The Impact of Accounting Digital Transformation on Financial Transparency:

The Mediating Role of Good Governance

A b s t r a c t

The study aimed to explore the impact of accounting digital transformation on financial transparency and the mediating role of good governance. It utilized a descriptive analytical method to achieve the study's purpose and relied on a questionnaire as a tool for data collection, which was validated for its reliability and consistency. The questionnaire was distributed to a sample of 386 employees in Jordanian commercial banks. The results indicate that accounting digital transformation - across its organizational, technical, and human dimensions - has a positive and significant impact on financial transparency, clarity of information, and integrity in assessment. The model demonstrated that digital transformation accounts for a significant portion of the variations in these areas, with positive direct and indirect effects enhanced by good governance practices. Thus, the analysis underscores the importance of digital transformation in enhancing financial transparency and integrity within the accounting sector.

Keywords. Accounting Digital Transformation, Financial Transparency, Good governance.

Introduction

 Many things and technologies have emerged in the Fourth Industrial Revolution that recently changed the world of accounting and auditing, including digital transformation (Vial, 2021), which has greatly contributed to the success of many ideas and businesses, achieving greater flexibility and efficiency in the production process, a significant capability in data processing and operations, and the transition from paper-based bookkeeping to cloud-based operations, in addition to facilitating data analysis and saving time (Kraus et al., 2021).

 Digital transformation, through its various tools such as big data, cloud computing, electronic payments, block chain, data mining, artificial intelligence, virtual currencies, contributes to integrating digital technologies into accounting processes ((Feliciano-Cestero et al., 2023). As a result, the importance and role of accounting have emerged, as providing trustworthy information characterized by transparency, credibility, and accuracy is one of the requirements of successful digital transformation (Melo et al., 2023).

 Governance is one of the modern concepts that have received significant attention in recent years by being used to achieve transparency and performance excellence (Ju et al., 2023). The term governance refers to the source or framework upon which the governance of a company or unit is based, representing requirements for effective management in companies (Islam et al., 2023) and institutions worldwide. It is one of the mechanisms for completing administrative reform processes, and interest in the concept of governance has increased in many advanced and emerging economies over the past few decades (Zerbian & de Luis Romero, 2023), especially in the aftermath of economic collapses and financial crises experienced by several countries due to administrative and financial corruption and mismanagement among executives in companies (Mansoor, 2021), leading to difficulties in attracting sufficient levels of capital, with one of the main reasons being the lack of full disclosure in the financial reports of many companies regarding the information needed by users of these reports, which many studies attribute to weak governance structures (Beshi & Kaur, 2020).

 Factors of governance deficiency have led to the emergence of many mechanisms to enhance it, including the use of digital transformation technology, which seeks continuous change in the way financial and non-financial data are collected, processed, and disclosed (Adekunle et al., 2024). This has resulted in fundamental changes to traditional tools in handling accounting data and information, contributing to improving the efficiency and operational capacity of the accounting system in processing data and obtaining accounting information characterized by speed, objectivity, relevance, and reliability (Tirkolaee et al., 2020). Therefore, those involved in the accounting profession should understand these changes that have affected the accounting system itself, accounting standards, regulatory frameworks, and work on enhancing their skills in dealing with digital transformation mechanisms (Martin & Alarcón-Urbistondo, 2024).

 The digital transformation in the field of accounting poses both a challenge and an opportunity. It redraws the landscape of financial management and reporting in a way that may contribute to enhancing organizational financial transparency. The fundamental importance of this transformation lies not only in the new technologies being employed but also in how they are governed and implemented within the organizational structure. The significance of sound governance emerges as a mediating factor in determining the extent to which accounting digital transformation can contribute to achieving a more transparent financial environment (Melo et al., 2023). This necessitates a thorough examination of how accounting technology impacts the accuracy, speed, and accessibility of financial information. Additionally, it is important to investigate how the principles of sound governance influence the adoption and effectiveness of

digital accounting systems. Understanding the relationship between accounting digital transformation and financial transparency, with a focus on the role of sound governance as a mediator, is of utmost importance for organizations seeking to leverage digital advancements in accounting to enhance their financial transparency and thus the confidence of stakeholders and investors (Ju et al., 2023).

Facing relentless rapid technological change and the desire of banks to maintain a competitive edge, the challenge and problem lie in deepening transparent accounting practices to achieve a high level of company performance operationally and non-operationally. Meanwhile, advanced digital technological tools and governance principles in banks are being utilized to handle such a significant technological revolution. The novelty of this research lies in uncovering the critical impact of using digital transformation tools and corporate governance principles and their significant influence on financial transparency.

Literature review

Accounting Digital Transformation

Digital transformation is a strategy to achieve competitive advantage by supporting communication systems and information technology through changing the fundamental components of work, starting from infrastructure, operating models, to distribution, marketing, and after-sales services (Berikol & Killi, 2021). This means that digital transformation is a strategy that touches every function and operation in all business fields (Kraus et al., 2021).

Digital transformation is the process of companies transitioning to digital technologies in all their operations to support innovation and create new marketing opportunities (O'Leary, 2023). It is a comprehensive program for business establishments by providing electronic services to ensure easy access while maintaining information security (Adekunle et al., 2024).

From an accounting perspective, digital transformation involves using modern communication systems and information technology in accounting operations, including input, processing, output, and storage, to improve accounting functions' performance, especially enhancing transparency, reliability, and the quality of financial reports (Vial, 2021).

Effective implementation of accounting digital transformation requires adopting a set of mechanisms that include technologies, data analysis, human resources, and processes (Abd Razak et al., 2021), as well as investments to support the development and continuous improvement of these mechanisms. Through studying and analyzing these mechanisms, we find that accounting should bear the greatest burden in studying and implementing these mechanisms (Meraghni et al., 2021). Data represents one of the most important mechanisms required for accounting work. Accountants have the capabilities and skills to handle and present data appropriately and timely to reduce the risk level for making sound investment decisions for users of this information (Izzo et al., 2022).

Among the many important characteristics accountants aim to convey to stakeholders is highly reliable accounting information, preferably at a reasonable cost (Anis, 2023). Generally, the more reliable the entity's data, the more reliable its financial reports, leading to the efficiency of financial markets (Lombardi & Secundo, 2021). Additionally, auditors also benefit from highly reliable information by spending less time verifying data accuracy and having appropriate evidence available (Pizzi et al., 2021). This has led to the pursuit of integrating digital transformation technology into the accounting function, with significant efforts being made to explore how traditional accounting information systems can be replaced or modified to integrate digital transformation technology (Melo et al., 2023).

Digital transformation technology has enabled the introduction of the concept of distributed ledger accounting, which means that once a transaction is approved by the participants; it is recorded and encrypted, ensuring the data is not susceptible to modification (Yoon, 2020). Additionally, the opportunities for destruction or manipulation to conceal activity are practically impossible, ensuring transparency of the information included in financial reports (Goh & Yong, 2024). Digital transformation technology is inherent in the accounting function as the information stored in the database is reliable and authentic. Furthermore, documents are mostly digital and can be easily retained across various applications, thereby putting an end to traditional methods in invoicing, documentation, processing, recording, inventory systems, payments, and collections (Tirkolaee et al., 2020).

Dimensions of Accounting Digital Transformation

Organizational dimension

The organizational dimension refers to the legal frameworks, professional standards, and management methods governing the profession and its handling of financial data through the use of technological techniques. The organizational dimension is essentially the foundation for achieving transparency, accuracy, and reliability in financial data, thus contributing to enhancing trust between companies and various stakeholders (Isensee et al., 2020).

Technical dimension

The digital transformation process requires the presence of infrastructure, including devices such as computers, printers, scanners, operating systems (servers), storage media, and various software (Venturini et al., 2020). These operate through the technological information center within the organization, allowing the efficient use of assets and ensuring a level of service for everyone (employees, service recipients, and suppliers) through a professional technology team responsible for the infrastructure and technological network, whether it is a local or cloud-based network (Osiurak & Reynaud, 2020).

Human dimension

Human resources constitute the essential and vital aspect responsible for the implementation and success of the digital transformation process. Therefore, it is necessary to provide a team of employees capable of using data, analyzing it, and making decisions based on it. They should also have the ability to work on embracing change towards digital transformation (Augsten et al., 2022).

Governance

The topic of governance emerged with the rise of industrial capitalism and the need for expanding institutions and increasing their capital and business volume (Dyck et al., 2023). Many institutions have transformed from individual ownership or management by a few individuals to shareholder companies where shareholders elect a board of directors, who in turn appoint managers responsible for managing the institution (Farazmand, 2023). This separation between ownership and management raises the issue of conflicting interests between the two parties and the necessity of implementing control measures to protect the interests of shareholders (Zerbian & de Luis Romero, 2023).

The governance approach addresses the mechanisms that must be adopted to enhance transparency and mitigate conflicts of interest between shareholders and managers (Mansoor, 2021). Governance has been defined according to this approach as a set of institutions, rules, and practices that regulate managerial authority (Christensen & Lægreid, 2020), where this governance approach gives utmost importance to the composition of the board of directors and to shareholders and incentive systems in controlling managerial authority (Ju et al., 2023).

Therefore, measures within the institution are necessary to mitigate managerial misconduct, such as enhancing the supervisory role of the board of directors and establishing an incentive system that balances the interests of managers and shareholders (Shaheen et al., 2020). In the 1980s, theories emerged focusing exclusively on shareholder interests (Islam et al., 2023).

Emergence and Evolution of International Standards for Implementing Good Governance

International institutions such as the Organization for Economic Co-operation and Development (OECD), the Basel Committee on Banking Supervision, and several international investors have been formulating and publishing principles of good governance since 1990. Often, the formulation of these principles has been in response to major economic crises and financial scandals such as the Enron and WorldCom scandals (Dang & Nguyen, 2024).

Banking Governance and Basel Principles for Good Governance in the Banking Sector

Banking governance has its specificity due to the nature of the banking sector and its significant role in both national and global economies. The volume of risks in the financial and banking sector has increased in recent years due to the rapid development of financial markets, emphasizing the importance of maintaining the safety of the banking sector (Saja et al., 2024).

The Basel Committee on Banking Supervision considered good governance essential for a sound banking sector. Therefore, in 2006, it issued a document consisting of a set of principles for enhancing banking governance, with an update in 2010 (Bahraluloom & bin Salim, 2024). The committee aimed to apply the Basel principles for good governance to activate banking operations by improving decision-making mechanisms within banks (Gelitashvili et al., 2024). These principles focused on strengthening the supervisory role of the board of directors to mitigate risks and make banks more competitive, especially in foreign markets, which have become more accessible with globalization (Puri & Garg, 2024). The principles also emphasized the importance of the efficiency and experience of board members to enable them to carry out their duties and the necessity of holding them accountable through planning and accountability systems (Partaker, 2024). Furthermore, the principles stipulate that the board should rely on both internal and external auditing functions and ensure that the compensation policy aligns with the institution's objectives, as enhancing governance, according to the Basel Committee, leads to increased financing opportunities, reduced investment costs, and greater market stability (Ullah et al., 2024).

3. Financial Transparency

The role of transparency has become prominent in the aftermath of the economic and financial crises experienced by many countries worldwide, with a major cause being the lack of disclosure and transparency in business entities (Overesch & Wolff, 2021). Financial transparency goes beyond generally accepted accounting principles and legislative requirements in financial reporting to provide users with the information they need to make decisions (Hosseini Aghdaei et al., 2021). Moreover, transparency means that information about all financial and non-financial aspects of business entities is available and understandable to stakeholders (Ameli et al., 2020).

The efficiency of financial reporting depends on the reliability, transparency, and quality of information and market efficiency relies on the availability, fairness of access, and cost of obtaining information (Tonhaeuser & Stavenes, 2020).

Transparency requires businesses to disclose additional information about their operations, performance, and surrounding risks to enable stakeholders to make informed decisions (Mejia & Parker, 2021). A study by Daştan & Yildirim (2022) emphasized that digital transformation processes support the requirements of disclosure and transparency by disclosing the integrity of electronic records and supporting documents, providing accurate and objective confirmations,

disclosing controls over electronic operating systems, controlling the protection of digital assets, and ensuring the integrity and reliability of disclosed information.

Clarity of information

Information clarity refers to predefining completeness requirements by the parties involved in the process for verification purposes (Bolkan & Goodboy, 2024). As a result of the predetermined completeness requirements, the interpretability and clarity of information increase (Berry et al., 2024).

Therefore, financial information should be presented in a clear and concise manner, using plain language and avoiding excessive technical terms. This helps ensure that users with varying levels of financial knowledge can understand the information provided (Overesch & Wolff, 2021).

Integrity in assessment

Integrity in assessment refers to providing financial information clearly and accurately to build trust among all stakeholders such as investors, creditors, and customers (Gagné, 2023). Integrity in assessment is achieved by adhering to international accounting standards and refraining from manipulating accounting data to conceal the true financial position of the company (Tonhaeuser & Stavenes, 2020).

To ensure integrity, accountants and auditors must adhere to objectivity and independence when performing their duties and avoid any conflicts of interest that may affect the accuracy of financial assessments (Rahman, 2023). Integrity in assessment is one of the most important factors in attracting investments, as investors seek companies that manage their financial affairs responsibly and transparently.

Hypotheses

H1: There is a significance effect at the level of $(\alpha \leq 0.05)$ for accounting digital transformation in its dimensions (organizational dimension, technical dimension, human dimension) on financial transparency

H1.$_1$: There is a significance effect at the level of $(\alpha \leq 0.05)$ for accounting digital transformation in its dimensions (organizational dimension, technical dimension, human dimension) on the clarity of information

H1.$_2$: There is a significance effect at the level $(\alpha \leq 0.05)$ for accounting digital transformation in its dimensions (organizational dimension, technical dimension, human dimension) on the Integrity in assessment

H2: There is a significance effect at the level $(\alpha \leq 0.05)$ for accounting digital transformation in its dimensions (organizational dimension, technical dimension, human dimension) on good governance

H3: There is a significance effect at the level $(\alpha \leq 0.05)$ for good governance practices on financial transparency

H4: There is a significance effect at the level $(\alpha \leq 0.05)$ for good governance practices as a mediating variable on the relationship between accounting digital transformation in its dimensions (organizational dimension, technical dimension, human dimension) and financial transparency in its dimensions (clarity of information, Integrity in assessment).

Research Methodology

To understand the impact of accounting digital transformation on financial transparency and the mediating role of good governance, this study adopted a descriptive approach The descriptive approach aims to describe the characteristics of the region or event under investigation specific. This method enables a complete and accurate analysis of the current reality by collecting large amounts of data. It allows an accurate representation of the current situation without disturbing or

changing existing events. In this context, the study was designed to provide a detailed explanation of how digital technologies contribute to increased financial transparency in auditing, as well as to identify the mechanisms that contribute to this impact on good governance in (Kosie & Lew-Williams, 2024).

The study collects data from Jordanian banks that have undergone digital transformation and examines how this process affected the level of transparency in their financial reporting. Furthermore, the focus was on examining the policy and governance practices that have been implemented to provide transparency and accountability for digital transformation and its impact.

Study sample

For the purposes of a research study, sampling is the act of choosing a certain group of people, or sample, from a wider population (Bhardwaj, 2019). The sample method used in this investigation is called judgment sampling. Using this method, the researcher handpicks those people who are thought are most representative, pertinent, or informed about the subject of the study. The population targeted in this research consists of all employees of Jordanian commercial banks386 of the 410 surveys that were given were deemed valid for analysis upon receipt. After being keyed, the gathered replies were added to SPSS for additional analysis. An overview of the sample's demographic features may be found in Table.

Study sample
Table (1), Sample demographic characteristics distribution

		Frequency	Percent
Age	Less than 25	25	6.5
	From 25 until less than 35	140	36.3
	From 35 until less 45	155	40.2
	45 until less than 55 years	50	13.0
	55 and more	16	4.1
Educational qualification	Bachelor's	165	42.7
	Higher Diploma	45	11.7
	Master's	101	26.2
	Ph.D	75	19.4
Years of experience in the current job	5 and more – less than 10	112	29.0
	10 and more– less than 15	145	37.6
	15 and more – less than 20	75	19.4
	20 and more – less than 25	54	14.0
	Total	386	100.0

Data collection procedures
 The study collects primary data through administering a structured closed questionnaire. The survey questionnaires consist of four sections, each aimed at gathering data from the sample of commercial banks in Jordan: The first section includes demographic characteristics of the individuals targeted in the survey. The second section encompasses variables of digital transformation (Organizational dimension, technical dimension, Human dimension). The third section includes Financial Transparency (Clarity of information, Integrity in assessment). The fourth section comprises Good Governance Practices.

Degree of agreement
 Each item was assigned a score ranging from strongly disagree to strongly agree, using a five-point Likert scale (strongly agree = 5, agree = 4, neutral = 3, disagree = 2, strongly disagree = 1). The following scale was adopted to analyze the results: 1.00–2.33=low, 2.34–3.67=Moderate, 3.68–5.00=High, using this equation:
(The higher limit (5) – the lowest limit (1))/Number of categories (3)).
(1-5)/3 = 1.33. Then adding the result (1.33) to the end of each category.

Reliability Test
       The internal consistency reliability of the survey instrument was assessed using Cronbach's alpha, which yielded a coefficient of 0.82. This indicates good internal consistency among the items, supporting the reliability of the instrument in measuring the intended construct. The widely accepted guideline of an alpha value above 0.70 suggests that the scale has satisfactory reliability (Sekaran, 2016). Table (2) shows that.

Table (2), The Cronbach's alpha Coefficients

N	Domain	Cronbach alpha
1	Organizational dimension	0.76
2	Technical dimension	0.75
3	Human dimension	0.70
Digital Transformation		0.88
1	Clarity of information	0.78
2	Integrity in assessment	0.74
Financial Transparency		0.85
Good Governance Practices		0.75

Findings
 Statistics in table (3) represents the sample response to the survey questions related to research variables.

The independent variable: Digital Transformation

Table (3), The means and standard deviations of Digital Transformation, ranked in a descending order

Rank	N	Domain	Mean	Std. Deviation	Level
1	1	Organizational dimension	4.06	0.634	High

Rank	N	Domain	Mean	Std. Deviation	Level
2	2	Technical dimension	3.98	0.637	High
3	3	Human dimension	3.95	0.557	High
		Digital Transformation	4.00	0.549	High

Table (3) above shows that "Organizational dimension" receives the highest mean (4.06), while "Human dimension" was ranked last with mean (3.95). This table also shows that the total mean is (4.00).

The dependent variable: Financial Transparency

Table (4), The means and standard deviations of Financial Transparency, ranked in a descending order

Rank	N	Domain	Mean	Std. Deviation	Level
1	1	Clarity of information	3.96	0.637	High
2	2	Integrity in assessment	3.90	0.585	High
		Financial Transparency	3.93	0.577	High

Table (4) above shows that "Clarity of information" receives the highest mean (3.96), while "Integrity in assessment" was ranked last with mean (3.90). This table also shows that the total mean is (3.93).

The Mediating: Good Governance Practices

Table (5), means and standard deviations of Good Governance Practices items, ranked in a descending order

Rank	N	Item	Mean	Std. Deviation	Level
1	28	The Board of Directors of the organization consists of independent, competent and competent members	3.86	0.978	high
2	27	The organization allocates powers to management units	3.85	0.904	high
3	30	The organization implements a code of professional conduct and ethics that defines internal rules and guidelines for ethical behavior	3.71	0.993	high
4	31	The organization has an effective system of internal controls and independent audits that safeguard its assets by ensuring the accuracy of financial information	3.68	0.945	high
5	29	The Company will fully and accurately disclose relevant financial and non-financial information.	3.60	1.077	moderate
		Good Governance Practices	3.74	0.712	high

Table (5) above shows that Item 28 "The Board of Directors of the organization consists of independent, competent and competent members" receives the highest mean (3.86), while item 29 "The Company will fully and accurately disclose relevant financial and non-financial information" was ranked last with mean (3.60). This table also shows that the Good Governance Practices mean as a whole is (3.74)

H1: There is a significance effect at the level of (α≤0.05) for accounting digital transformation in its dimensions (organizational dimension, technical dimension, human dimension) on financial transparency.

Table (6) below displays the coefficient table for the multiple regression analysis of H1, the multiple regression test findings indicated that accounting digital transformation could explain 62.3% of the variation in financial transparency. (Coefficient of determination $R^2 = 0.623$).

Table (2), multiple regression analysis results for the effect of accounting digital transformation (Organizational dimension, technical dimension, Human dimension) on financial transparency

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.637	0.137		4.650	0.000
Organizational dimension	0.313	0.054	0.344	5.746	0.000
Technical dimension	0.258	0.051	0.285	5.042	0.000
Human dimension	0.252	0.045	0.243	5.594	0.000
R=0.789 R^2=0.623			F=210.437	P=0.000	

Table (6) above shows that:

- Organizational dimension has statistically positive impact on financial transparency (B=0.313, t=5.746, p=0.000 <0.05).
- Technical dimension has statistically positive impact on financial transparency (B=0.258, t=5.042, p=0.000 < 0.05).
- Human dimension has statistically positive impact on financial transparency (B=0.252, t=5.594, p=0.000 < 0.05).

H1.₁: There is a significance effect at the level of (α≤0.05) for accounting digital transformation in its dimensions (organizational dimension, technical dimension, human dimension) on the clarity of information.

Table 7 displays the coefficient table for the multiple regression analysis of **H1.₁**, The multiple regression test findings indicated that accounting digital transformation could explain 55.4% of the variation in financial transparency. (Coefficient of determination $R^2 = 0.554$).

Table (7), multiple regression analysis results for the impact of accounting digital transformation (Organizational dimension, technical dimension, Human dimension) on clarity of information

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		

Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.694	0.165		4.211	0.000
	Organizational dimension	0.530	0.066	0.527	8.090	0.000
	Technical dimension	0.170	0.062	0.170	2.752	0.006
	Human dimension	0.110	0.054	0.096	2.038	0.042
R=0.744	R²=0.554			F=158.048		P=0.000

Table (7) above shows that:

- Organizational dimension has statistically positive impact on clarity of information (B=0.530, t=8.090, p=0.000 <0.05).
- Technical dimension has statistically positive impact on clarity of information (B=0.170, t=2.752, p=0.006 < 0.05).
- Human dimension has statistically positive impact on clarity of information (B=0.110, t=2.038, p=0.042 < 0.05).

H1.₂: There is a significance effect at the level of (α≤0.05) for accounting digital transformation in its dimensions (organizational dimension, technical dimension, human dimension) on the Integrity in assessment.

Table (8) below displays the coefficient table for the multiple regression analysis of **H1.₂**, The multiple regression test findings indicated that the accounting digital transformation could explain 59.2% of the variation in integrity in assessment. (Coefficient of determination R2 = 0.592).

Table (8), multiple regression analysis results for the impact of accounting digital transformation (Organizational dimension, technical dimension, Human dimension) on Integrity in assessment

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.569	0.145		3.933	0.000
	Organizational dimension	0.053	0.058	0.057	0.913	0.362
	Technical dimension	0.365	0.054	0.397	6.742	0.000
	Human dimension	0.421	0.048	0.401	8.869	0.000
R=0.769	R²=0.592			F=184.408		P=0.000

Table (8) above shows that:

- Organizational dimension has no statistically positive impact on Integrity in assessment (B=0.053, t=0.913, p=0.362 > 0.05).
- Technical dimension has statistically positive impact on Integrity in assessment (B=0.365, t=6.742, p=0.000 < 0.05).

-       Human dimension has statistically positive impact on Integrity in assessment (B=0.421, t=8.869, p=0.000 < 0.05).

H2: There is a significance effect at the level of (α≤0.05) for accounting digital transformation in its dimensions (organizational dimension, technical dimension, human dimension) on good governance.

Table (9) below displays the coefficient table for the simple regression analysis of H2, the simple regression test findings indicated that the accounting digital transformation could explain 59.2% of the variation in integrity in assessment. (Coefficient of determination $R^2 = 0.592$).

Table 9. simple regression analysis results for the impact of accounting digital transformation on good governance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.569	0.145		3.933	0.000
	accounting digital transformation	0.053	0.058	0.057	0.913	0.362
R=0.769		R^2=0.592		F=184.408		P=0.000

Table (9) above shows that:
-       Organizational dimension has no statistically positive impact on Integrity in assessment (B=0.053, t=0.913, p=0.362 > 0.05).
-       Technical dimension has statistically positive impact on Integrity in assessment (B=0.365, t=6.742, p=0.000 < 0.05).
-       Human dimension has statistically positive impact on Integrity in assessment (B=0.421, t=8.869, p=0.000 < 0.05).

H3: There is a significance effect at the level of (α≤0.05) for good governance practices on financial transparency.

Table (10) below displays the coefficient table for the simple regression analysis of H3, the simple regression test findings indicated that the digital transformation could explain 59.2% of the variation in integrity in assessment. (Coefficient of determination $R^2 = 0.592$).

Table (10). simple regression analysis results for the impact of good governance on financial transparency

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.569	0.145		3.933	0.000
	Good governance	0.053	0.058	0.057	0.913	0.000
R=0.769		R^2=0.592		F=184.408		P=0.000

Table (10) above shows that:

-        Organizational dimension has no statistically positive impact on Integrity in assessment (B=0.053, t=0.913, p=0.362 > 0.05).
-        Technical dimension has statistically positive impact on Integrity in assessment (B=0.365, t=6.742, p=0.000 < 0.05).
-        Human dimension has statistically positive impact on Integrity in assessment (B=0.421, t=8.869, p=0.000 < 0.05).

H4: There is a significance effect at the level of (α≤0.05) for good governance practices as a mediating variable on the relationship between accounting digital transformation in its dimensions (organizational dimension, technical dimension, human dimension) and financial transparency in its dimensions (clarity of information, Integrity in assessment).
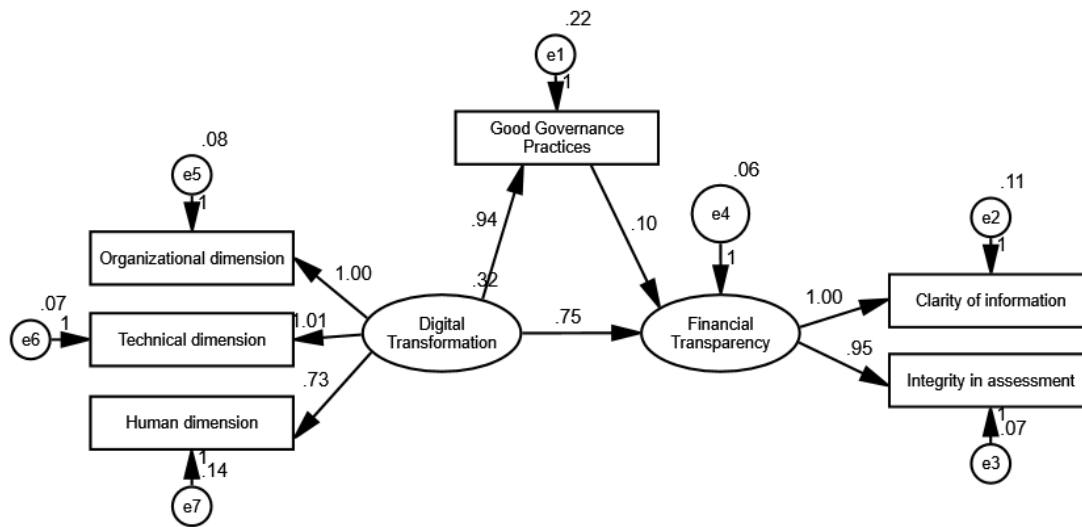

Figure 1 Path Coefficients and Hypothesis (4) Testing

Regression Weights:

		Estimate	S.E.	C.R.	P
Good Governance Practices	<--- Digital Transformation	0.940	0.051	18.395	0.000
Financial Transparency	<--- Good Governance Practices	0.100	0.042	2.371	0.018
Financial Transparency	<--- Digital Transformation	0.754	0.061	12.313	0.000

Direct and indirect Effects

	Direct Effects		Indirect Effects	
	Digital Transformation	Good Governance Practices	Digital Transformation	Good Governance Practices
Good Governance Practices	0.940	0.000	0.000	0.000
Financial Transparency	0.754	0.100	0.094	0.000

   The path diagram of Figure 1 of the mediation model includes the standardized estimates for the causal paths for the indirect and direct effects.

All three estimated paths for the indirect effect and direct effects were statistically significant. Therefore, potentially, good governance practices partially mediate the path between accounting digital transformation in its dimensions (organizational dimension, technical dimension, human

dimension) and financial transparency in its dimensions (clarity of information, Integrity in assessment). The model showed reasonably good model fit according to multiple SEM fit statistics and indices: $\chi^2(df=7) =16.850$, $p\leq0.001$; Root Mean Square Error of Approximation (RMSEA)=0.062; Comparative fit index (CFI)=0.926; Tucker-Lewis's index (TLI)=0.933. Rule of thumb guidelines are that CFI ≥0.90, TLI ≥0.90 and RMSEA between 0.06 -0.08 represent a good fitting
model.

Conclusion

  The findings of this study clarify the significant impact of accounting digital transformation on financial productivity increases in the audit firm, where governance quality plays an important mediating role. The statistical analysis revealed a clear trend in which the dimensions of digital transformation—organizational, technological, and human—each contribute significantly to increased financial literacy. The highest impact was found at the organizational level, indicating that structural changes and adoption of digital practices at the organizational level are necessary to achieve greater transparency.

  The dependent variable, financial transparency, revealed greater clarity and consistency in the analysis, highlighting the positive effects of digital transformation on accounting systems. This implies that the integration of digital technologies not only improves the efficiency and effectiveness of accounting practices but also improves the quality and reliability of the financial information.

  Furthermore, the mediation analysis revealed the important role of good governance in this process. Good governance, with independent and qualified board members, professional codes of conduct, effective internal controls and accountability, is a major mediator in the relationship between digital transformation and financial transparency This highlights the importance of robust governance structures are developed to effectively implement digital transformation internally emphasize accounting skills.

  Regression analysis supported the hypothesis, showing a statistically significant relationship between accounting digital transformation and financial transparency directly and indirectly through good governance practices This indicates that although accounting digital transformation directly affects financial transparency; but its impact is greater when combined with complex governance practices.

  The path analysis reiterated these findings and showed that good governance practices partially mediate the relationship between digital transformation and financial transparency. The model proved to be a good fit, indicating that the theoretical framework proposed by this study accurately reflects the observed data.

In conclusion, this study contributes to understanding how accounting digital transformation can increase financial transparency. It also highlights the critical role of good governance practices in ensuring that the benefits of digital transformation are fully realized. These insights highlight the importance of combining accounting digital transformation processes with enhanced governance structures to achieve higher levels of financial transparency and integrity. This framework is essential for organizations aiming to build reliability and accountability in their financial reporting systems in the digital age.

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