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WHEN RECORDS FAIL, REPORTS FALTER: THE MEDIATING ROLE OF ACCOUNTING INFORMATION QUALITY IN THE DOCUMENTATION–REPORTING ACCURACY RELATIONSHIP

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Abstract:

Financial reporting problems can begin long before financial statements are prepared, particularly when the documents supporting business transactions are missing, unclear, incomplete, or submitted late. previous research has focused more on accounting systems and internal controls than on how documentation problems may affect the accuracy of financial reporting. This conceptual paper addresses this gap by examining accounting information quality as a link between documentation management deficiencies and financial reporting accuracy. Drawing on Organizational Information Processing Theory (OIPT), the study reviews Scopus-indexed literature using a narrative and integrative approach. The review suggests that weak documentation can make it more difficult to verify, classify, reconcile, and record transactions accurately. These problems may affect financial reporting directly through omissions, misclassifications, and cut-off errors, and indirectly by reducing the quality of accounting information used in the reporting process. Based on these relationships, the study develops four propositions covering the direct effect of documentation deficiencies on reporting accuracy, their effect on accounting information quality, the effect of information quality on reporting accuracy, and the mediating role of accounting information quality. The study contributes to OIPT by viewing documentation management as an important early-stage information-processing activity. Practically, it highlights the need for

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clear documentation procedures, timely submission, proper recordkeeping, and traceable audit trails.

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Keyword:

Accounting Documentation Management Deficiencies, Accounting Information Quality, Financial Reporting Accuracy, Organizational Information Processing Theory, Narrative Review.

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Introduction

Reliable financial reporting begins with complete, clear, and timely source documents. Invoices, receipts, purchase orders, payment vouchers, payroll records, and journal-entry support provide evidence of what occurred, when it occurred, how it should be classified, and whether it was authorised. When these records are missing, unclear, incorrectly classified, or submitted late, errors can enter the accounting process before the financial statements are prepared. Documentation deficiencies are therefore not merely administrative problems; they can undermine the accuracy of financial reporting (IFRS Foundation, 2018; Wadesango, 2015). Existing research has mainly examined accounting information systems, internal controls, recordkeeping practices, and the usefulness of accounting information (Alrabei, 2017; Amoako, 2013; Evinita et al., 2024; Johri, 2025; Wadesango, 2015). Although these studies show that system conditions and information quality matter, the evidence remains unclear. Prior research has not clearly explained how deficiencies in source-document management affect financial reporting accuracy or whether accounting information quality transmits this effect. Thus, limited attention has been given to the role of documentation in the early stage of the financial reporting process.

This study addresses this gap by developing a conceptual framework in which accounting information quality mediates the relationship between accounting documentation management deficiencies and financial reporting accuracy. The Organizational Information Processing Theory (OIPT) is used in the study that proposes the organisational effectiveness depends on the fit between information requirements and information-processing capacity (Galbraith, 1974). The missing, unclear, mixed-up, or late documents make it harder for an organisation to check, record, process, and report its transactions correctly. For instance, without a clear

supplier invoice, an accountant may struggle to confirm the amount, select and record the transaction in the correct reporting period. As a result, poor documentation makes accounting work more difficult and may lead to inaccurate financial reports.

There are three contributions of the study. First, it positions documentation management as an upstream accounting capability rather than a routine administrative task. Second, it identifies accounting information quality as the mechanism linking source document information to reporting outcomes. Third, it provides a basis for testing both the direct and indirect effects of documentation deficiencies on financial reporting accuracy. The following sections review the key concepts, explain the narrative-review method, develop the OIPT-based framework and propositions, discuss the implications, and present the study's limitations and directions for future research.

Literature Review

Accounting Documentation Management Deficiencies

Accounting documentation management deficiencies refer to weaknesses in how records supporting business transactions are collected, prepared, authorised, classified, submitted, stored, and retrieved (GAO, 2025; IFAC, 2020). These weaknesses can occur at different stages of the documentation process and may affect the quality of information available for accounting and reporting. Four common problems are particularly relevant to this study namely; incomplete or missing documents make it difficult for accountants to confirm the amount, date, authorisation, and purpose of a transaction that can lead to omitted or duplicate entries, unsupported balances, and gaps in the audit trail, mixing personal and business expenses, unclear or insufficient transaction descriptions, and late submission of supporting documents. Together, these problems can make it more difficult for accountants to verify transactions, determine their appropriate accounting treatment, and record them in a timely manner. Table 1 summarises these four documentation problems, how they commonly occur, and the relevant supporting literature.

This relationship can be further explained through OIPT. Galbraith (1974) argues that organisations need sufficient information-processing capacity to deal with uncertainty arising from their tasks. In the accounting context, documentation provides important information for understanding, classifying, verifying, and recording transactions. When documentation is incomplete, unclear, or delayed, accountants have less information available to resolve transactional uncertainty. They may consequently need to make additional enquiries, seek clarification, or rely more heavily on judgement. Documentation management can therefore be viewed as an upstream information-processing capability, because the quality of documentation influences the quality of information available for subsequent accounting processing and reporting. This provides the basis for examining its relationship with accounting information quality and financial reporting accuracy.

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Table 1: Common Accounting Documentation Management Deficiencies

Common problem	How the problem occurs	Sources
1. Incomplete or missing documents	Supporting documents such as invoices, receipts, payment vouchers, or approval records are missing or lack essential details. This makes it difficult to verify the amount, date, purpose, or authorisation of a transaction and may result in incomplete or unsupported records.	Amoako (2013); Wadesango (2015); Prempeh et al. (2022)
2. Mixing personal and business expenses	Personal and business transactions are recorded together because the same accounts, payment methods, or records are used for both. This makes it difficult to identify genuine business transactions and may distort reported expenses and financial performance.	Amoako (2013); Wadesango (2015)
3. Unclear or insufficient transaction descriptions	Documents are available but do not clearly explain the nature or business purpose of a transaction. This makes it difficult to determine the appropriate account, project, cost centre, or reporting treatment.	Amoako (2013); Wadesango (2015); IFRS Foundation (2018)
4. Late submission of documents	Supporting documents are submitted after the transaction or close to the reporting deadline. Delays can make timely recording and verification more difficult and increase the risk of reporting delays or adjustments.	Al-Mulla & Bradbury (2021); Singh et al. (2022)

Table 1 illustrates the four problems differently from each other but share a common outcome; they reduce the availability and clarity of information needed to process accounting transactions. Incomplete documents create gaps in transaction evidence, while mixed personal and business expenses create uncertainty about whether a transaction belongs to the business. Similarly, unclear descriptions make classification more difficult, and late submissions reduce the time available for proper verification and recording. These problems may therefore increase the amount of information that accountants need to obtain, clarify, or reconstruct before completing their accounting tasks.

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Accounting Information Quality

Accounting information quality refers to whether the information produced through the accounting process is useful, reliable, and able to represent an organisation's economic activities. The IFRS Conceptual Framework identifies relevance and faithful representation as its fundamental characteristics, while comparability, verifiability, timeliness, and understandability make the information more useful (IFRS Foundation, 2018). In this study, accounting information quality is distinguished from source documents and financial statements. The source documents provide the initial evidence of transactions which is then processed through journals, ledgers, reconciliations, schedules, and trial balances before it is included in the financial statements. The quality of this information depends on how accurately transaction data are captured, authorised, classified, combined, and reconciled. Previous research shows that organisational and system conditions can influence accounting information quality (Evinita et al., 2024). Accounting information quality has also been found to mediate the relationship between accounting information system quality and organisational performance (Sunarta & Astuti, 2023). For example, research on ASEAN firms shows that the quality of accounting information can be reflected through measures such as accrual quality and value relevance (Sugiri & Susilowati, 2021), while Acaranupong (2021) highlights the importance of the value relevance of accounting information following IFRS adoption in ASEAN countries.

In the context of this study, documentation problems can affect accounting information in several ways. Missing records may make information incomplete and difficult to verify, while personal and business expenses recorded together can make it harder to represent the organisation's actual business transactions. Unclear supporting documents may also create uncertainty when deciding how a transaction should be classified, and late submission can reduce the timeliness of the information available for reporting. These problems are important because the quality of accounting information can affect how confidently accountants process transactions and prepare financial reports.

Financial Reporting Accuracy

Financial reporting accuracy refers to whether the amounts and disclosures in financial statements correspond to the underlying transactions and comply with the applicable reporting framework without material error or omission. It is related to, but narrower than, accounting information quality. According to Wendy (2024), the accuracy of financial reporting is vital as they serve as the foundation for significant strategic choices This distinction concerns the integrity and usefulness of information during processing; reporting accuracy concerns the correctness of the final classifications, measurements, cut-off decisions, reconciliations, consolidations, and disclosures. Comparability has been associated with financial reporting quality and with how market participants price accruals (Chen & Gong, 2019), while accounting information systems and internal controls have been linked to financial-data reporting accuracy (Johri, 2025).

In the present framework, documentation deficiencies may affect accuracy directly for example, a missing invoice may omit a liability and indirectly by weakening the information used to prepare the statements. The proposed mediation should therefore be tested as partial rather than assumed to be complete. Existing mediation evidence concerns related system-quality and organisational-performance relationships (Sunarta & Astuti, 2023); the specific

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documentation-information-reporting pathway remains a proposition for empirical examination.

Methodology

Research Design

This conceptual paper uses a narrative review to synthesize literature about accounting documentation, accounting information quality, and financial reporting accuracy. A narrative approach suits a question that spans accounting, information systems, auditing, internal control, and financial reporting and seeks theoretical explanation rather than a pooled effect estimate (Greenhalgh et al., 2018; Snyder, 2019). The analysis was structured around the inquiry: In what ways and for what reasons could the quality of accounting information influence the connection between shortcomings in accounting documentation management and the precision of financial reporting? OIPT directed the analysis by considering documentation as an input, accounting methods and systems as processing entities, and financial statements as outputs (Galbraith, 1974). To improve transparency, the assessment outlined the database, search criteria, eligibility requirements, extraction categories, and synthesis approach.

Key Steps in Conducting the Narrative Review

The narrative review was conducted in six stages, based on the guidance of Snyder (2019) and Whittemore and Knafl (2005). The first stage established the scope of the review by focusing on source documentation, processed accounting information, and financial reporting accuracy. Scopus was used as the main database because it provides broad coverage of accounting, finance, business, information systems, and management research. Appropriate Boolean search terms were then developed using the combinations of keywords related to accounting records, information quality and accuracy of financial reporting. It is used to identify studies related to accounting activities, information quality, financial reporting, accuracy, and evaluation.

The search results were screened by reviewing the titles and abstracts, followed by a full-text assessment of potentially relevant studies. Publications were included if they examined at least one relationship involving accounting records, accounting information or system quality, internal controls, auditability, reporting quality, or financial-statement reliability. Duplicate records, non-scholarly publications, and studies using the terms “quality” or “accuracy” outside an organisational accounting context were excluded. Relevant information was then extracted from the selected studies, including their research context, design, constructs, theoretical basis, measurements, main findings, and relevance to the proposed relationships. In the final stage, the findings were compared to identify common explanations, conflicting evidence, and relationships that had received limited research attention.

Table 2 summarises the six stages used in the review. It shows the main activities carried out at each stage, starting with defining the review scope and search strategy, followed by screening, extracting, and synthesising the selected studies. This process helped to organise the review and identify the literature relevant to the relationships examined in the study.

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Table 2: Six Stages of the Narrative Review Process

Stage	Review activity	Description
Stage 1	Define the review scope	Established the focus on accounting documentation, accounting information quality, and financial reporting accuracy.
Stage 2	Develop search terms	Developed Boolean search terms using keywords related to accounting records, information quality, financial reporting, accuracy, internal controls, and accounting systems.
Stage 3	Conduct the literature search	Searched the Scopus database to identify relevant studies across accounting, finance, business, information systems, and management.
Stage 4	Screen and select studies	Reviewed titles and abstracts, followed by full-text assessment. Duplicate, non-scholarly, and contextually irrelevant publications were excluded.
Stage 5	Extract relevant information	Recorded the research context, methodology, constructs, theoretical basis, measurements, main findings, and relevance to the proposed relationships.
Stage 6	Compare and synthesise findings	Compared the selected studies to identify common themes, different.

Data Collection and Review Strategy

The Scopus search used the following search string: ("accounting" OR "finance" OR "bookkeeping") AND ("information quality" OR "data quality" OR "reporting quality" OR "accuracy") AND ("reporting" OR "disclosure" OR "statement" OR "financial report") AND ("accuracy" OR "precision" OR "reliability" OR "validity") AND ("audit" OR "evaluation" OR "assessment" OR "analysis"). The search was conducted using titles, abstracts, and keywords. The studies retrieved were then screened at the title, abstract, and full-text levels to determine their relevance to the focus of the study. An integrative thematic approach was used to bring together findings from both theoretical and empirical studies with different research designs (Whittemore & Knafl, 2005).

The analysis followed the thematic approach of Braun and Clarke (2006), beginning with familiarisation with the selected studies, followed by initial coding and the development, review, and refinement of themes. Relevant information was coded based on issues such as missing supporting documents, mixed personal and business transactions, unclear transaction descriptions, late document submission, internal controls, information completeness, faithful representation, timeliness, verifiability, reporting errors, and restatements. These codes were then grouped into five main themes: documentation deficiencies, accounting information quality, processing and control mechanisms, financial reporting accuracy, and the mediating relationship between documentation and reporting outcomes.

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Synthesis of Main Findings

Table 3: Synthesis of Findings on the Documentation Information Quality and Reporting Accuracy Relationship

Key finding	Description
Accounting documentation is the foundation of the reporting process	Supporting documents provide evidence regarding the occurrence, amount, timing, authorisation, classification, and business purpose of transactions. Complete records support traceability, reconciliation, and proper financial management (Amoako, 2013; Wadesango, 2015).
Documentation deficiencies reduce the integrity of accounting inputs	Missing records, mixed personal and business transactions, unclear expense evidence, and late submissions introduce omissions, classification errors, unsupported balances, and cut-off problems into the accounting process.
Accounting information quality depends on source-data and processing quality	Accounting information becomes useful when it is relevant and faithfully represented, while comparability, verifiability, timeliness, and understandability enhance its usefulness (IFRS Foundation, 2018). Defective inputs can prevent these characteristics from being achieved.
Internal controls and accounting systems support—but cannot replace—sound documentation	Authorisation, validation, reconciliation, access controls, and audit trails can detect or prevent errors. However, even sophisticated systems cannot fully reconstruct missing evidence or reliably determine the purpose of ambiguous transactions. System and organisational factors therefore affect information and reporting quality (Evinita et al., 2024; Johri, 2025).
Accounting information quality is the proposed mediating mechanism	Documentation deficiencies first impair the completeness, timeliness, verifiability, and faithful representation of processed accounting information; that deterioration subsequently increases the probability of inaccurate financial reporting. Existing evidence supports information quality as a mediator in related accounting-system relationships, but not yet in the exact documentation–reporting accuracy pathway (Sunarta & Astuti, 2023).
High-quality accounting information supports reporting accuracy	Relevant, complete, timely, verifiable, and faithfully represented information enables correct classification, measurement, aggregation, cut-off, reconciliation, and disclosure in financial reports. Information-processing and control quality have also been associated with financial-data reporting accuracy (Johri, 2025).

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Documentation deficiencies may also have a direct reporting effect	Certain deficiencies can transfer directly into financial statements—for example, missing invoices can omit liabilities, personal expenses can overstate business expenditure, unclear receipts can cause misclassification, and late documents can produce cut-off errors. The proposed model should therefore accommodate partial rather than automatically assume full mediation.
Empirical evidence remains fragmented	Prior studies commonly examine recordkeeping, accounting information systems, internal controls, information quality, or financial reporting quality separately. Limited research integrates documentation deficiencies, accounting information quality, and reporting accuracy within a single theoretically grounded mediation model.
OIPT provides an integrative explanation	OIPT explains that organisational outcomes depend on the alignment of information requirements with information-processing capacity. Documentation deficiencies restrict that capacity, reduce the quality of information, and weaken reporting accuracy (Galbraith, 1974).

Table 3 shows financial reporting is the product of an information-processing sequence rather than an isolated year-end activity. Source documents provide evidence of essential economic events, although deficiencies in that evidence can affect reporting through two interrelated pathways. Initially, deficiencies in documentation may result in direct mistakes in reporting, such as omissions, misclassifications, unsupported balances, and incorrect period cut-offs. Secondly, these shortcomings may have an indirect impact by diminishing the comprehensiveness, accurate depiction, verifiability, pertinence, promptness, and clarity of the processed accounting data. While accounting systems and internal controls enhance validation, reconciliation, and traceability, their efficacy is still limited by the quality of the initial documented evidence. The quality of accounting information thus serves as the primary explanatory factor connecting documentation shortcomings to the financial reporting accuracy. Prior mediation research has primarily focused on the quality of accounting information systems and organizational performance (Sunarta & Astuti, 2023), leaving the specific relationship between documentation, information quality, and reporting accuracy insufficiently explored, which serves as the basis for the conceptual framework presented in the subsequent section.

Development of the Theoretical Framework

OIPT provides a useful basis for explaining how weaknesses in documentation management can affect financial reporting. Under OIPT, documentation deficiencies can be understood as increasing the gap between the information required to process accounting transactions and the information available to accounting personnel. According to Galbraith (1974), organisations must have sufficient information-processing capacity to manage the uncertainty, interdependence, and complexity of their tasks. In financial management, information systems must match their processing capability to the operational demands of the firm to preserve

information integrity (Premkumar et al., 2005). Preparing financial statements involves several connected activities, including collecting, authorising, classifying, recording, reconciling, and reporting financial transactions. Within this process, source documents provide the initial input, accounting information represents the processed information, and financial reporting accuracy is the outcome. COSO (2013) emphasizes that importance of documentation and control activities in supporting reliable financial information and reducing the risk of misstatement. When supporting documents are missing, transactions become difficult to verify. Similarly, mixing personal and business expenses obscures the boundary between the owner and the business, unclear descriptions create uncertainty in account classification, and late submissions increase the risk of cut-off errors. These deficiencies limit the information available to accounting personnel and systems when preparing financial reports.

In the proposed framework, accounting documentation management deficiencies serve as the independent variable, accounting information quality is the mediator, and financial reporting accuracy is the dependent variable. The reasoning is that problems with source documents can affect the information produced during the accounting process and, ultimately, the financial reports prepared from that information. For example, missing documents make accounting information less complete and more difficult to verify. Mixing personal and business expenses may affect faithful representation, while unclear supporting evidence can lead to classification problems. Documents submitted late may also affect timeliness and the recognition of transactions in the correct reporting period (IFRS Foundation, 2018). Previous studies provide support for the separate relationships involving recordkeeping (Amoako, 2013; Wadesango, 2015), system conditions (Evinita et al., 2024), the mediating role of accounting information quality (Sunarta & Astuti, 2023), and reporting accuracy (Johri, 2025). However, these relationships have not yet been examined together as one complete pathway.

OIPT further explains why documentation problems at an early stage may later affect financial reporting. The main theoretical contribution of this framework is its view of documentation management as an upstream information-processing capability. Well-managed documentation provides the information needed to identify, classify, verify, and record transactions. In contrast, incomplete, unclear, mixed, or late documentation increases the need for clarification, additional verification, and professional judgement. Accounting information quality is therefore positioned as the point through which weaknesses in documentation may be carried into the reporting process. This mediation may be partial rather than complete. A missing supplier invoice, for instance, can directly result in an unrecorded liability while also reducing the completeness and verifiability of the information used to close the accounts.

This relationship also has practical implications for organisations. Accounting software and final reviews can improve the processing and checking of financial information, but they cannot fully correct problems when the original evidence is missing, unclear, mixed, or submitted late. Organisations therefore need stronger documentation controls, clear procedures, timely submission of supporting documents, appropriate separation of personal and business transactions, and reliable audit trails.

Overall, the framework proposes that documentation management deficiencies increase uncertainty in accounting processes, reduce the quality of accounting information available for decision and reporting purposes, and consequently increase the risk of inaccurate financial reporting. OIPT provides the theoretical explanation for this sequence by linking the

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availability of information to the organisation's ability to process accounting tasks effectively. The proposed relationships are presented in Figure 1.



Figure 1: Proposed Conceptual Framework

Proposition Development

Accounting begins with evidence and this evidence is provided through the accounting source documents. Accounting source documents serve as the foundational evidentiary basis of the accounting cycle, verifying that a transaction occurred while establishing its monetary value, date, authorization, and business purpose. When this evidence is incomplete or poorly managed, inaccuracies may infiltrate the accounting procedure. For instance, a missing supplier invoice may result in a liability being left out of the accounts. A personal expense recorded as a business expense may increase reported business costs, while an unclear receipt may be assigned to the wrong account. Similarly, documents submitted after the reporting deadline may result in a transaction being recorded in the wrong period. These problems can make it difficult to trace transactions and support the amounts reported in the financial statements.

Previous studies have shown that proper recordkeeping is important for reliable financial management (Amoako, 2013; Wadesango, 2015). Late submission of supporting documents can also slow down accounting work and increase the possibility that transactions are recorded after the appropriate reporting period (Cao et al., 2016). From the perspective of OIPT, the problem is not simply that a document is missing; it is that the accountant has less information available to complete the task accurately (Galbraith, 1974). Accounting systems and internal controls can help identify unusual transactions and inconsistencies, but they cannot fully replace information that was never recorded or clarify a transaction when its purpose is unclear (Almubaydeen, Abbas, et al., 2026; Johri, 2025). The problem therefore begins before the financial statements are prepared, as weaknesses in the supporting information can affect the subsequent accounting process.

These documentation problems can appear in the financial statements in different ways. An incomplete document may contribute to an omission, an unclear document may lead to misclassification, and an unsupported amount may create problems during measurement or reconciliation. Late submission can also increase the risk of cut-off errors. This suggests that financial reporting accuracy depends partly on the quality and availability of the information provided at the beginning of the accounting process. When documentation is properly prepared, supported, and submitted on time, accountants have a stronger basis for recording and reporting transactions accurately. Therefore, the following proposition is proposed:

Proposition 1: Accounting Documentation Management Deficiencies Negatively Affect Financial Reporting Accuracy.

The quality of accounting information depends partly on the documents available to support it. Without sufficient evidence, accountants may struggle to confirm whether a transaction occurred or whether the recorded amount is correct. Missing documents therefore affect both completeness and verifiability. Mixing personal and business expenses creates a different problem: the records may no longer give a faithful account of the organisation's activities. Unclear descriptions make it difficult to identify the business purpose and correct classification of an expense, while late documents can delay processing or cause transactions to be recorded in the wrong period. These weaknesses affect the characteristics of useful financial information described in the IFRS Conceptual Framework (IFRS Foundation, 2018).

Research on recordkeeping highlights the importance of complete records for reliable financial management (Amoako, 2013; Wadesango, 2015). Other studies show that organisational and system conditions influence accounting information quality (Evinita et al., 2024; Sunarta & Astuti, 2023). Technology and electronic auditing can help accountants check records and identify errors, but they cannot reliably replace evidence that was never captured (Almubaydeen, Abbas, et al., 2026).

From an OIPT perspective, poor documentation reduces the information available for accounting activities and increases the difficulty of processing transactions accurately (Galbraith, 1974). When accountants have incomplete, unclear, or untimely information, they may require additional verification and judgement, increasing the risk of inaccurate or less useful accounting information. Thus, the following proposition is proposed:

Proposition 2: Accounting Documentation Management Deficiencies Negatively Affect Accounting Information Quality.

Financial statements draw on information that has already been recorded, classified, measured, combined, and reconciled. The quality of this information matters because accountants use it to determine the correct accounts and reporting periods, support estimates, resolve differences, and prepare disclosures. Information that meets the IFRS qualitative characteristics provides a stronger basis for these tasks (IFRS Foundation, 2018). When accounting information is incomplete, inconsistent, or difficult to verify, accountants may face unsupported balances, late adjustments, and errors in measurement or period recognition.

Previous studies provide support for the relationship between accounting information quality and financial reporting outcomes. Chen and Gong (2019) link accounting comparability with financial reporting quality, while Johri (2025) associates system quality and internal controls with financial-data reporting accuracy. Organisational and system conditions also influence accounting information quality (Evinita et al., 2024; Sunarta & Astuti, 2023). These findings suggest that the quality of information available to accountants is important for producing reliable and accurate financial reports. Reporting technologies may improve processing and report quality, although their usefulness depends on the information available to them (Almubaydeen, Al-Kabbji, et al., 2026; Al-Ramahi et al., 2026).

From an OIPT perspective, higher-quality accounting information reduces uncertainty by providing accountants with the details needed to process transactions and prepare financial

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reports accurately (Galbraith, 1974). In contrast, incomplete or unreliable information increases the need for clarification, verification, and additional judgement, which may increase the risk of reporting errors. Therefore, accounting information quality is expected to contribute positively to financial reporting accuracy. Accordingly, the following proposition is proposed:

Proposition 3: Accounting Information Quality Positively Affects Financial Reporting Accuracy.

Accounting information quality may explain how documentation problems affect financial reporting accuracy. Before source documents can be used to prepare financial statements, their contents must be checked, classified, measured, reconciled, and combined with other transaction data. Problems with the documents can disrupt these activities. Missing evidence makes information less complete and harder to verify, while mixed personal and business transactions can affect the faithful representation and classification of business transactions. Unclear descriptions create classification difficulties, and late submissions can delay recording or affect the reporting period used (IFRS Foundation, 2018). Similarly, previous studies indicate that internal control and accounting system conditions can influence accounting information quality (Ngo et al., 2021).

The quality of accounting information can subsequently affect the quality and accuracy of financial reporting. According to Monteiro et al. (2021), internal control and accounting information system quality influence the usefulness of financial information, while Monteiro et al. (2024) highlighted the importance of accounting information system quality and financial information quality for organisational outcomes. Other than that, Diah et al. (2026) further found that accounting information system quality can act as a mediating mechanism in the relationship between information technology capability and financial reporting quality. These findings suggest that the quality of information produced during the accounting process may provide a link between weaknesses in accounting processes and the quality of financial reporting.

From the perspective of OIPT, documentation deficiencies increase the gap between the information required to process accounting transactions and the information available to accounting personnel (Galbraith, 1974). Poor documentation may therefore reduce accounting information quality, which can subsequently increase the risk of inaccurate financial reporting. Although previous studies support the individual relationships between internal controls, accounting information quality, accounting systems, and financial reporting quality, they do not directly examine the mediating role of accounting information quality between documentation deficiencies and financial reporting accuracy. Therefore, the following proposition is proposed:

Proposition 4: Accounting Information Quality Mediates The Relationship Between Accounting Documentation Management Deficiencies And Financial Reporting Accuracy, Such That Greater Deficiencies Reduce Information Quality And, In Turn, Reporting Accuracy.

In practice, the framework suggests that organisations should deal with documentation problems as early as possible, preferably when transactions are first recorded. Missing documents, repeated submission delays, unresolved personal expenses, and failures to follow documentation procedures can be early signs of problems in the accounting process.

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Accountants can establish clear requirements for supporting documents and procedures for following up incomplete records. Accountants can reduce these problems by setting clear requirements for supporting documents and following up promptly when records are incomplete. Auditors can also pay attention to repeated documentation problems because they may indicate weaknesses in the quality of accounting information or increase the risk of misstatement. Digital systems can make it easier to store, track, and review documents, but technology cannot replace information that is missing or unclear. Therefore, investment in accounting technology should be supported by simple and consistent documentation practices and clear responsibility for maintaining records.

The four propositions explain both the direct effect of documentation deficiencies and the process through which an indirect effect may occur. Proposition 1 concerns the direct relationship with reporting accuracy. Propositions 2 and 3 describe how documentation deficiencies affect accounting information quality and how that quality, in turn, affects reporting accuracy. Proposition 4 brings these relationships together through mediation. The contribution to OIPT lies in treating documentation management as an upstream information-processing capability: weaknesses at this stage may affect the information produced and the reports subsequently prepared from it. The framework allows for partial mediation because a documentation problem may have both direct and indirect consequences. For example, a missing invoice may leave a liability unrecorded while also reducing the completeness of the information used during the closing process.

Conclusion

This study argues that weaknesses in accounting documentation can reach financial statements through two pathways. Some have immediate consequences: a missing invoice can omit a liability, a personal expense can distort business costs, and a late record can create a cut-off error. Others work through the accounting process by reducing the completeness, faithful representation, verifiability, timeliness, and understandability of the information used to prepare the statements. Positioning accounting information quality between documentary source document information and reporting outputs extends OIPT to a less examined part of the accounting process and clarifies why stronger software alone cannot guarantee accurate reports. For managers, the framework prioritises authorisation, separation of personal and business transactions, clear expense descriptions, submission deadlines, centralised storage, reconciliations, and traceable audit trails. The study is limited by its theoretical framework, dependence on a single database, inconsistencies in construct definitions, and lack of direct empirical validation. Subsequent research ought to develop and validate a measure of documentation management inadequacies, evaluate both direct and indirect impacts within various organizational and regulatory contexts, differentiate between partial and complete mediation, and investigate moderators including internal control efficacy, employee proficiency, organizational scale, and digital accounting capability.

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