporting capability. The United States clearly demonstrates that the strong institutions and resources combined with advanced technological capabilities ensure progress in digital transformation to improve the quality of financial reporting.

Emerging Economies: Varied Outcomes

One phenomenon that seems to be changing, in terms of the effect of digital transformation on financial reporting quality in emerging economies, is the variation that occurs in two main groups: the differences in institutional capacity, technology readiness, and organizational support levels; and, secondly, some public agencies still operate as hybrids of manual processes with digital systems. The benefits of FMIS and other digital solutions are far from being realized due to persisting challenges such as internet connectivity, worn-out hardware, and continuous battles for system interoperability.

Another factor shaping the slow pace of digital adoption in these countries is that the authorities do not wield much pressure: inconsistency in regulatory enforcement and limited auditing capacity. Thus, the ultimate improvement in reporting accuracy and transparency is not often achieved. In some cases, automation improved timeliness and reduced judgmental errors; however, broad limits imposed by poor digital literacy, data-gargling practices, and governance adversely affect the credibility of information. Kenya's rollout of IFMIS, for example, has facilitated accurate execution of budgets but was compromised at the level of local governance in terms of the consistency and accessibility of data.

Such mixed results reflect the challenges laid out in the TOE framework. Under this framework, technological readiness might be limited, the organizational capacity might not be effective enough, while environment factors such as political instability or lack of oversight reduce the effectiveness of the digital reform. Hence, while digital tools may be beneficial in emerging economies, the subsequent improvements in reporting quality tend to be sporadic.

Cross-Jurisdictional Insights

The United States versus the emerging world comparison gives rise, in summary, to quite a few significant issues. Strong institutions are the first. The strong institutions the U.S. ever has on effective governance structures-reliable oversight systems and a reasonable regulatory framework. -are also present in the high reporting quality. Second is the quality of digital infrastructure. These improvements include direct contributions from advanced ERP, cloud platforms, and analytics tools on accuracy, timeliness, and transparency.

Third, human and organizational capacity is essential. Digital systems, according to them, realizes a minimum of benefit without well-trained staff, structured training programs, and effective change management practices-a common challenge in developing contexts. Fourth, improvements in financial reporting can be appropriately considered against the dimensions of information quality, namely, accuracy, completeness, timeliness, consistency, and accessibility, but the degree to which improvement occurs will depend on context.

Finally, an entirely developed combination of theories applied in this study would account for the comprehensive justification of their difference as follows: Institutional Theory demonstrates how the character of governance structures and regulatory pressures influences them. TOE provides a clear insight into the interplay of technology, organization, and environment. Information Quality Theory offers the criteria against which one might view the ramifications of digital reforms on reporting quality.

Implications for Policy and Practice

Emerging economies should strengthen enforcement of regulations, build ICT infrastructures, and invest in digital literacy and improvement of workforce capacity to be effectively engaged in the digital transformation. For the United States, ongoing investments into real-time reporting, cloud security, and standardized taxonomies will keep it at the forefront of accountability in digital government. The bottom line is that only digital transformation will not improve the quality of financial reporting in any substantial way; it needs to be combined with capable institutions, appropriate technologies, and competent personnel.

Conclusion and Recommendations

There has been a research investigation undertaken about the influence of digital transformation on the quality of financial reporting within a public sector setting-an inter-country analysis between the United States and emerging nations such as India, Brazil, and Kenya. Digital transformation improves the accuracy, timeliness, and clarity of messages in its broadest sense but may, in concept, prove irrelevant in other cases as firmly believed by Institutional Theory, TOE framework, and Information Quality Theory. Well-built institutions, effective digital infrastructures, and a competent workforce in the U.S. significantly favor advanced application of people in using ERP systems, cloud technology, and structured digitized reporting, creating new synergies for both extensive economizing and provision of a very high-quality information. On the contrary,

emerging economies have varied experiences as the digital tools minimize reporting errors and expedite the reporting process, but weak enforcement of institutions, low systems integration, and capacity constraints frequently impact efficiency. This overall indicates that digital transformation is not actually transformational. Rather, its success depends on the fit of technology in relation to organizational capacity, the strength of regulation, and readiness in the wider institutional environment. When these elements come together, digital reforms can be advanced sufficiently to improve the quality and reliability of public sector financial reporting.

Recommendations

Based on the findings, the following recommendations are made to policymakers, government institutions, and public managers:

- **Strengthen Institutional Frameworks:** In emerging economies, there should be a strengthening of regulatory enforcement, standardization of accounting practices, and clear digital reporting guidelines to induce consistent adoption and high-quality accounting.
- **Invest in digital infrastructure:** The government needs to prioritize ICT infrastructure such as cloud platforms, ERP systems, and secured data networks that enable real-time consolidation and reporting of financial data.
- **Improve Human Capacity:** Workforce digital literacy and technical program training and change management programs would be essential for the successful adoption of electronic financial systems.
- **Promote Cross-Jurisdiction Learning:** Emerging economies can testify from advanced economies' practices in developing a standardized digital taxonomy, an open data initiative, and audit frameworks adaptable to local circumstances.
- **Monitor and Evaluate Outcomes:** The success of the digital financial systems should be monitored, audited and evaluated continuously so that any problems may be identified promptly, compliance enforced, and relevant information over time enhanced.
- **Leverage Technology for Transparency:** These states should not only apply the normal reporting mechanisms of the government but also employ advanced analytics, AI-based reporting, and machine-readable platforms for accountability and public trust.

These recommendations would help public sector entities maximize value from digital transformation, reduce report errors, and provide stakeholders with valid, accurate, and timely financial information.

Declaration of Conflicting Interests

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