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DETERMINANT FACTORS THAT INFLUENCE LOCAL GOVERNMENT FINANCIAL REPORT QUALITY

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Abstract

The purpose of Financial Statements is to provide useful information for economic decision-making for users of financial statements. For this reason, the financial statements presented must be of high quality. This study aims to examine the determinant factors that affect the quality of local government financial statements, consisting of competence of human resources, utilization of information technology, and the application of Government Accounting standards. The poption is all OPD in Pekanbaru City. The sample was 184 respondents of the Treasurer. Head of the Finance Sub-Division, and finance staff. The variables of the study were measured using questionnaires with a Likert scale of 1 to 5. Hypothesis testing is multiple analysis. The results showed that all independent variables had a significant positive effect on the quality of local government financial statements.

INTRODUCTION

In carrying out its operational activities, both the central government and regional governments have been mandated to use state money sourced from the people as stated in the State Revenue and Expenditure Budget (APBN/APBD). This type of responsibility is contained in the State Finance Law number 17 of 2003, especially in articles 30-32 which explain the nature of state financial responsibility. Law Number 17 of 2003 states that the President and Governors/Executives/Ministers are required to submit reports on the implementation of the State Revenue and Expenditure Budget (APBN) and the State Revenue and Capital Acquisition Fund (APBD). Financial report format.

Financial reports by Accounting Standards (2009) provide information about a company's financial position, results, and changes in a financial position that are effective for most report users to make financial decisions. For the contents of national financial reports to be useful and effective, an accurate, transparent, and measurable financial reporting system must be created based on the principles of transparency and accountability. The National Financial Information System is regulated by Government Law No. 24 of 2005, then added to Government Law No. 71 of 2010 "Public Accounting Standards" (SAP), which is in the National Finance Law No. 17 of 2003. . Government Law Number 32 of 2004 This law regulates the format and content of APBN/APBD implementation reports by government accounting standards.

Government Accounting Standards (SAP) according to Government Regulation



Number 71 of 2010 are the calculation principles applied in the preparation and presentation of financial reports consisting of Central Government Financial Reports (LKPP) and Regional Government Financial Reports (LKPD). In preparing state financial reports, government accounting standards (SAP) must be adhered to, both for state and regional offices. According to Statement of Government Accounting Standards (SAP) number 01, the general objective of regional financial reports is to present information regarding the financial position, budget implementation, cash flow, and economic results of the reporting unit, which is useful for users in preparing financial reports. statement. statements evaluating resource allocation decisions.

Financial reports provide accurate information if the reports presented are of high quality so that they can help financial report users in making decisions. government regulation no. 71 of 2010 explains the characteristics of the quality of financial reports: relevant, reliable, comparable, and understandable. These four characteristics are normative prerequisites necessary for financial reports to meet the desired quality so that the information contained in provincial financial reports can be useful and meet the needs of its users.

Regional government financial reports (LKPD).) is reviewed annually in the form of a statement from the Financial Audit Agency (BPK). The statement was issued based on Article 16(1) of the Public Financial Management and Accountability Audit Law No. 15 of 2004 which states that the government's annual accounts contain statements. The Financial Audit Agency (BPK) issues five opinions, namely unqualified opinion (WTP), unqualified opinion and explanatory paragraph (WTP-DPP), unqualified opinion (WDP), unqualified opinion (TW), and opinions of rejection. The opinion does not provide an opinion (TMP). If the BPK gives an unqualified opinion (WTP) on a regional government economic report (LKPD), it means that it can be said that the regional community economic report is presented and announced fairly and of high quality.

Based on the results of the audit of the Pekanbaru City Government's 2021 financial report, BPK RI gave an unqualified opinion with emphasis on one thing (WTP-PSH). This opinion is given based on the conformity of financial reports with Government Accounting Standards (SAP), the effectiveness of the Internal Control System (SPI), compliance with statutory regulations, and adequate disclosure in financial reports. Even though it had obtained the WTP-PSH opinion, the BPK stated that there were still problems related to its system control And obedience to regulation legislation. including: (1) Government City Pekanbaru Not yet fully accept for results profit utilization Goods Owned by Area in form Get up Use of Handover; (2) administration of fixed assets is not orderly; (3) the administration of shopping debts and other short-term debts has not been orderly. The discovery of this problem can certainly reduce the quality of the Pekanbaru City Regional Government's financial reports. This is because the presentation of these financial reports will cause a lack of public trust in the figures contained in the financial reports. The lack of orderly administration of regional government assets and debt reflects a lack of internal control by regional governments.

To be able to issue quality financial reports that meet the required quality characteristics, various factors influence it. Previous studies have found various factors that can influence the quality of regional government financial reports. Several factors influence the quality of financial reports in this research, namely human resource competency, use of information technology, and implementation of Government Accounting Standards (SAP).

The human resources of an organization or government agency are as important as the work itself. Because of the important role of human resources in organizations or government agencies, human resources are one of the determining factors for organizations or government agencies, so human resource competency is one aspect that determines the success of an organization or government agency. With a high level of expertise from the organizational or



public administration staff, it will be easier to understand the rules that apply in the preparation and presentation of financial reports to prepare quality city financial reports.

The research results of Surastiani and Handayani (2015), Pamungkas (2017), Sundari and Rahayu (2018), Elfauzi and Sudarno (2019), Admaja (2020), found that human resource competence has a positive and significant influence on the quality of financial reports. However, this is different from research conducted by Fasuri (2017), and Nadir and Hasyim (2017), the results of their research show that human resource competency does not affect the quality of financial reports.

Information technology can be defined as the technology used to process data, including data processing, acquisition, collection, storage, and processing in various ways to obtain quality information, namely to obtain relevant, accurate, and up-to-date information that is used for certain purposes. personal, business, and government needs as well as strategic information for decision-making. This technology uses a group of computers to process data, a network system that connects one computer to another computer as needed, and telecommunications technology to be shared and used throughout the world.

Government Regulation No. Article 56 of the 2005 Regional Economic Information System states that after the development process has been implemented by the principles of good governance, the government and regional governments are obliged to develop and utilize developments in information technology to increase their capacity. managing the regional economy and disseminating regional economic information to public services. The use of technology produces good quality financial reporting, namely. This helps provide reliable and timely financial reporting so that the information provided is relevant.

The results of research by Pamungkas (2017), Khoirina (2018), Chodijah and Hidayah (2017), Nadir and Hasyim (2018), Mene, et al (2018), Sari (2022), Admaja (2020), found that the use of information technology affects quality financial statements. Different results were found by Surastiani and Handayani (2015) that the use of information technology does not influence the quality of financial reports.

Quality government financial reports must be prepared by Government Accounting Standards. Government Accounting Standards are standards that regulate the presentation of financial reports for general purposes which are useful for increasing the comparability of financial reports both against budgets, between entities, and between periods. When the Regional Government has implemented and complied with the rules of Government Accounting Standards in preparing and presenting its financial reports, then the financial reports can be said to be of high quality. Armel's research results (2017); Sari (2022); Astika, Wayan, and Lilik (2018); and Admaja (2020) found that there is an influence of the implementation of Government Accounting Standards on the quality of Regional Government financial reports. Different results were found by Inapty and Martiningsih (2016), and Elfauzi and Sudarno (2019) that the implementation of Government Accounting Standards did not affect the quality of regional government financial reports.

Based on the results of previous research which showed differences in results, the researchers re-examined several factors that influence the quality of regional government financial reports. The contribution of the results of this research is input for the Regional Government to improve the quality of financial reports and become an additional reference for future public sector researchers.

DEVELOPMENT HYPOTHESIS

The Influence of Human Resource Competency on the Quality of Regional Financial Reports

Management of government financial reports cannot be separated from the role of employees who manage and implement these financial reports. According to Regulation Number 46A issued by the head of the institution in 2003, personal competence is the ability

and characteristics of civil servants in the form of knowledge, skills, and behavioral attitudes required to carry out official duties. so that Civil Servants can carry out their duties effectively, professionally, efficiently, and effectively. If the staff who manage and implement regional financial reports have these qualifications, then they will understand the tasks they carry out, namely. preparation and presentation of high-quality financial reports.

The more competent human resources in their field will produce higher-quality financial reports. The rapid progress of technology today, the increasingly rapid development of information, and the availability of adequate capital, if it is not supported by competent human resources, organizations will not be able to achieve their goals (Sutrisno, 2011).

Research conducted by Surastiani and Handayani (2015), Pamungkas (2017), Sudari and Rahayu (2018), Elfauzi and Sudarno (2019), and Admaja (2020) succeeded in proving that human resource competency has a significant effect on the quality of local government financial reports.

H₁: Human resource competency influences the quality of regional financial reports.

The Influence of the Use of Information Technology on the Quality of Regional Financial Reports

Information technology is a technology used to process, organize, and store information so that quality information is obtained if this quality is used for personal, business, and administrative purposes (Sutabri, 2014). The presence of information technology makes it easier to prepare financial reports and improve performance (Nugraha, 2019)

The use of information technology greatly speeds up the processing of transaction data and the presentation of financial reports so that the quality of financial reports can be improved. In addition, Government Regulation Number 65 of 2010 concerning Regional Economic Information Systems requires regional governments to develop and utilize advances in information technology to improve their ability to manage the regional economy and disseminate regional economic information to the public. The rapid development of information technology, if city governments use it effectively, makes a major contribution to the preparation, presentation, and reporting of the regional economy. Therefore, the higher the level of information technology utilization, the higher the quality of local government financial reports.

The research results of Pamungkas (2017), Chodijah and Hidayah (2017), Nadir and Hasyim (2017), Khoirina (2018), Mene et al (2018), Admaja (2020), and Sari (2022) succeeded in proving that the use of information technology has a significant effect on quality. local government financial reports.

H₂: The use of information technology influences the quality of regional financial reports.

The Effect of Implementing Government Accounting Standards on the Quality of Regional Financial Reports

Government Accounting Standards are a reference for regional governments in preparing, presenting, and reporting regional government financial reports. Quality financial reports are if the preparation, presentation, and reporting comply with the rules contained in Government Accounting Standards. The more compliant and effective you are in implementing Government Accounting Standards in the preparation, presentation, and reporting of regional government financial reports, the higher the quality of these financial reports. Submission of transparent and accountable regional financial reports must have timely principles and be prepared following Government Accounting Standards (SAP). Something that does not follow existing standards cannot be said to be good (Nugraha, 2019).



Research conducted by Armel (2017), Artika, Wayan, and Lilik (2018), Admaja (2020), and Sari (2022) proves that the implementation of government accounting standards has a significant effect on the quality of regional government financial reports.

H₃: The implementation of government accounting standards affects the quality of regional financial reports.

METHOD STUDY

Model Study

From the framework think the, model his research Can is displayed namely:

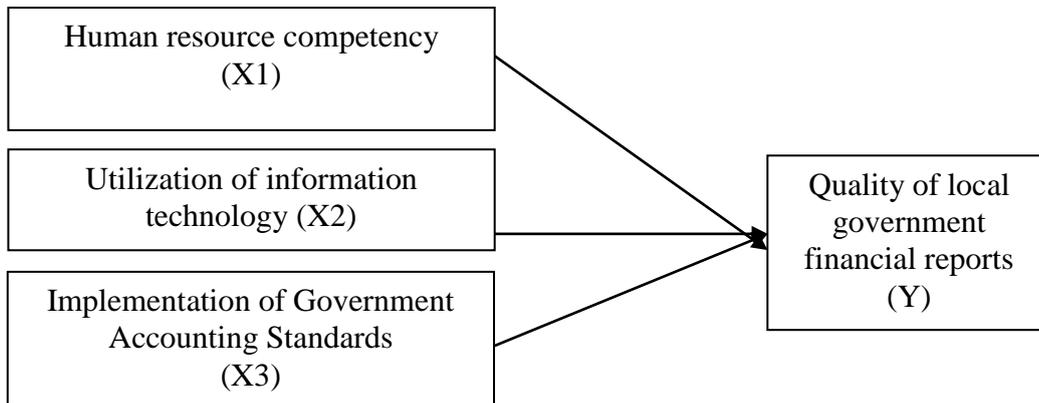


Figure 1
Research Model

Population and Sample

The population in this study is the Regional Apparatus Organizations (OPD) within the Pekanbaru City government, totaling 46 OPDs. Meanwhile, the research sample was the head of the finance sub-division, treasurer, and finance department staff who had worked for at least one year. Four questionnaires will be distributed to each OPD so that the sample taken in this research is 184 respondents.

Definition Operational and Measurement Variable

The dependent variable of this research is the quality of local government financial reports. Meanwhile, the independent variables are human resource competency, use of information technology, and implementation of government accounting standards. The operational definitions of research variables are explained in the following table.

Table 1

Definition Operational Variable Study

No	Variable	Operational definition	Indicator	Question Items	Measurement Scale
1.	Quality of local government financial reports	The ability of the information presented in financial reports to be understandable and meet the important needs of its users, free from misleading meanings and serious errors, and reliable and comparable with previous economic periods.	1. Relevant 2. Reliable 3. Comparable 4. Understandable	9	Ordinal
2.	Human resource competency	Personal competencies are skills and characteristics in the form of training, knowledge, and skills to carry out one's duties.	1. Knowledge 2. Training 3. Experience	8	Ordinal

3.	Utilization of information technology	Utilization of information technology to support the success of the performance process and efforts to achieve goals, vision, and mission in regional government financial management.	1. Computer 2. Internet Network	9	Ordinal
4.	Implementation of Government Accounting Standards	The implementation of Government Accounting Standards has been stipulated in Government Regulation No. 71 of 2010 as a principle or reference in the presentation and preparation of regional government financial reports.	1. Application of the Accrual Basis for Recognition of Assets, Liabilities and Equity 2. Application of the Cash Basis for Recognition of Income, Expenditures and Financing, and Fair Presentation	9	Ordinal

Method Collection Data

The data source in this research is primary data, namely questionnaires. A questionnaire is a structured question that is distributed directly to respondents to be filled in. All 184 questionnaires will be distributed to all Regional Apparatus Organizations (OPD). Each OPD will receive 4 questionnaires addressed to employees who carry out accounting/financial administration functions in SKPD, which includes sub-division heads, treasurers, and sub-division staff. accounting/financial administration and who has worked for at least one year.

Data Analysis Method

To test the hypothesis, use multiple linear regression analysis with the following equation:

$$Y = \alpha + b_1 X_1 + b_2 X_2 + b_3 X_3 + \varepsilon$$

Information:

- Y = quality of local government financial reports
- X1 = human resource competency
- X2 = use of information technology
- X3 = implementation of government accounting standards
- α = constant
- X1, X2, X3 = regression coefficients
- ε = error

RESULTS STUDY AND DISCUSSION

Results of Descriptive Statistical Analysis

This descriptive statistical analysis aims to describe the data in the variables seen from the average (mean), minimum, maximum, and standard deviation values without providing conclusions on the data described.

The results of descriptive statistical analysis research can be seen in Table 2 below:



Table 2
Descriptive Statistics Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
Competence	126	8.00	40.00	32.8571	4.57421
IT_Utilization	126	25.00	45.00	34.3651	6.28853
SAP_implementation	126	19.00	45.00	34.4365	6.47765
Lapkeu_Quality	126	30.00	60.00	49.4921	5.93262
Valid N (listwise)	126				

Source: Processed Data (2023)

Based on the data in Table 2 above, it shows that N, or the amount of data on each valid variable is 126. Human resource competency/X1 from 126 samples shows that the minimum value is 8.00, the maximum value is 40.00, the mean value is 32.8571, and The standard deviation value is 4.57421, meaning the mean value of Human Resource Competency/X1 is greater than the standard deviation value so that data deviation is low and causes the values to be spread evenly. Utilization of information technology/information technology/X2 is greater than the standard deviation value so data deviation is low and causes the value to be spread evenly.

The application of Government Accounting Standards/X3 from 126 samples shows that the minimum value is 19.00, the maximum value is 45.00, the mean value is 34.4365, and the standard deviation value is 6.47765, meaning the mean value of the application of Government Accounting Standards/X3 is greater than the value standard deviation so that data deviation is low and causes the values to be spread evenly.

The quality of financial reports/Y from 126 samples shows that the minimum value is 30.00, the maximum value is 60.00, the mean value is 49.4921, and the standard deviation value is 5.93262, meaning the mean value of the application of financial report quality/Y is greater than the standard value. deviation so that data deviation is low and causes the value to be spread evenly.

Data Validity Test Results

The validity test is carried out by comparing the calculated r value with the r table. The test uses two sides with a significance level of 0.05. The test criteria are if $r_{count} > r_{table}$, then it is declared valid but if $r_{count} < r_{table}$, then it is declared invalid. The results of the data validity test are presented in the following table.

Table 3
Validity Test Results

Variable	Statement	r count	r table	Decision
HR Competency/X1	X1.1	0.742	0.05	Valid
	X1.2	0.655	0.05	Valid
	X1.3	0.717	0.05	Valid
	X1.4	0.615	0.05	Valid
	X1.5	0.558	0.05	Valid
	X1.6	0.554	0.05	Valid
	X1.7	0.707	0.05	Valid
	X1.8	0.652	0.05	Valid
Utilization of Information Technology/X2	X2.1	0.588	0.05	Valid
	X2.2	0.630	0.05	Valid
	X2.3	0.257	0.05	Valid
	X2.4	0.473	0.05	Valid
	X2.5	0.632	0.05	Valid
	X2.6	0.474	0.05	Valid
	X2.7	0.687	0.05	Valid
	X2.8	0.457	0.05	Valid
	X2.9	0.598	0.05	Valid

Variable	Statement	r count	r table	Decision
Implementation of SAP/X3	X3.1	0.907	0.05	Valid
	X3.2	0.371	0.05	Valid
	X3.3	0.915	0.05	Valid
	X3.4	0.708	0.05	Valid
	X3.5	0.921	0.05	Valid
	X3.6	0.335	0.05	Valid
	X3.7	0.379	0.05	Valid
	X3.8	0.911	0.05	Valid
	X3.9	0.911	0.05	Valid
Quality financial reports/Y	Y1	0.768	0.05	Valid
	Y2	0.643	0.05	Valid
	Y3	0.598	0.05	Valid
	Y4	0.761	0.05	Valid
	Y5	0.709	0.05	Valid
	Y6	0.713	0.05	Valid
	Y7	0.603	0.05	Valid
	Y8	0.648	0.05	Valid
	Y9	0.712	0.05	Valid
	Y10	0.553	0.05	Valid
	Y11	0.823	0.05	Valid
	Y12	0.603	0.05	Valid

Source: Processed Data (2023)

Data Normality Test Results

The normality test aims to test whether, in the regression model, confounding or residual variables have a normal distribution (Ghozali, 2016: 160). The test used is the non-parametric *Kolmogorov-Smirnov* (KS) statistical test. If the significant value is > 0.05 with $\alpha = 5\%$ it means the data distribution is normal and H_0 is accepted, conversely, if the significant value is < 0.05 it means the data distribution is not normal and H_a is accepted. *Kolmogorov Smirnov* results can be seen in Table 4 below:

Table 4

Data Normality Test Results

		Unstandardized Residuals
N		126
Normal Parameters ^{a, b}	Mean	.0000000
	Std. Deviation	2.96163078
Most Extreme Differences	Absolute	.086
	Positive	.085
	Negative	-.086
Statistical Tests		.086
Asymp. Sig. (2-tailed)		.123 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: Processed Primary Data (2023)

In the *Kolmogorov Smirnov* test above, it is known that the P value (*Asymp. Sig*) is > 0.05 . This means that the regression model meets the normality assumption.

Heteroscedasticity Test Results

In this research, the heteroscedasticity test was carried out using the Glesjer test, namely the absolute value of the residuals was correlated with each variable. The Glesjer test results show that heteroscedasticity does not occur when the significance probability value of the SPSS calculation is above the 5% confidence level. The results of the heteroscedasticity test are shown in the following table.



Table 5
Heteroscedasticity Test Results

Model	Sig.	Information
1 (Constant)	,062	
Competence	,277	Does not experience heteroscedasticity
IT_Utilization	,095	Does not experience heteroscedasticity
SAP_implementation	,179	Does not experience heteroscedasticity

Source: Processed primary data (2023)

In the heteroscedasticity test using the Gleiser test, if Sig. All explanatory variables (significance) are not statistically significant ($p > 0.05$), so it can be said that heteroscedasticity does not occur in the regression equation model. Based on the results of the heteroscedasticity test above, the Sig value of each variable can be concluded that heteroscedasticity does not occur in the regression equation model.

Multiple Linear Regression Test Results

The purpose of the regression analysis of this research is to see the influence of human resource competence, use of information technology, and implementation of government accounting standards on the quality of Pekanbaru City OPD financial reports with the following equation:

$$Y = \alpha + b_1 X_1 + b_2 X_2 + b_3 X_3 + \varepsilon$$

The following table shows the results of the multiple linear regression test.

Table 6
Multiple Regression Testing Results

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	5.134	2,414	
Competence	,787	,062	,607
IT_Utilization	,194	,063	,150
SAP_implementation	,345	,044	,377

Source: SPSS data processing results (2023)

Based on the table of multiple linear regression test results above, the following equation is obtained:

$$Y = 5.143 + 0.787 X_1 + 0.194 X_2 + 0.345 X_3 + \varepsilon \dots \dots \dots (1)$$

t Test Results

T-test to determine the effect of the independent variable on the dependent variable one by one. The conditions for the t-test are that Ho can be accepted if the number t is less than or equal to the t table, and Hi is accepted if the number t is greater than the t table. The results of hypothesis testing with the t-test are presented in the following table.

Table 7
t Test Results

Variable	Tcount	Sig.	Table	Conclusion
Human Resources Competency/ X1	12,763	,000	1.99	X1 has a significant effect H1 is accepted
Utilization Information Technology/X2	3,049	,003	1.99	X2 has a significant effect H2 is accepted
Implementation of Government Accounting Standards/X3	7,812	,000	1.99	X3 has a significant effect H3 is accepted

Source: SPSS data processing results (2023)

Results (R2)

The determination test is a test that measures the ability of a model to explain variations in a dependent variable. A small R2 value means that the ability of the independent variable to explain variations in the dependent variable is very limited, while a value close to one means that the independent variable provides almost all the information needed to predict the dependent variable (Ghozali, 2011). The results of the analysis are shown in Table 8 below.

Table 8
Coefficient of Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.873 ^a	.763	.757	2.92520	1,407

a. Predictors: (Constant), SAP_Application, Competency, IT Utilization

b. Dependent Variable: Quality_Lapkeu

Source: SPSS data processing results (2023)

It is known that the *adjusted R square value* is 0.757, which means that 75.7 % of the variables in the quality of financial reports (empirical study on Pekanbaru City OPD) can be explained by variations in human resource competency/X1, utilization information technology/X2 and implementation of Government Accounting Standards/X3. Meanwhile, the remaining 24.3 % is explained by other variables outside those studied.

Results (f Test)

The F test is a simultaneous significant test used to see how independent variables jointly influence the dependent variable (quality of financial reports (empirical study on OPD Pekanbaru City)). The F-test results can be seen in the following table.

Table 9
Simultaneous Test Results (F Test)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	3355.561	3	1118.520	130,717	,000 ^b
Residual	1043.931	122	8,557		
Total	4399.492	125			

a. Dependent Variable: Quality Lapkeu

The F value calculated from the F test results is 130.717 and sig 0.000. Meanwhile, from the F table, the F value is 5.37. This shows that the calculated F value (130.717) is greater than the F table (5.37) with a significance of 0.000 which is smaller than the α value of 0.05. Thus, it can be said that the variables of human resource competency.

The Influence of Human Resource Competency on the Quality of Financial Reports

From Table 7, the results of the t-test can be seen that the calculated t value is 12.763 which is greater than the t table value of 1.99 with a significance level of 0.000 which is smaller than $\alpha=0.005$. This means that statistically H1 can be accepted, namely that human resource competency has a significant influence on the quality of local government financial reports. More competent human resources will produce higher-quality financial reports.

Competencies describe the conditions underlying behavior that reflect motivation, personality traits (attitudes), self-concept, values, knowledge, or skills that are conveyed with the best results in the workplace. With better human resources you can produce reliable regional financial reports. Increasing human resource capacity can be done through increasing education, access to various training, and expanding experience. This result can be explained by the more competent the employees and the greater the knowledge of regional financial institutions, the more financial reports are prepared and presented to meet the conditions for the quality of financial reports.



The results of this research are in line with the results of research conducted by Surastiai and Handayani (2015), Pamungkas (2017), Sundari and Rahayu (2018), Elfauzi and Sudarno (2019) and Admaja (2020). The research results do not support the research of Fasuri (2017) and Nadir and Hasyim (2017).

Effect of Utilization of Information Technology on the Quality of Financial Reports

From Table 7, the results of the t-test can be seen that the calculated t value is 3.049 which is greater than the t table value of 1.99 with a significance level of 0.000 which is smaller than $\alpha=0.005$. This means that statistically H2 is acceptable, namely that the use of information technology has a significant effect on the quality of local government financial reports. The higher the use of information technology, the more quality financial reports will be produced.

The use of information technology accelerates the process of processing transaction data and financial reporting, thereby ensuring the quality of financial reporting. Government Law Number 65 of 2010 concerning regional financial information systems states that the government must develop and utilize advances in information technology to increase the efficiency of regional financial management and provide regional financial information as a public service. Proper use of information technology can help you prepare and present financial reports that are relevant, reliable, and useful for users of local government financial reports.

The results of this research are in line with the results of research conducted by Pamungkas (2017), Nadir and Hasyim (2017), Khoirina (2018), Chodijah and Hidayah (2017), Mene et al (2018), Admaja (2020), and Sari (2022). The research results contradict the research results of Surastiani and Handayani (2015).

The Effect of Implementing Government Accounting Standards on Report Quality Finance

From Table 7, the results of the t-test can be seen that the calculated t-value is 7.812 which is greater than the t table value of 1.99 with a significance level of 0.000 which is smaller than $\alpha=0.005$. This means that statistically H3 is acceptable, namely that the implementation of government accounting standards has a significant effect on the quality of local government financial reports. The higher the implementation of government accounting standards, the more quality financial reports will be produced.

Government accounting standards are the main rules that human resources must know to achieve quality results in carrying out their duties. Government Accounting Standards (SAP) are the main reference for government agencies in preparing financial reports. The higher the implementation of government accounting standards, the better the quality of financial reporting. This is because all transactions are reported accurately and disclosed in financial reports by applicable laws and standards. Accounting standards must also be followed to improve the quality of financial reports: consistency, comparability, transparency, relevance, and reliability.

The results of this research are in line with the results of research conducted by Armel (2017), Artika, Wayan, and Lilik (2018), Admaja (2020), and Sari (2022). The results of this research do not support the research of Martiningsih (2016) and Elfauzi and Sudarno (2019).

CONCLUSION

This research aims to determine the influence of human resources, the use of information technology, and the implementation of government accounting standards on the quality of local government financial reporting. The conclusions that can be drawn from the results of the hypothesis test are as follows. (1) Human resource capacity has an impact on the quality of regional government financial reporting. This means that quality financial reports can be produced if they are prepared by competent resources in their field. (2) The use of information technology will have a positive effect on the quality of government financial

information. The availability of infrastructure in the form of appropriate computers and high-speed internet networks will produce relevant financial reports. (three). Implementation of government accounting standards will have a positive impact on the quality of government financial information. Generally, if government accounting standards are applied, quality financial reports can be produced.

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