

# The Digital Divide's Impact on Accounting Information Systems Risks Faced by Financial Auditors: A Jordanian Case Study

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## ABSTRACT

The study emphasizes the importance of organizational structure, human capital, and legal controls in reducing accounting system risks. Three research questions explore the impact of the organizational structure, the role of human capital, and the significance of legal controls in risk reduction. Using statistical analysis, 104 questionnaires were distributed, and 76 were collected for the statistical analysis, including simple linear regression. The study reveals significant findings. The organizational structure plays a positive and influential role in establishing sound internal control systems that reduce accounting system risks. Qualified human capital contributes to technical progress, enhancing the accuracy and efficiency of financial audit activities. Robust legal controls effectively identify deviations, ensuring data integrity and compliance with international standards. Recommendations for the JDRC include establishing a clear organizational structure, investing in qualified human capital, and implementing comprehensive legal controls to mitigate accounting system risks. This study contributes to the literature by addressing unique variables and highlighting the risks and limitations of accounting systems within the JDRC. The findings inform organizations in similar contexts, guiding effective risk mitigation strategies and enhancing accounting system performance.

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## 1. INTRODUCTION

Accounting information systems are crucial tools for enhancing the efficiency and effectiveness of various departments. However, their utilization involves inherent risks that can hinder the achievement of desired outcomes. Within the Jordanian Directorate of Retirement and Compensation (JDRC) context, adopting a multifaceted digital approach necessitates a well-defined organizational structure, qualified human capital, and robust legal and regulatory controls. These factors play a vital role in mitigating the risks faced by financial auditors and ensuring the successful implementation of accounting systems.

The responsibility of calculating pensions in Jordan falls upon all classified government employees who receive their salaries from the general budget and employees of public official corporations with financial and administrative independence under the purview of the Ministry of

Finance through the Jordanian Retirement and Compensation Directorate. The provisions of Law No. 34 of 2018 bind financial auditors, which requires them to manage the accounting system effectively and to execute their responsibilities efficiently and effectively.

This study aims to identify the risks associated with accounting systems confronted by financial auditors in the Jordanian Retirement and Compensation Directorate and investigate the role of the digital divide in mitigating these risks. Understanding and effectively managing these risks can help us realize the feasibility and benefits of accounting systems.

Financial auditors at the Retirement and Compensation Directorate face numerous challenges in settling and monitoring retirement benefits for government employees. Due to its extensive workload, the implementation of Law No. 34 of 2018 exposes these tasks to vulnerability, particularly regarding accounting systems. Such risks are related to

inputs, outputs, and operational aspects. Thus, this study seeks to identify the accounting system risks encountered by financial auditors and explore the potential of the digital divide in minimizing them.

To address the research problem, the study focuses on three primary research questions. Firstly, it examines the impact of the organizational structure, in accordance with the digital divide, on reducing accounting system risks for financial auditors. Secondly, it explores the role of human capital, in line with the digital divide, in mitigating the risks associated with accounting systems. Finally, it investigates how legal and regulatory controls, in accordance with the digital divide, contribute to risk reduction in accounting systems within the Retirement and Compensation Directorate.

This study holds significant importance for several reasons. Firstly, it explores a unique set of variables that previous studies have not examined extensively. Secondly, the risks associated with accounting systems and their mitigation are of contemporary relevance, as they directly impact work efficiency and effectiveness.

The objectives of this study are twofold. Firstly, to determine the roles of the organizational structure, human capital, and legal and regulatory controls in reducing the risks associated with accounting systems faced by financial auditors within the Jordanian Retirement and Compensation Directorate, considering the digital divide. Secondly, to provide recommendations based on the study's findings, emphasizing the significance of understanding the digital divide and its potential in mitigating accounting system risks within the Directorate.

By achieving these objectives, this study aims to deepen our understanding of the digital divide's impact on mitigating accounting system risks and provide valuable insights for enhancing risk management practices within the Retirement and Compensation Directorate.

## 2. LITERATURE REVIEW

### 2.1. The Concept of the Digital Divide

In light of the communications and information technology revolution, most countries develop their policies to fit the technological requirements and perform their functions with the highest possible efficiency. The government sector has become responsible for restructuring public institutions, including coping with the digital revolution (Imamov & Semenikhina, 2021). Special consideration was given to the digital divide as the interface spacing timetable in the benefit and value of the usefulness of accounting information (Sin et al., 2021).

Maji and Laha (2022) argue that the digital divide exists in most states between those who have access to information and communication technology (ICT) tools and those who do not have the skills to access them. Pajunen et al. (2020) argue about the possibility of reducing the digital divide of the information resulting from the financial reports prepared following the requirements of the consolidated accounting system through the existence of inadequate disclosure. In addition, Barth and Veit (2011) suggest that the digital divide can maximize the target

groups of electronic public services. This enables the public sector to benefit from the advantages of providing high-quality electronic services at a low cost.

Therefore, this study has dealt with the digital gap between retirement and the Compensation Directorate of Jordan through organizational structure, human capital, and regulatory and legal controls.

### 2.2. Organizational Structure

The organizational structure serves as a framework that visually represents the various units and divisions within an organization, elucidating the lines of authority, responsibility, information flow, and official contacts (Al-Hayek, 2018). In this study, the organizational structure also encompasses the assortment of organizational means, financial procedures, and accounting methods that facilitate the provision of financial resources to government accounting units, ensuring compliance with budgetary requirements.

Furthermore, the organizational structure is pivotal in maintaining control over accounting procedures, establishing necessary infrastructure, and facilitating financial planning (Abualoush et al., 2018). It acts as an organizational plan, incorporating relevant methodologies that prevent interference or conflicts between various tasks and duties. Consequently, it enables effective oversight, clearly defines responsibilities, facilitates data provision for financial planning, and streamlines communication and decision-making processes.

Recent research has demonstrated the significance of leveraging pertinent accounting information within the risk management framework of Saudi banks operating under digital services. Such utilization has been found to exhibit a statistically significant relationship with achieving positive outcomes and reducing risks (Osemy, 2021). Notably, computerized accounting information systems face several security-related risks that can undermine the quality of accounting information (Al-Khasawneh, 2023). In the Jordanian banking sector, external auditors encounter various challenges associated with digital technologies as components of the audit work environment. These challenges encompass accounting systems, internal control systems, electronic evidence, and audit risks (Al-Khasawneh, 2022).

The organizational structure should incorporate several key elements to mitigate these risks. Firstly, clear reporting lines must be established to ensure a transparent flow of information and accountability. Secondly, specific roles and responsibilities should be assigned to individuals involved in accounting processes. Thirdly, a hierarchical authority structure should be implemented to facilitate decision-making and enhance overall control. Moreover, seamless integration of information technology into accounting systems is crucial for efficient operations. Finally, the provision of training and support mechanisms is essential to equip auditors with the necessary skills and assistance (Pawluczuk et al., 2021).

By incorporating these measures, the Jordanian Retirement and Compensation Directorate can effectively address the risks associated with accounting systems, considering the challenges posed by the digital divide.

### 2.3. Human Capital

Human capital encompasses various factors, including efficiency, skills, overcoming challenges, attitudes, and appropriate work behavior (Abbad & Hijawi, 2017). It represents the collective capacity, skills, and knowledge acquired through training and learning experiences, as the Human Capital Index encapsulates. Notably, human capital assumes significance as it forms the basis for value addition in the workplace. Adila (2017) contends that training in human capital yields several benefits:

1. Facilitating the creation of new knowledge and fostering innovation within the work context,
2. Enhancing asset efficiency and promoting employee productivity by leveraging diverse assets with utmost efficacy,
3. Contributing to technological development and serving as an indispensable source of sustainable progress.

Drawing from the aforementioned points, it is evident that specialized and well-trained human capital constitutes the primary pillar in adding value to all components of sustainable development and innovation. Furthermore, it enables the generation of new knowledge for practical application and proficient utilization of technological methods based on sound scientific principles.

Recent academic research underscores the crucial role of human capital in mitigating the risks associated with accounting systems encountered by financial auditors in the Jordanian Retirement and Compensation Directorate (JDRC), particularly in light of the challenges arising from the digital divide (Al-Serhan & Attallah, 2021). The digital divide delineates the disparity between individuals or groups possessing access to and knowledge of digital technologies and those who lack such access, significantly impacting the efficacy of accounting systems and auditing processes. To address accounting system risks within the JDRC, human capital must possess expertise and proficiency in accounting principles, auditing standards, and information technology. Engaging financial auditors in continuous professional development programs can further augment their knowledge and skills pertaining to digital technologies Kroon et al. (2020). Moreover, adaptive human capital can bridge the gap between conventional accounting practices and digital advancements. Cultivating a collaborative work culture that fosters knowledge sharing among financial auditors is paramount in mitigating accounting system risks. Financial auditors' integrity and ethical conduct are vital in minimizing accounting system risks. Human capital that is well-versed in potential risks associated with digital accounting systems can proactively identify vulnerabilities and implement risk management strategies (Anridho, 2018). By addressing risks proactively and maintaining vigilance, financial auditors can mitigate the adverse impact of the digital divide on the integrity of accounting systems.

### 2.4. Regulatory and Legal Controls

Regulatory and legal controls hold a paramount role in mitigating the risks entailed in accounting systems confronted by financial controllers within the Directorate

of Retirement and the Jordanian Compensation, particularly in the realm of the Digital Divide. Negligence in regulatory processes can trigger financial avalanches due to the submission of erroneous information (Abu Rasheed, 2015). Notably, regulatory controls significantly impact the reliability of electronic accounting systems as a whole (Hamada, 2010, p. 331). Moreover, legal controls serve as the fundamental principles governing governmental accounting practices, with many countries relying on financial laws that outline the rules, procedures, and principles that employees must adhere to (Armour et al., 2016, p. 199). In most cases, these laws account for the digital landscape, which differs from the manual pattern of validating transactions and necessitates regulations, interactions, and the assurance of seamless daily operations (Dahleez, 2017).

Recent scholarly research emphasizes the crucial role of legal and regulatory controls in mitigating the risks associated with accounting systems faced by financial controllers within the Directorate of Retirement and the Jordanian Compensation, especially within the context of the Digital Divide (Al-Mawajdeh & Al-Bashabsheh, 2022). Robust legal and regulatory frameworks are indispensable in reducing these risks. First, these controls establish the foundation for ensuring compliance with accounting standards, financial reporting requirements, and governance principles. They provide guidelines and enforceable rules that financial controllers must abide by, guaranteeing transparency, accountability, and accuracy in financial reporting processes. Second, legal and regulatory controls establish mechanisms for oversight and monitoring accounting systems. Regulatory bodies and authorities are responsible for supervising financial controllers' operations to ensure adherence to ethical practices, internal control procedures, and risk management frameworks. Regular audits, inspections, and investigations conducted under these controls identify potential weaknesses, irregularities, or non-compliance with accounting standards, thus reducing the risks associated with accounting systems.

Furthermore, legal and regulatory controls foster the adoption of robust internal control systems within the Directorate of Retirement and the Jordanian Compensation. These systems encompass policies, procedures, and safeguards designed to safeguard assets, ensure the accuracy of financial records, and prevent unauthorized access or manipulation of data. Adequate internal controls contribute to reducing the risks of data breaches, financial fraud, and unauthorized transactions within accounting systems.

In the context of the Digital Divide, legal and regulatory controls can effectively address the challenges and risks posed by digital technologies. They can establish data protection, privacy, and cybersecurity guidelines to safeguard sensitive financial information. Additionally, these controls can set standards for utilizing digital accounting systems, ensuring the reliability, integrity, and availability of digital records and transactions. By enforcing compliance with these controls, financial controllers can mitigate the risks arising from the Digital Divide, such as data breaches, system vulnerabilities, and the potential manipulation or loss of digital financial data.

2.5. Financial Auditor at the Retirement and Compensation

Directorate The duties of the financial auditor at the Directorate of Retirement and Compensation revolve around applying the provisions outlined in the amended Civil Retirement Law No. (34) of 2018. This law governs various aspects related to pension rights settlement, calculation of monthly retirement salary, rewards, re-use and loss of pension rights, as well as the settlement of rights for the deceased employee's family members entitled to retirement salary, remuneration, or compensation as per the provisions of the law. As a result, the amended Civil Retirement Law encompasses many legal articles that the financial auditor must adhere to and abide by. Accounting Information Systems comprise a series of steps and procedures encompassing various inputs, treatments, and outputs (Turner et al., 2022). It serves as a unified structure within an organization, utilizing natural resources and other components to transform economic data into accounting information that caters to the needs of multiple internal and external users (Qatawneh, 2021). Despite the significant technological advancements and computerization in various professional fields, accounting systems rely on sequential steps and procedures, which entail risks for their users. These risks can be explained as follows:

1. *Input Risks:* These are the risks arising from insufficient input controls related to accounting information system applications represented by placing wrong and incorrect inputs (Al-Eabidi, 2012).
2. *Processing Risks:* These risks arise from inadequate processing of information technology applications within the organization, which can be attributed to factors such as operational complexity, financial conditions, and unauthorized use of the operating system (Anes & Omar, 2016).
3. *Output Risks:* These risks emerge from insufficient controls over output processes, leading to inaccurate outputs, information loss, unauthorized disclosure, and distribution (Anes & Omar, 2016). Al-Thunibat (2017) noted that the absence of human intervention in computerized systems has resulted in increased systematic errors and an inability to track distortions occurring in the outputs.

Thus, accounting information systems serve as vital tools utilized by organizations to effectively utilize their

resources and provide the necessary accounting information both internally and externally. However, numerous risks can impede the achievement of these systems' objectives, particularly due to insufficient entry controls and treatments.

Based on the information discussed, the following conclusions can be drawn from the three hypotheses:

*H<sub>1</sub>:* According to the digital divide, the organizational structure does not have a significant statistical impact at  $p \leq 0.05$  on reducing the risks of accounting systems faced by the financial auditor in the JDRC.

*H<sub>2</sub>:* Human capital does not have a significant statistical impact at  $p \leq 0.05$  on reducing the risks of accounting systems faced by the financial auditor in the JDRC, according to the digital divide.

*H<sub>3</sub>:* According to the digital divide, regulatory and legal controls do not have a significant statistical impact at  $p \leq 0.05$  on reducing the risks of accounting systems faced by the financial auditor in the JDRC.

These conclusions suggest that the variables of organizational structure, human capital, and regulatory and legal controls do not demonstrate a statistically significant influence on the reduction of accounting system risks faced by financial auditors in the JDRC when considering the challenges posed by the digital divide. Fig. 1 presents the conceptual framework we adopted in the present study.

3. METHOD

This study utilized a descriptive-analytical method to assess the role of the digital divide in reducing the risks of accounting systems faced by financial auditors in the JDRC.

3.1. Data Collection Resources

The data collection process relied on two resources. Firstly, primary data was collected through a questionnaire developed after reviewing the theoretical framework. Secondly, secondary data was gathered from legislation, such as laws and systems issued by the government in Jordan.

3.2. Study Instrument

The questionnaire comprised two sections. The first section included information related to the respondents, such as their academic qualifications, scientific specialization, and years of experience. The second section consisted of questions designed to measure the hypotheses of the study. These questions were divided into two parts: the first

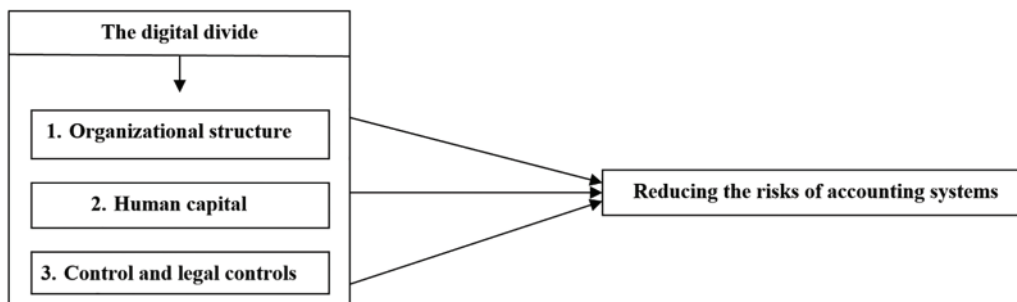


Fig. 1. The conceptual framework.



TABLE I: ASPECTS OF THE DIGITAL DIVIDE AND QUESTIONS MEASURED

The independent variable	The dimension of the independent variable		
The digital divide	Organization structure	Human capital	Regulatory and legal controls
Number of questions	6	7	9
Order of questions	4–9	10–16	17–25

TABLE II: CORRELATION COEFFICIENTS BETWEEN EACH VARIABLE AND THE OVERALL RELATIONSHIP OF THE STUDY TOOL

Variable	Correlation coefficient	p
Organization structure	0.812	0.001
Human capital	0.871	0.001
Legal and digital controls	0.759	0.001
The risk of accounting systems	0.803	0.001

part addressed the independent variable, the digital divide, which was assessed through aspects such as organizational structure, human capital, and regulatory and legal controls. The second part of the questionnaire focused on the dependent variable, the reduction of risks in accounting systems, and consisted of seven questions. Table I summarizes the distribution and construction of the study's tools.

### 3.3. Validation of Study Tool and Its Stability

The questionnaire was designed using a 5-point Likert scale, a commonly used measurement scale in such studies. To ensure the external and content validity of the study tool, the questionnaire underwent a validation process involving twelve accounting and statistics professors from Jordanian universities and three advisors from the Ministry of Finance and the JDRC. Their feedback was incorporated into the questionnaire, resulting in improved validity.

The stability of the questionnaire was measured using the Cronbach Alpha coefficient in Table II, which indicated an acceptable level of internal consistency for the combined study variables (82.6%). This ensured the questionnaire's reliability for analysis, hypothesis testing, and dissemination of the study results.

### 3.4. Study Population and Sample

The study focused on the JDRC, specifically the financial auditors and systems analysts involved in the follow-up and management of pension rights for governmental employees in Jordan. A total of 104 questionnaires were distributed in person, and 83 questionnaires were retrieved. Of these, 76 questionnaires were deemed valid for statistical analysis, representing a response rate of 73.08%.

### 3.5. Analysis of Sample Characteristics

The characteristics of the study sample, including demographics and educational qualifications, were analyzed using SPSS. The sample characteristics analysis presented in Table III revealed that most respondents held a bachelor's degree (65.79%), followed by master's degree holders (15.79%). Additionally, simple linear regression analysis and reliability analysis (Cronbach Alpha) were conducted to assess the stability and reliability of the study findings.

The sample characteristics analysis revealed that most respondents held a bachelor's degree (65.79%), followed by master's degree holders (15.79%). A smaller percentage had a higher diploma (7.89%), while those with a degree less than a bachelor's constituted the smallest group (3.95%).

Furthermore, the study sample consisted predominantly of individuals specializing in accounting (63.16%), indicating a homogeneity of expertise. The remaining percentage (36.84%) represented individuals with backgrounds in various disciplines related to governmental activities, demonstrating familiarity with the terminology used in the questionnaire.

Regarding job experience, the study sample showed that 43.42% had more than 16 years of experience, 25% had job experience ranging from 11 to 16 years, 21.05% had experience from 6 to 11 years, and 10.53% had experience of 5 years or less. The diverse range of job experience levels within the sample enhances the reliability of the questionnaire responses.

In conclusion, the methodology employed in this study utilized a descriptive-analytical approach, employing a questionnaire as the primary data collection tool. The study instrument underwent validation and stability analysis, ensuring the reliability of the findings. The sample consisted of financial auditors and systems analysts from the JDRC, with a majority holding bachelor's degrees.

## 4. RESULTS

The study aimed to examine the impact of various factors on the reduction of risks in accounting systems faced by financial auditors in the JDRC, considering the digital divide. The following sections present the findings from the analysis of each hypothesis.

### 4.1. Item Analysis for Organizational Structure and Risk Reduction

Table IV provides an overview of the responses obtained from the study sample concerning questions 4–9 pertaining to the organizational structure. The average response score for these questions was 3.885, indicating a high arithmetic mean surpassing the measuring instrument's mean value (3). The standard deviation of 0.813 suggests moderate variation among the responses. Question 4 received the highest average score of 4.610 with a standard deviation of 0.593, while question 7 had the lowest average score of 3.098 with a standard deviation of 0.935. These findings imply that the organizational structure has played a positive role in reducing the risks of accounting systems faced by financial auditors in the JDRC, considering the digital divide.

TABLE III: QUALIFICATIONS OF THE STUDY SAMPLE

Educational qualification	The study category	Less than bachelor	Bachelor	Higher diploma	Master	PHD	Frequency
	Financial auditor	2	44	6	10	4	66
	Systems analyst	1	6	0	2	1	10
	Total	3	50	6	12	5	76
	Percentage	3.95%	65.79%	7.89%	15.79%	6.58%	100%
Specialization	The study category	Account	Financial management	Computer Systems	Economy	Different specialties	Frequency
	Financial auditor	48	9	0	7	2	66
	Systems analyst	0	0	10	0	0	10
	Total	48	9	10	7	2	76
	Percentage	63.16%	11.84%	13.16%	9.21%	2.63%	100%
Experience	The study category	From 1–5 years	From 6–11 years	From 11–16 years	More than 16 years	–	Frequency
	Financial auditor	8	14	16	28	–	66
	Systems analyst	0	2	3	5	–	10
	Total	8	16	19	33	–	76
	Percentage	10.53%	21.05%	25%	43.42%	–	100%

TABLE IV: HYPOTHESIS TESTING RESULTS

Hypothesis	Variable	F calculated	R	R <sup>2</sup>	B	Standard error	t	p	Result
H <sub>1</sub> : Organizational structure and risk reduction	The organizational structure in accordance with the digital divide	105.402	0.630	42.392	1.134	0.135	8.339	<0.001	Rejected
H <sub>2</sub> : Human capital and risk reduction	Human capital conclusion of the digital divide	138.209	0.718	55.172	2.834	0.298	9.806	<0.001	Rejected
H <sub>3</sub> : Regulatory and legal controls and risk reduction	The controls and legal in accordance with the digital divide	152.030	0.754	58.482	3.681	0.338	10.890	<0.001	Rejected

#### 4.2. Item Analysis for Human Capital and Risk Reduction

Table V shows the analysis of the second hypothesis, focusing on questions related to human capital at the JDRC. The responses from questions 10–16 indicate a positive trend among the study sample members. The overall average score for these questions was 4.279, which reflects a significantly high arithmetic mean compared to the mean value of the measuring instrument (3). The standard deviation of 0.697 indicates moderate variability in the responses. Question 12 obtained the highest average score of 4.800, accompanied by a standard deviation of 0.549, while question 15 received the lowest average score of 3.961 with a standard deviation of 0.606. These results suggest that human capital has played a positive role in reducing systemic risks faced by financial auditors in the JDRC, considering the digital divide.

#### 4.3. Item Analysis for Regulatory and Legal Controls and Risk Reduction

Table VI presents the analysis of the third hypothesis, examining questions 17–25 related to regulatory and legal controls. The study sample's responses indicate a positive

inclination towards these questions, with an overall average score of 4.092. This arithmetic mean is considerably higher than the mean value of the measuring instrument (3), while the standard deviation of 0.712 suggests a moderate level of variation in the responses. Question 21 obtained the highest average score of 4.570, with a standard deviation 0.744. In contrast, question 22 received the lowest average score of 3.737, with a standard deviation of 0.883. These findings suggest that regulatory and legal controls have played a positive role in reducing the risks of accounting systems faced by financial auditors in the JDRC, considering the digital divide.

Finally, Table III provides an overview of the study sample's responses to all the questions related to the dependent variable, which focuses on reducing risks in accounting systems. The total mean score for these responses was 4.187, indicating a high arithmetic average that underscores the significance attributed to these questions by the study sample members. The standard deviation of 0.924 suggests moderate variability in the responses. Notably, the standard deviations decrease relative to questions 26–32, indicating a higher degree of homogeneity in the opinions of the sample members regarding the reduction of

TABLE V: ANALYSIS OF THE FIRST HYPOTHESIS QUESTIONS RELATED TO THE ORGANIZATIONAL STRUCTURE

Serial number	Item content	Arithmetic mean	Standard deviation	Sequence by importance
4	According to the digital divide, the organizational structure helps facilitate the departments' tasks concerning processing accounting data electronically.	4.610	0.593	1
5	The organizational structure contributes to building sound internal control systems and limits overlap in the duties of the financial auditor, according to the digital divide.	3.905	0.806	3
6	According to the digital divide, the organizational structure contributes to delegating authority to the financial auditor in the Directorate of Retirement and Compensation and determining its responsibilities.	3.861	0.770	4
7	According to the digital divide, the organizational structure contributes to holding sub-departments accountable when exercising the powers delegated to them by senior management.	3.098	0.935	6
8	The organizational structure obligates the financial auditor to collect and classify accounting information in accordance with the digital divide.	4.372	0.841	2
9	The organizational structure includes the procedures and standards required for the work of the financial auditor with clarity and flexibility in accordance with the digital divide.	3.464	0.686	5
4-9	The arithmetic average of all questions.	0.813	3.885	

TABLE VI: ANALYSIS OF THE SECOND HYPOTHESIS QUESTIONS RELATED TO HUMAN CAPITAL

Serial number	Item content	Arithmetic average	Standard deviation	The sequence of importance
10	The human capital at the Jordanian Retirement and Compensation Directorate helps to perform the duties and performance electronically in accordance with the digital divide.	4.111	0.672	4
11.	Human capital in the Jordanian Retirement and Compensation Directorate contributes in Keeping pace with the amendments that occur in the accounting systems accordance with the digital divide.	4.002.	0.918	6
12	The human capital in the Jordanian Retirement and Compensation Directorate contributes to reducing errors committed during the implementation of the financial auditor for his work and thus achieve the basic goals associated with the performance of the directorate.	4.800	0.549	1
13	Human capital at the Jordanian Retirement and Compensation Directorate helps to obtain accurate information retrieval of major operational in time.	4.291	1.204	3
14	The efficiency of human capital in the Jordanian Retirement and Compensation Directorate helps in assessing the risks of accounting systems and their management methods in accordance with the digital divide.	4.770	1.031	2
15	The efficiency of human capital in the Jordanian Retirement and Compensation Directorate helps in assessing the risks of accounting systems And methods of auditing it in accordance with the digital divide.	3.961	0.606	7
16	Human capital in the JDRC contributes technical progress through technological skills gained in performing the job.	4.018	0.975	5
10-16	The arithmetic average of all questions.	4.279	0.697	

risks faced by financial auditors in the Jordanian Retirement and Compensation Directorate within the scope of accounting systems.

In conclusion, the analysis of the three hypotheses reveals a consistent pattern of positive influence on risk reduction. The organizational structure, human capital, and regulatory and legal controls have all demonstrated their significance in mitigating the risks financial auditors face in the JDRC concerning accounting systems and the digital divide.

4.4. Item Analysis for Reduction of the Risk of Accounting Systems

Finally, Table VII provides an overview of the study sample's responses to all the questions related to the dependent variable, which focuses on reducing risks in accounting systems.

4.5. Hypothesis Testing

The statistical analysis of the study hypotheses was conducted using simple linear regression analysis. Table VIII

TABLE VII: ANALYSIS OF THE THIRD HYPOTHESIS QUESTIONS RELATED TO REGULATORY AND LEGAL CONTROLS

Serial number	Item content	Arithmetic mean	Standard deviation	Sequence by importance
17	Control and legal controls contribute to the statement of the strengths and weaknesses in accounting systems and reduce the risk of the digital divide.	4.015	0.684	6
18	Control and legal controls contribute to the analysis of accounting systems, which leads to showing the deviations and their causes and developing appropriate solutions to deal with them in accordance with the digital divide.	4.245	0.901	2
19	The controls and legal controls help to meet the requirements of accounting standards and thus unite the foundations and methods of treatment in the accounting systems in accordance with the digital divide.	4.133.	0.876	4
20	The controls and legal controls help to ensure data accuracy and accounting procedures in accordance with the digital divide.	3.892	0.940	8
21	Control and legal controls protect accounting data from misuse and unsafe access to it, per the digital divide.	4.570	0.744	1
22	Legal and regulatory controls contribute to ensuring the integrity of accounting data with an effective impact on the decision-maker in the Directorate of Jordan's retirement and compensation in accordance with the digital divide.	3.767	0.883	9
23	Control and legal controls in accordance with the digital divide help process accounting data electronically by following the policies to be adhered to.	4.084	0.689	5
24	Controls and legal controls help in accordance with the digital divide to ensure the security and protection of accounting files.	4.160	0.803	3
25	Controls and legal controls help with the digital divide to document and improve accounting systems compatible with international standards.	3.962	0.519	7
17–25	The arithmetic average of all questions.	4.092	0.712	

examines the first hypothesis, which posits that the organizational structure has no statistically significant effect on reducing the risks of accounting systems faced by financial auditors in the Jordanian Retirement and Compensation Directorate (JDRC) in accordance with the digital divide.

Table V examines the first hypothesis, which posits that the organizational structure has no statistically significant effect on reducing the risks of accounting systems faced by financial auditors in the Jordanian Retirement and Compensation Directorate (JDRC) in accordance with the digital divide. The results indicate a significant effect of the organizational structure on reducing accounting system risks. The calculated F-value of 105.402 is statistically significant at  $p < 0.001$ . Additionally, the calculated t-value of 8.339 is statistically significant at the same significance level. This suggests a positive relationship between the organizational structure and the reduction of accounting system risks, supported by a correlation coefficient 0.630. The organizational structure accounts for 42.392% of the variance in risk reduction, while other factors remain stable. Consequently, the null hypothesis is rejected, and the alternative hypothesis is accepted. These findings align with previous studies by Al-Hayek (2018) and Armour et al. (2016), highlighting the role of the organizational structure in facilitating information flow and organizational control.

In addition, Table VIII also presents the results of the second hypothesis, which examines the effect of human capital on reducing accounting system risks faced by financial auditors in the JDRC, according to the digital divide. The results demonstrate a significant effect of human

capital on reducing accounting system risks. The calculated F-value of 138.209 is statistically significant at  $p < 0.001$ . Similarly, the calculated t-value of 9.806 is statistically significant at  $p < 0.001$ . The positive relationship between human capital and risk reduction is supported by a correlation coefficient of 0.718. The interpretation of human capital accounts for 55.172% of the variance in risk reduction. Consequently, the null hypothesis is rejected in favor of the alternative hypothesis. These findings are consistent with studies by Abbadi and Hijawi (2017), and Adila (2017), emphasizing the importance of skillful workers, learning, training, and adaptability to technological advancements.

Finally, Table VIII reports the results of the third hypothesis, which investigates the impact of legal and regulatory controls on reducing accounting system risks faced by financial auditors in the JDRC in accordance with the digital divide. The findings reveal the significant impact of legal and regulatory controls on reducing accounting system risks. The calculated F-value of 152.030 is statistically significant at  $p < 0.001$ . The positive relationship between regulatory and legal controls and risk reduction is supported by a correlation coefficient of 0.754. The controls and legal measures account for 58.482% of the variance in risk reduction. Consequently, the null hypothesis is rejected in favor of the alternative hypothesis. These findings align with the study by Abu Rasheed (2015), indicating the importance of proper regulatory controls in providing accurate information, as well as the study by Dahleez and Loubbad (2017), highlighting the significance



TABLE VIII: ANALYSIS OF QUESTIONS RELATED TO THE DEPENDENT VARIABLE: REDUCE THE RISK OF ACCOUNTING SYSTEMS

Serial number	Item content	Arithmetic mean	Standard deviation	Sequence by importance
26	Written policies related to file security, protection, and implementation contribute to reducing the risks faced by the financial auditor in the Jordanian Retirement and Compensation Directorate.	3.863	0.731	6
27	The adequacy and effectiveness of the controls applied to the inputs and outputs of the accounting systems contribute to reducing the risks faced by the financial auditor in the Jordanian Retirement and Compensation Directorate.	4.315	0.668	3
28	Defining the responsibilities and powers of each financial auditor helps accurately reduce the risks faced by the JDRC.	3.984	0.895	5
29	The financial auditor's use of his password without involving any other auditor using it helps reduce the risks he faces in the Jordanian Retirement and Compensation Directorate.	4.402	0.871	2
30	The separation of conflicting accounting tasks and functions in the Jordanian Retirement and Compensation Directorate helps reduce the risks faced by the financial auditor in that Directorate.	4.270	0.589	4
31	Proper data entry by the financial auditor in the JDRC helps to have correct outputs, thus reducing the risk of accounting systems.	4.621	0.725	1
32	The accuracy of the information entered into the accounting systems by the financial auditor to detect errors during the operation process, thus reducing the risk of these systems.	3.854	0.904	7
26–32	The arithmetic average of all questions.	4.187	0.924	

of laws and regulations in facilitating daily transactions in the digital era.

Lastly, Table VIII presents the descriptive statistics analysis results of the questions related to the dependent variable.

## 5. CONCLUSIONS AND RECOMMENDATIONS

### 5.1. Conclusions

The findings of this study indicate several important conclusions. Firstly, the organizational structure plays a crucial and positive role in establishing robust internal control systems to mitigate the risks associated with accounting systems faced by financial auditors in the Jordanian Retirement and Compensation Directorate. By aligning the organizational structure with the digital divide, the Directorate can effectively navigate the challenges of modern technological advancements.

Secondly, human capital demonstrates a positive impact on technical progress and the overall performance of the Directorate. A skilled and proficient workforce contributes to the successful execution of electronic operations in a highly professional manner. Moreover, human capital helps reduce errors during financial audits, ensuring accuracy and efficiency in achieving the Directorate's goals.

Lastly, legal and regulatory controls positively and effectively identify deviations and implement appropriate solutions. These controls play a critical role in safeguarding the integrity of data and accounting files in compliance with international standards. By emphasizing the importance of legal frameworks, the Directorate can address potential risks and maintain the trustworthiness of its financial information.

### 5.2. Recommendations

Based on the findings of this study, the following recommendations are proposed:

1. The relevant individuals within the Jordanian Retirement and Compensation Directorate should establish a comprehensive organizational structure delineating organizational units and their divisions. This will enhance coordination, accountability, and efficiency within the Directorate's operations.
2. The Directorate should prioritize recruiting and training human capital specialists with the necessary skills to reduce the risks associated with accounting systems effectively. Emphasizing continuous professional development and implementing rigorous scrutiny measures will contribute to maintaining the highest performance standards.
3. The Directorate should establish robust controls and legal mechanisms to minimize the risks associated with accounting systems. This includes strengthening input, treatment, and output controls and ensuring adherence to legal requirements. By doing so, the Directorate can effectively address potential issues and take appropriate legal actions when necessary.
4. By implementing these recommendations, the Jordanian Retirement and Compensation Directorate can enhance its operational effectiveness, mitigate risks, and ensure the integrity and reliability of its financial information.

### CONFLICT OF INTEREST

The authors declare that they do not have any conflict of interest.

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