

ABSTRACT

The quality of financial reports is a representation the quality of information on local government performance regulated by PP No. 71 of 2010. Regional Government Financial Statements (LKPD) are prepared based on SAP. LKPD that has good quality must meet the criteria according to Government Regulation Number 24 of 2005, relevant, reliable, comparable, and understandable. The regional financial accounting system or abbreviated SAKD is needed to manage accounting information because it can provide output data in the form of local government financial reports. Preparation of regional financial reports based on SPI mandated by Law Number 01 of 2004 concerning the State Treasury Article 56 paragraph 4 which states that APBD management must be carried out based on an adequate internal control system and reports organized according to standards government accounting. Human resources in an organization become a valuable asset for the organization itself because the success of an organization is determined by personal qualities. Individual competencies must be able to support the implementation of the organization's vision and mission through the organization's strategic performance. This study aims to determine the effect of government accounting standards, regional financial accounting systems, internal control systems, and human resource competence on the quality of financial reports in the Regional Work Units of Karawang Regency.

The method used in this study is a quantitative method with a sample selection technique using purposive sampling. This research method uses descriptive statistics, validity and reliability tests, classical assumption tests which include normality tests, multicollinearity tests, and heteroscedasticity tests, as well as multiple regression analysis. This study uses SPSS to process data. From this method, 12 instances and 36 samples were obtained. The type of data used is secondary data by using a questionnaire distributed to employees who make financial reports.

The application of government accounting standards has a positive and significant influence on the quality of local government financial reports. The higher the application of accrual SAP, the greater the effect on the quality of financial statements. In other words, the better finance and accounting staff comply with government accounting standards, the better the quality of local government financial reports. The implementation of the regional financial accounting system has a positive and significant impact on the quality of local government financial reports because it is supported by most of the characteristics of heads of finance departments who have previous experience in preparing financial reports and who have worked for more than 10 years.

The application of internal control systems and human resource competencies in this study did not have a significant effect on the quality of local government financial reports.

Keywords: application of government accounting standards, human resource competence, internal control systems, quality of financial reports, and regional financial accounting systems.