The Use of Big Data in Accounting Information Systems

Christiana Sunday Asangusung[*]

Department of Accounting Faculty of Management Sciences, University of Port Harcourt Port Harcourt, Nigeria

Corresponding Author:
Christiana Sunday Asangusung

Department of Accounting Faculty of Management Sciences University of Port Harcourt Port Harcourt, Nigeria

Abstract: The fast development of digital technologies has changed the way accounting and financial management work.

Among these changes, big data has become a transformative development, giving companies the ability to collect, store, process, and analyze large volumes of structured and unstructured data. Traditional Accounting Information Systems (AIS) are good for handling regular financial records, but they're structurally limited in addressing the speed, variety, and complexity of data that businesses now face. Big data analytics makes AIS better by allowing real-time processing, predicting future trends, detecting fraud, and making financial reports more transparent. This helps accountants and business leaders move from looking back at past data to planning for the future, which can make the business more efficient and competitive.

Even with all its advantages, using big data in AIS comes with challenges.

These include worries about data quality, making sure different systems work together, keeping data secure, and the high cost of getting it all set up. Many organizations also lack the technical skills and the right infrastructure to use big data effectively. This paper looks at both the opportunities and the challenges of using big data in accounting systems. It shows how companies can use big data to help with decision-making, improve auditing, make sure they follow laws, and manage their company better. The study concludes that companies that successfully combine big data with AIS can not only run more efficiently but also grow and gain a strategic edge in today's data-driven world.

Keywords: *Big Data; Accounting Information Systems (AIS); Financial Decision-Making.*

Introduction

Big data has had a significant impact on the business world, changing how companies gather, process, and use information to make decisions. The rapid growth of digital platforms, cloud computing, and advanced analytics has increased the volume and complexity of data available to organizations, thereby reshaping traditional information systems used for managerial and financial purposes.

Big data is often explained by five key features: volume, velocity, variety, veracity, and value (Laney, 2001; Gandomi & Haider, 2015). These characteristics distinguish big data from conventional datasets by emphasizing the scale, speed, diversity, and reliability of data generated from both internal and external sources. As a result, traditional data storage and processing tools are increasingly inadequate, requiring new analytical techniques and governance structures to transform data into meaningful insights.

Accounting Information Systems (AIS) are central to the recording, processing, and reporting of financial information within organizations. Traditionally, AIS have been designed to manage structured and routine financial data for purposes of reporting, compliance, and control (Romney & Steinbart, 2018). However, as organizations expand their digital operations, operate in real-time environments, and rely more heavily on non-financial and unstructured data, the limitations of conventional AIS have become more evident (Warren, Moffitt, & Byrnes, 2015).

Prior studies suggest that the integration of big data analytics into AIS can enhance the relevance and timeliness of accounting information, support predictive analysis, improve audit quality, and strengthen fraud detection mechanisms (Yoon, Hoogduin, & Zhang, 2015; Vasarhelyi, Kogan, & Tuttle, 2015). By enabling continuous monitoring and real-time analysis, big data shifts accounting practice from a retrospective focus on historical transactions toward a more forward-looking and value-oriented function.

Despite these potential benefits, existing research on big data and AIS remains fragmented across accounting, auditing, and information systems literature. Many studies focus on specific applications or technological tools, with limited integration of theoretical perspectives explaining how individual acceptance, organizational adoption, and firm-level resources jointly influence AIS performance outcomes (Cao, Chychyla, & Stewart, 2015; Appelbaum et al., 2017). Furthermore, insufficient attention has been given to governance structures, analytical competencies, and organizational readiness that condition the successful integration of big data into accounting systems.

This study addresses these gaps by providing a structured synthesis of existing literature on big data integration in Accounting Information Systems. Drawing on the Technology Acceptance Model (Davis, 1989), Diffusion of Innovations theory (Rogers, 2003), and the Resource-Based View (Barney, 1991), the

study explains how technology acceptance, innovation diffusion, and strategic resources interact to shape AIS effectiveness. By integrating these theoretical perspectives, the study contributes to a more comprehensive understanding of how big data capabilities enhance financial reporting quality, auditing practices, fraud detection, and managerial decision-making.

Accordingly, this paper adopts a structured narrative literature review approach to examine the opportunities, challenges, and strategic implications of big data adoption in AIS. In addition, the study develops a conceptual framework that synthesizes prior empirical findings and highlights key gaps that require further empirical investigation. By doing so, the study positions big data integration not merely as a technological advancement, but as a strategic transformation of Accounting Information Systems in modern organizations.

Statement of the Problem

In recent years, the accounting profession has undergone significant transformation due to rapid advancements in information technology and the growing use of big data.

Although Accounting Information Systems (AIS) have traditionally provided reliable ways to report financial data and control it, they are increasingly unable to handle the massive, fast-changing, and varied data streams seen in today's business environments (Warren, Moffitt, & Byrnes, 2015). This creates a gap between the data available to organizations and the insights that can be drawn from it, limiting the value of AIS in making strategic decisions.

While big data has the potential to improve AIS through predictive analytics, real-time auditing, and fraud detection, many companies face real-world challenges in adopting it.

These include high costs to implement, a shortage of skilled workers, and difficulties in incorporating unstructured and semi-structured data into existing systems (Cao, Chychyla, & Stewart, 2015). Also, worries about data privacy, security, and the ethical use of information add more complications for businesses trying to use big data technologies (Alles, 2015).

Aim of the Study

The primary aim of this study is to systematically examine existing literature on the integration of big data into Accounting Information Systems (AIS), with particular emphasis on its implications for financial reporting, auditing, fraud detection, and strategic decision-making.

Research Objectives

The study seeks to:

1. Examine how big data enhances the quality and relevance of information generated by AIS.
2. Identify the key challenges and barriers affecting big data adoption in accounting systems.
3. Analyze the impact of big data analytics on auditing, fraud detection, and managerial decision-making.
4. Evaluate integration strategies that improve AIS performance outcomes.
5. Identify gaps in the existing literature and propose directions for future research.

Research Questions

To guide the review, the study addresses the following research questions:

- How does big data integration influence the performance and informational quality of AIS?
- What organizational and technological challenges constrain effective adoption?
- In what ways does big data enhance auditing practices and fraud detection mechanisms?
- What governance and integration strategies moderate the relationship between big data adoption and AIS effectiveness?
- What areas require further empirical investigation?

Literature Review

1. Concept and key characteristics of big data

Big data is usually described by the 'Vs': volume, velocity, and variety, with later work adding veracity and value (Laney, 2001; Gandomi & Haider, 2015).

These qualities make big data different from regular datasets and mean that new ways are needed for storing, processing, and analyzing data.

2. Big data in accounting and AIS: scope and opportunities

Experts say that using big data with AIS changes accounting from being about past transactions to a real-time, forward-looking, and value-focused discipline (Warren, Moffitt & Byrnes, 2015; Vasarhelyi, Kogan & Tuttle, 2015).

Big data allows for ongoing monitoring and auditing, better managerial analysis, and better forecasting and risk evaluation.

3. Benefits: auditing, fraud detection, and decision support

Studies show that big data analytics can make audits more effective and efficient by providing additional audit evidence, spotting unusual patterns, and enabling risk-based continuous audits (Yoon, Hoogduin & Zhang, 2015; Cao et al., 2015).

For management accountants, big data offers better cost analysis, flexible budgeting, and scenario planning, which improves strategic decisions.

4. Adoption Barriers and Governance Challenges

Despite its transformative potential, big data adoption faces constraints. Alles (2015) identifies institutional and regulatory challenges within the audit profession. Appelbaum et al. (2017) emphasize the need for professional training and governance mechanisms. Furthermore, concerns regarding data privacy, cybersecurity, and ethical data use complicate implementation (George, Haas, & Pentland, 2014).

These constraints underscore the importance of governance alignment in ensuring sustainable integration.

5. Organisational & professional responses

The audit and accounting sectors are responding by creating guidelines, offering training, and researching how audit standards

apply to big data and what it means for assurance services (Appelbaum et al., 2017; Vasarhelyi, 2015).

6. Gaps in the literature / motivation for the present study

There are still gaps in research: not enough large-scale studies measuring just how much using big data improves specific outcomes in AIS, and not much research on effective ways to manage and implement big data, especially in places with limited resources.

Theoretical Framework

Technology Acceptance Model (TAM)

The Technology Acceptance Model explains individual-level adoption of new technologies based on perceived usefulness and ease of use (Davis, 1989). In the AIS context, accountants' acceptance of analytics tools depends on their perceived relevance to reporting and audit tasks.

Diffusion of Innovations (DOI)

DOI theory posits that innovation adoption depends on perceived relative advantage, compatibility, complexity, observability, and trialability (Rogers, 2003). Organizational adoption of big data analytics reflects these attributes.

Resource-Based View (RBV)

The Resource-Based View argues that firm-specific resources, if valuable, rare, inimitable, and non-substitutable generate competitive advantage (Barney, 1991). Big data capabilities, including infrastructure, analytics expertise, and governance

systems, qualify as strategic assets when effectively integrated with AIS.

Conceptual Framework

The conceptual framework illustrates the analytical structure derived from the reviewed literature on big data integration in Accounting Information Systems (AIS). Rather than testing causal relationships, the framework synthesizes prior research to demonstrate how big data adoption is associated with improvements in AIS functionality and organizational performance outcomes.

The framework highlights three interconnected components identified in the literature: big data capabilities, organizational and technological challenges, and integration and governance strategies. Existing studies suggest that the effectiveness of big data integration depends not only on technological adoption but also on supporting organizational resources, data governance structures, and analytical competencies.

Accordingly, the framework positions big data adoption as a strategic enabler of enhanced auditing practices, fraud detection mechanisms, reporting quality, and decision-support systems within AIS. At the same time, contextual factors such as infrastructure readiness, data quality, cybersecurity risks, and skill availability influence the extent to which organizations realize these benefits.

The model therefore serves as a conceptual synthesis of existing evidence and provides a structured foundation for future empirical research.

Figure 1: Conceptual Synthesis of Big Data Integration and AIS Outcomes Derived from the Literature.
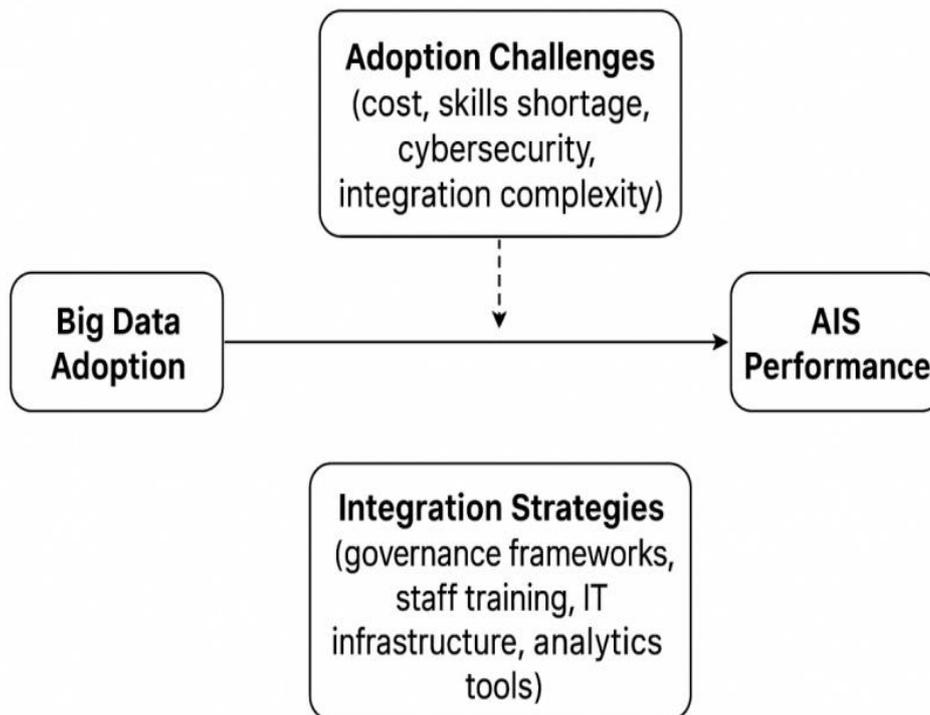
Figure 1 presents a conceptual synthesis derived from the reviewed literature. The framework illustrates the association between big data capabilities and AIS performance outcomes, while acknowledging the influence of organizational and technological conditions. The model is not empirically tested in this study but provides a structured basis for future research.

Empirical Review

Empirical studies on big data in accounting and accounting information systems (AIS) have used case studies, surveys, archival analyses, and experiments.

Each method offers different kinds of evidence. Case studies show how analytics are actually used in practice. Surveys help understand what people think and how they apply these tools. Archival work shows how investments in analytics relate to their outcomes. Experiments help test how these tools work under different conditions.

Major Empirical Findings

1. Audit quality and anomaly detection: Using analytics on full datasets reduces the risk of missing problems and increases the ability to find anomalies (Yoon et al., 2015; Vasarhelyi et al., 2015).
2. Continuous auditing and monitoring: Case studies show that continuous monitoring helps detect exceptions quickly. Archival evidence suggests that firms with monitoring systems have fewer control issues.
3. Managerial decision support and forecasting: Combining non-financial data with financial data makes forecasting better and helps managers respond more effectively (Warren et al., 2015; Cao et al., 2015).
4. Adoption drivers and inhibitors: Surveys show that lack of skilled workers, poor data quality, and high costs are major challenges to adopting big data tools (Alles, 2015; Appelbaum et al., 2017).

Methodological Limitations and Future Research Opportunities:

Methodology

This study adopts a structured narrative literature review to synthesize existing research on the integration of big data into Accounting Information Systems (AIS). This approach combines systematic literature identification with conceptual analysis, making it suitable for theory development and interdisciplinary synthesis where empirical findings are diverse and methodologically heterogeneous.

Relevant studies were identified through searches of major academic databases, including Scopus, JSTOR, ScienceDirect, and Google Scholar. The review covered literature published between 2000 and 2023, reflecting the emergence and evolution of big data research in accounting and auditing. Search terms included combinations of *"big data," "accounting information systems," "audit analytics," "financial reporting,"* and *"data governance."* Backward and forward citation tracking was used to capture additional influential studies.

Only peer-reviewed journal articles, foundational theoretical works, and selected professional publications with direct relevance to accounting practice were included. Non-scholarly sources and studies lacking methodological clarity were excluded. The selected literature was analyzed using thematic content analysis and grouped into four dominant themes:

1. big data capabilities and characteristics
2. auditing and fraud detection
3. managerial decision support and reporting quality, and
4. adoption barriers and governance mechanisms.

While the study does not employ statistical meta-analysis or empirical testing, methodological transparency was ensured through systematic screening, cross-study comparison, and triangulation of academic and professional evidence. This approach provides a robust conceptual foundation while acknowledging the need for future empirical validation.

Methodological Limitations

As a secondary data study, this research does not empirically test causal relationships. Findings are interpretative and dependent on the quality and scope of existing literature. Future research should employ quantitative or experimental designs to validate the proposed conceptual linkages.

Discussion of Findings

The reviewed literature suggests that adopting big data can positively influence AIS performance.

It improves the quality of information, supports better decision-making, enhances audit quality and strengthens fraud detection capabilities, which aligns with previous research (Yoon et al., 2015; Warren et al., 2015). However, challenges like high costs, a shortage of skilled employees, and data security issues can weaken the benefits if not addressed (Alles, 2015; Appelbaum et al., 2017). Strategies like training, governance structures, and investing in infrastructure can help organizations get more value from big data.

These observations are supported by secondary evidence from global professional reports.

For example, PwC (2019) noted that companies using big data in their audit processes were more effective in identifying control deficiencies and preventing fraudulent activities.Deloitte Insights (2020) found that AIS systems enriched with analytics improved compliance monitoring, forecasting, and transparency in large multinational companies. Case-based research, such as those reviewed by Appelbaum et al. (2017) and Vasarhelyi et al. (2015), shows that firms that invested in strong integration strategies not only gained efficiency but also improved governance and trust among stakeholders. This convergence of academic and industry findings supports the robustness of the study's conclusions based on secondary sources.

Contribution of the Study

This study makes several important contributions to the growing literature on big data and Accounting Information Systems (AIS).

First, it provides an integrated theoretical synthesis by combining the Technology Acceptance Model (Fred D. Davis, 1989), Diffusion of Innovations theory (Everett M. Rogers, 2003), and the Resource-Based View (Jay Barney, 1991) into a unified explanatory framework. While prior studies have examined big

data adoption from isolated technological or strategic perspectives, this study bridges individual-level acceptance, organizational diffusion processes, and firm-level strategic capability, thereby offering a more comprehensive understanding of value creation in AIS environments.

Second, the study consolidates fragmented empirical findings across auditing, managerial accounting, and information systems research. Although existing research demonstrates that big data analytics enhances audit quality, fraud detection, and managerial forecasting (e.g., Miklos Vasarhelyi et al., 2015; Jeffrey D. Warren et al., 2015), the literature remains dispersed across sub-disciplines. By synthesizing these strands into a coherent conceptual structure, this study clarifies the mechanisms through which big data capabilities influence AIS performance outcomes.

Third, the paper advances the governance debate by highlighting the moderating role of organizational readiness, data governance frameworks, and analytical competencies. Rather than assuming that technological adoption automatically yields performance improvements, this study emphasizes that strategic alignment and institutional support conditions determine whether big data integration translates into sustained reporting quality and audit effectiveness.

Finally, the study develops a structured conceptual framework that provides a foundation for future empirical investigation. By identifying measurable constructs and outlining theoretical linkages, it responds to calls in the literature for more rigorous testing of causal relationships between big data capability and accounting outcomes.

Collectively, these contributions reposition big data integration not merely as a technological upgrade, but as a multidimensional strategic transformation of Accounting Information Systems.

Conclusion

This study examined the strategic integration of big data into Accounting Information Systems (AIS) and its implications for audit quality, financial reporting reliability, and managerial decision-making. Drawing on the Technology Acceptance Model, Diffusion of Innovations theory, and the Resource-Based View, the paper developed an integrated framework explaining how technological capability, organizational readiness, and governance structures jointly determine performance outcomes.

The review indicates that big data adoption enhances analytical depth, supports real-time auditing, improves fraud detection mechanisms, and strengthens reporting transparency. However, technological acquisition alone does not guarantee performance improvement. The findings emphasize that sustained value creation depends on analytical competence, institutional alignment, data governance frameworks, and strategic resource orchestration.

The study contributes to the literature by synthesizing fragmented research streams into a coherent conceptual structure and by clarifying the conditional pathways through which big data capabilities influence AIS effectiveness. By repositioning big data as a multidimensional strategic capability rather than merely a technological upgrade, the paper advances understanding of digital transformation in accounting environments.

Practically, the findings suggest that organizations should prioritize skill development, governance infrastructure, and strategic alignment when implementing big data systems. For regulators and professional bodies, the results underscore the need for updated reporting standards and audit guidelines that reflect data-intensive environments.

As a conceptual review, the study does not empirically test causal relationships. Future research should employ quantitative modeling, experimental designs, and cross-country comparative studies to validate and refine the proposed framework.

In sum, the integration of big data into AIS represents a strategic transformation of accounting practice. Its effectiveness, however, depends on how organizations align technological innovation with governance discipline and strategic capability development.

Recommendations:

1. Invest in training and development for accountants, auditors, and IT professionals.
2. Create formal data governance frameworks, policies, and security measures.
3. Allocate resources to build scalable infrastructure and consider cloud or hybrid solutions where appropriate.
4. Encourage professional organizations and regulators to provide guidance and training on the use of analytics in accounting.
5. Conduct more long-term and international studies to better understand the ongoing impacts of big data in AIS.

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