Journal of Applied Business, Taxation and Economics Research (JABTER)
Vol. 5, No. 4, April 2026 (Page: 707-721) P-ISSN 2828-4976
https://doi.org/10.54408/jabter.v5i4.585 E-ISSN 2808-263X

Factors Affecting The Quality of Regional Financial Statements of Luwu Regency

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Keywords **:** *Quality of regional Financial statements, Government Accounting Standards.*

Abstract: This study aims to analyze the influence of understanding of Government Accounting Standards (SAP), the use of the Regional Financial Accounting Information System (SIAKD), internal control systems, and human resource competencies on the quality of regional financial statements. This study uses a quantitative approach with a type of causal associative research. The research was conducted at the Regional Finance and Assets Agency (BKAD) of Luwu Regency. The research population is all employees of BKAD Luwu Regency totaling 43 people, which is also used as a sample with saturated sampling techniques. The data used was primary data obtained through a questionnaire with a five-point Likert scale. Data analysis was carried out using descriptive statistics, validity tests, reliability tests, classical assumption tests, and multiple linear regression analysis through t-tests, F tests, and determination coefficients. The results of the study show that the understanding of SAP, the use of SIAKD, internal control systems, and human resource competencies have a positive and significant effect on the quality of regional financial statements. The implications of this study show the importance of improving human resource competence, strengthening SAP understanding, optimizing SIAKD, and strengthening the internal control system to improve the quality of regional financial statements.

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P-ISSN 2828-4976
E-ISSN 2808-263X

Introduction

Transparency and accountability are the main principles in the implementation of good governance. Local governments have an obligation to account for financial management through the preparation of quality financial reports. Regional financial statements function as a means of public accountability as well as the basis for performance evaluation and decision-making (Financial Audit Agency) (Leunupun *et al.*, 2022).

The quality standards of government financial statements have been regulated in Government Regulation Number 71 of 2010 concerning Government Accounting Standards (SAP). However, in practice, various problems are still found such as recording errors, non-conformities with standards, and weaknesses in the internal control system (Siringoringo *et al.*, 2023). This condition shows that the quality of financial statements is not only influenced by regulations, but also by internal organizational factors.

Although some local governments have obtained a Fair Without Exception (WTP) opinion, it does not necessarily indicate that all aspects of financial management are free of weaknesses. Audit reports still often reveal findings related to non-compliance with laws and regulations and weaknesses in the internal control system (BPK RI, 2023). This shows that the quality of financial statements is not only measured from audit opinions, but also from the consistency of the implementation of accounting standards, the effectiveness of information systems, and the competence of officials in compiling financial statements accurately and transparently.

From the perspective of Decision Usefulness Theory, accounting information is said to be of high quality if it is able to help users in the decision-making process (Staubus, 2013). Therefore, the quality of local government financial statements is influenced by the apparatus's understanding of Government Accounting Standards, the use of the Regional Financial Accounting Information System (SIAKD), the effectiveness of the Internal Control System (SPI), and the competence of human resources.

Previous research has shown that understanding SAP has an effect on the quality of local government financial statements (Huliselan, 2022). The use of SIAKD has also been proven to increase the accuracy and reliability of financial reporting (Laughs) *et al.*, 2024). In addition, the effectiveness of the Internal Control System plays a role in increasing the accuracy and accountability of financial statements (Mega Astuti et al., 2024). Human resource competence is also an important factor in determining the quality of regional financial statements (Putri & Rahmah, 2023). Research published in JABTER also shows that the development of reporting in the public sector is increasingly leading to increased transparency, accountability, and integration of sustainability and governance aspects through ESG approaches. The study highlighted the importance of reporting quality and auditability aspects in supporting the accountability of public organizations (Nofianti & Sutopo, 2025).

In addition, some previous research was conducted more on regional apparatus organizations in general, while research that specifically examined the Regional Finance and Assets Agency (BKAD) as the main entity in regional financial management is still relatively limited. In fact, BKAD has a strategic role in the process of planning, implementing, administering, and reporting regional finances. Therefore, empirical testing on BKAD is important to provide a more comprehensive picture of the factors that affect the quality of regional financial statements. However, previous studies have mostly tested these variables separately and have shown results that have not been completely

consistent. In addition, research that tests these four variables simultaneously on local governments that consistently obtain Reasonable Opinions Without Exception (WTP) is still limited. Therefore, this study aims to analyze the influence of understanding of Government Accounting Standards, the use of SIAKD, the effectiveness of SPI, and the competence of human resources on the quality of regional financial statements at BKAD Luwu Regency. This research is expected to make a theoretical and practical contribution to improving the quality of local government financial reporting.

The quality of regional financial statements is an important aspect in realizing accountability and transparency in public financial management. Quality financial reports provide relevant and reliable information for stakeholders in assessing the financial performance of local governments and supporting decision-making. In the perspective of Decision *Usability Theory*, the value of financial statements is determined by the ability of the information presented to help users understand financial conditions and evaluate policies that have been implemented **(**Staubus, 2013).

In practice, the quality of regional financial statements still faces various problems, such as recording errors, non-compliance with government accounting standards, and weak internal controls. This condition shows that the quality of regional financial statements is influenced by internal organizational factors, so it needs to be supported by the competence of systems, regulations, and apparatus so that the financial reports produced can function optimally as a tool for public accountability.

Understanding Government Accounting Standards

Understanding Government Accounting Standards (SAP) plays an important role in improving the quality of financial statements. A good understanding of the PSAP allows the equipment to prepare reports in accordance with applicable accounting principles, thereby reducing the risk of recording errors and improving the accuracy of information. Within the framework *of Decision Usability Theory*, relevant and reliable financial statements can only be produced if the compiler understands the accounting standards used.

Previous research supports this relationship, (Huliselan, 2022) found that the better the apparatus's understanding of SAP, the higher the quality of local government financial statements. (Annisa *et al..,* 2025) shows that the implementation of SAP consistently improves the quality of financial statements in the Luwu Regency Government.

Hypothesis 1 (H1): Understanding Government Accounting Standards (SAP) has been shown to have a significant effect on improving the quality of financial statements.

Utilization of Regional Financial Accounting Information System

The use of the Regional Financial Accounting Information System (SIAKD) is an important factor in supporting the effectiveness of regional financial management. This system speeds up the process of recording, processing, and presenting financial information so that the reports produced are more accurate and timely. Based on *Decision Usability Theory*, the use of a good information system allows the government to produce relevant and reliable information for decision-making needs. Empirical findings strengthen relationships. (Gustini *et al.,* 2024) shows that the implementation of SIAKD improves the quality of financial statements at the Bengkulu Provincial Regional

P-ISSN 2828-4976
E-ISSN 2808-263X

Secretariat through a faster, more precise, and accountable reporting process. Inline results found by (Situmeang *et al*., 2025) which proves that the use of accounting information systems in Serdang Bedagai Regency is able to reduce errors and speed up the process of preparing reports.
Hypothesis 2 (H2): The use of SI regional financial accounting has a significant influence on the quality of regional financial statements.

Internal Control System

The Internal Control System (SPI) plays an important role in ensuring the effectiveness of local government financial management. SPI helps prevent errors, fraud, and procedural inconsistencies so that the financial reports generated are more reliable. Based on Decision *Usability Theory*, a good implementation of SPI supports the creation of relevant and reliable financial information for decision-making needs. The more effectively SPI is implemented, the smaller the potential for irregularities and the higher the quality of local government financial statements. Empirical research supports this relationship. (Mega Astuti *et al.,* 2024) found that the implementation of SPI in BKAD Malang City improved the quality of financial statements. (Pradipta *et al.,* 2025) also shows that SPI contributes to the preparation of reliable and accountable financial statements in the West Java Provincial Government.
Hypothesis 3 (H3): The effectiveness of the Internal Control System has a significant influence on the quality of regional financial statements.

Human Resource Competencies

The competence of human resources, especially accounting knowledge, is an important factor in determining the quality of regional financial statements. Apparatus that understands accounting principles is able to produce accurate and reliable reports so that the information presented is more useful for decision-making. In the perspective *of Decision Usability Theory*, HR competence increases the relevance and reliability of financial information, because reports prepared by competent officials tend to be more precise and trustworthy. Empirical research reinforces this relationship. (Azizah *et al.,* 2025) stating that accounting knowledge improves the accuracy of the preparation of financial statements. (Putri *et al.,* 2023) It was also found that the competence of human resources has a significant influence on the quality of local government financial statements.
Hypothesis 4 (H4): Human resource competence has a significant influence on the quality of regional financial statements.

Research Methods

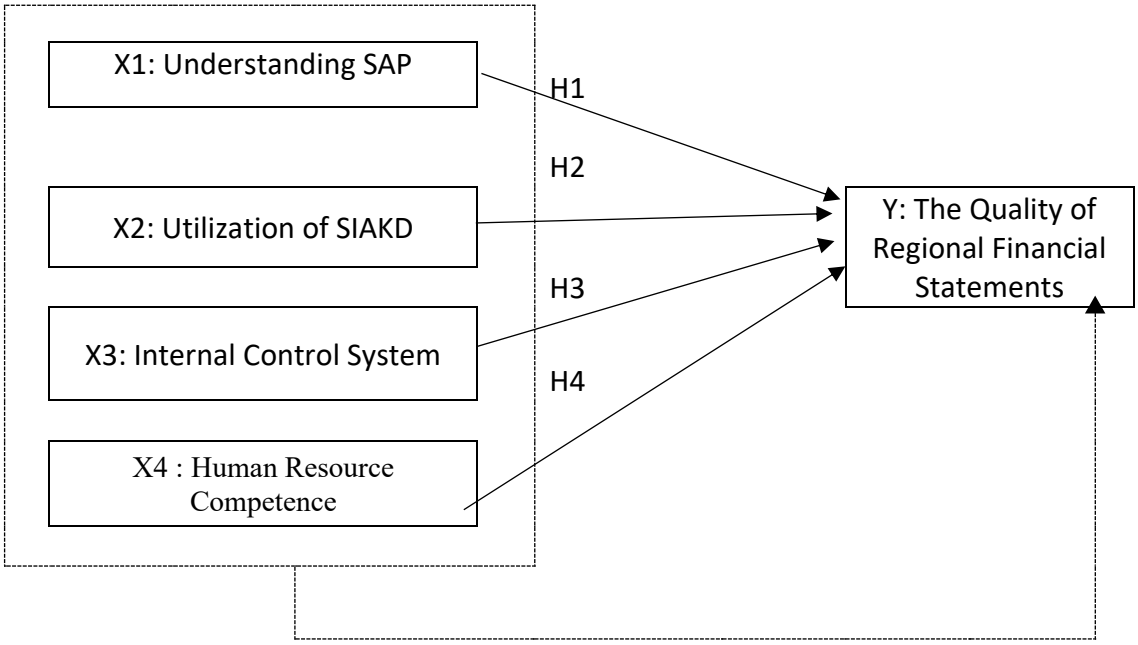
This study uses a type of quantitative research with a causal associative approach, which aims to test the influence of understanding of Government Accounting Standards, the use of regional financial accounting information systems, internal control systems, and human resource competencies on the quality of regional financial statements. The research data was obtained in the form of numerical data collected through the distribution of questionnaires to respondents.

This research was conducted at the Regional Finance and Assets Agency (BKAD) of Luwu Regency. The number of residents in this study is all employees of BKAD Luwu Regency which is 43 people, consisting of 42 Civil Servants (PNS) and 1 Civil Servant

Candidate (CPNS). The sampling technique used is saturated sampling (census), where all members of the population are used as research samples because the population is relatively small and fully accessible (Sinaga *et al.,* 2025). The research respondents included employees in charge of the subfields of Accounting/Reporting, Budget, Assets, and Secretariat, so that the number of samples used in this study was 43 respondents. The data used is primary data, which is obtained through the distribution of questionnaires to respondents directly.

Data collection was carried out using a questionnaire with a five-point Likert scale that was filled out directly by the respondents. All questionnaires distributed were successfully returned and filled out completely, so that they could all be used in the data analysis process. The measurement scale used is a five-point Likert scale, with a rating range from strongly disagree to strongly agree.The data analysis technique in this study uses a quantitative approach by processing primary data obtained through the distribution of questionnaires to respondents, then analyzed using descriptive statistics to describe data characteristics, validity tests, and reliability tests. Then it was followed by a classical assumption test consisting of a normality test, a multicoloniality test and a heterossedasticity test. And continued with multiple linear regression analysis which included partial test t, simultaneous test f and Coefficient of Determination (R2).

Figure 1. Conceptual Framework



Results and Discussion

This section presents the results of data analysis and discussion of research findings obtained from the processing of respondent questionnaires. Discussions are carried out by linking research results with relevant theories and previous research results.

P-ISSN 2828-4976
E-ISSN 2808-263X

Table 1 Descriptive Statistical Data of Respondents

No	Features	Quantity	(%)
1	Gender	43	100%
	Male	14	32,6%
	Women	29	67,4%
2	Age	43	100%
	<30 years old	4	9,3%
	31-40 years old	12	27,9%
	41-50 years old	20	46,5%
	>50 years old	7	16,3%
3	Final Education	43	100%
	Senior High School/Vocational School	4	9,3%
	S1	25	58,1%
	S2/S3	14	32,6%
4	Long working at BKAD Luwu Regency	43	100%
	<5 years old	5	11,6%
	5-10 years	6	14,0%
	>10 years	32	74,4%
5	Field/Subdivision	43	100%
	Accounting/reporting	15	34,9%
	Budget	8	18,6%
	Assets	8	18,6%
	Secretariat	12	27,9%

Source : Primary Data in SPSS 2025 processing

Based on Table 1, the study respondents were dominated by female employees with an age range of 41–50 years, the last education of Strata One (S1), and the working period at BKAD was more than 10 years. In addition, most of the respondents came from the Accounting/Reporting field/subfield. This condition shows that respondents have adequate experience and competence in the implementation of regional financial management and reporting.

Table 2 Questionnaire return rate

Remarks	Quantity
Questionnaires distributed	43
Questionnaire back	43
Incomplete	0
Processable	43

Table 2 shows that all questionnaires distributed to respondents have been returned and can be processed. Thus, the response rate of respondents in this study reached 100%.

Validity Test

Table 3 Validity Test Results

No	Variabel	Indicator	r Calculations	*r* Table	Sig.	Test Results
1	Understanding Government Accounting Standards (X1)	SAP1	0.702	0.300	0.001	Valid
		SAP2	0.770	0.300	0.001	Valid
		SAP3	0.805	0.300	0.001	Valid
		SAP4	0.787	0.300	0.001	Valid
		SAP5	0.749	0.300	0.001	Valid
		SAP6	0.720	0.300	0.001	Valid
2	Utilization of Regional Financial Accounting Information System (X2)	SIAKD1	0.717	0.300	0.001	Valid
		SIAKD2	0.737	0.300	0.001	Valid
		SIAKD3	0.838	0.300	0.001	Valid
		SIAKD4	0.795	0.300	0.001	Valid
		SIAKD5	0.851	0.300	0.001	Valid
		SIAKD6	0.756	0.300	0.001	Valid
3	Internal Control System (X3)	SPI1	0.742	0.300	0.001	Valid
		SPI2	0.867	0.300	0.001	Valid
		SPI3	0.913	0.300	0.001	Valid
		SPI4	0.928	0.300	0.001	Valid
		SPI5	0.898	0.300	0.001	Valid
		SPI6	0.823	0.300	0.001	Valid
4	HR Competencies (X4)	SDM1	0.827	0.300	0.001	Valid
		SDM2	0.903	0.300	0.001	Valid
		SDM3	0.938	0.300	0.001	Valid
		SDM4	0.916	0.300	0.001	Valid
		SDM5	0.838	0.300	0.001	Valid
		SDM6	0.822	0.300	0.001	Valid

Source : Primary Data in SPSS 2025 processing

Reliability Test Results

Table 4 Reliability Test Results

Variabel	*Minimum Alpha Cronbach*	Alpha Cronbach *Results*	Test Results
Understanding SAP(X1)	0.60	0.943	Reliabel
Utilization of SIAKD (X2)	0.60	0.934	Reliabel
Internal Control System (X3)	0.60	0.929	Reliabel

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HR Competencies (X4)	0.60	0.937	Reliabel
Quality of Regional Financial Statements (Y)	0.60	0.917	Reliabel

Source: SPSS 2025 processed primary data

Based on table 4 above, it shows that the statement items of each variable studied are reliable because they have a Cronbach alpha value > 0.60. Therefore, the data from the results of the questionnaire used in this study deserve further testing.

Classical Assumption Test Results

Normality Test

Table 5 Normality Test Results

Kolmogorov-Smirnov Test One Sample

		Non-Standard Residue
N		43
Parameter Normal[a,b]	Means	,0000000
	Deviation hours	1.99490730
The Most Extreme Differences	Absolute	,076
	Positive	,076
	Negatives	-,076
Test Statistics		,076
Asymp. Sig. (2-Tailed)		,200d
a. The distribution of the test is Normal.		

Source: SPSS 2025 processed primary data

Based on the table above, the normality test on the kolmogorov-smirnov column can be found that the value of Asymp.Sig. (tail 2) from 0.200 > 0.05. Therefore, it can be concluded that the residual data is distributed normally. This normality test can also be seen in the form of a graph distribution of data on *a normal probability plot*, the data is said to be normal if there is a point spread around the diagonal line and the spread follows the direction of the diagonal line. So if there is a point spread around the diagonal line and the spread follows the direction of the diagonal line, the regression model meets the assumption of normality. Here is a *normal probability plot graph.*

Multicollinearity Test

Table 6 Multicollinearity test results

Variabel	Tolerance	VIF	Remarks
Understanding SAP (X1)	0,345	2,897	Multicollinearity does not occur
Utilization of SIAKD (X2)	0,344	2,910	Multicollinearity does not occur

Internal Control System (X3)	0,712	1,404	Multicollinearity does not occur
Human Resources Competencies (X4)	0,932	1,073	Multicollinearity does not occur

a. Dependent Variables: Quality of Regional Financial Statements
Source : Primary data processed by SPSS 2025

Based on table 6 above, the tolerance and VIF values for each of the study variables can be found as follows: Values X1 = 2.897<10, X2 = 2.910<10, X3 = 1.404<10, X4 = 1.073<10, all variables have VIF values of less than 10. So that all variables are declared that multicollinearity does not occur.

Heterokedaticity Test

Table 7 Heterokedaticity Test
Coefficients

Variabel	Sig	Remarks
Understanding SAP (X1)	0,247	No heterokedasticity occurs
Utilization of SIAKD (X2)	0,486	No heterokedasticity occurs
Internal Control System (X3)	0,358	No heterokedasticity occurs
Human Resources Competencies (X4)	0,262	No heterokedasticity occurs

a.Variable Dependency : abs_RES
Source : Primary data processed by SPSS 2025

Based on table 7 above, the data in the Gejser test, it can be concluded that each variable has a significant value of more than 0.05, which means that the regression model in this study has no symptoms of heteroscedasticity.

Results of Multiple Linear Regression Analysis

Table 8 Multiple Regression Analysis Results
Coefficients

Model		Non-Standard Coefficients B	Non-Standard Coefficients Std. Error	Standard Coefficients Beta version	t	Sig.
1	(Konstan)	5.697	.1.531		3.721	.001
	SAP	.305	.064	.489	4.804	.001
	SIAKD	.213	.067	.322	3.163	.003
	SPI	.121	.043	.200	2.820	.008
	SDM	.221	.037	.370	5.976	.001

a. Variable Dependen: KLKD
Source: SPSS 2025 processed primary data

Based on table 8, the formula of the analysis equation can be obtained as seen in equation 1.

$$Y = b0 + b1\ X1 + b2\ X2 + b3\ X3 + b4\ X4 + e \quad (1)$$

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E-ISSN 2808-263X

Through the equation formula, it is found that the calculation as seen in equation 2.

KLKD = 5.697 + 0.305X1 + 0.213X2 + 0.121X3 + 0.221X4 +e (2)

1. A constant value (α) of 5.697 indicates that if the variables of SAP understanding (X1), SIAKD utilization (X2), internal control system (X3), and human resource competence (X4) are considered constant or have a value of zero, then the quality of regional financial statements (Y) is valued at 5.697.
2. The regression coefficient of the SAP comprehension variable (X1) of 0.305 indicates that every 1 unit increase in SAP comprehension will improve the quality of regional financial statements by 0.305, assuming the other variables are constant.
3. The regression coefficient of the SIAKD utilization variable (X2) of 0.213 shows that every 1 increase in the SIAKD utilization unit will improve the quality of regional financial statements by 0.213, assuming that other variables are constant.
4. The regression coefficient of the internal control system variable (X3) of 0.121 indicates that every 1 unit increase in the internal control system will improve the quality of regional financial statements by 0.121, assuming that other variables are constant.
5. The regression coefficient of the human resource competency variable (X4) of 0.221 shows that every 1 unit increase in human resource competence will improve the quality of regional financial statements by 0.221, assuming other variables are constant.

Hypothesis Testing Results
Partial test t

Table 9 Partial Test Results t

Coefficients

Model		Non-Standard Coefficients		Standard Coefficients	t	Sig.
		B	Std. Error	Beta version		
1	(Konstan)	5.697	.1.531		3.721	.001
	SAP	.305	.064	.489	4.804	.001
	SIAKD	.213	.067	.322	3.163	.003
	SPI	.121	.043	.200	2.820	.008
	SDM	.221	.037	.370	5.976	.001

a. Variable Dependen: KLKD

Source: SPSS 2025 processed primary data

Based on the results of the t-test in table 9 above, it can be seen that:

1. The calculated t-value for the Government Accounting Standard (SAP) variable 4.804 is greater than the t-table 2.024 with a significance value of 0.001 < 0.05. This means that the Government Accounting Standard (SAP) variable has a positive and significant influence on the quality of regional financial statements.
2. The t-value calculated for the variable of the Regional Financial Accounting Information System (SIAKD) of 3.163 is greater than the t of the table of 2.024 with a significance value of 0.003 < 0.05. This means that the variables of the Regional

Financial Accounting Information System (SIAKD) have a positive and significant effect on the quality of regional financial statements.

3. The calculated t-value for the Internal Control System (SPI) variable of 2.820 is greater than the t-table of 2.024 with a significance value of 0.008 < 0.05. This means that the Internal Control System (SPI) variable has a positive and significant influence on the quality of regional financial statements.
4. The t-value calculated for the Human Resources Competency (HR) variable of 5.976 is greater than the t-table of 2.024 with a significance value of 0.001 < 0.05. This means that the Human Resources (HR) Competency variable has a positive and significant influence on the quality of regional financial statements.

Simultaneous Test Results (F Test)

Table 10 F Test Results *(simultaneous)*
ANOVA

Model		Number of Squares	df	Square Average	F	Sig.
1	Back	84.778	4	21.194	60.518	.001b
	Rest	13.308	38	0.350		
	Quantity	98.086	42			

a. Variable Dependen: KLKD

b. Predictor: (Constant), HR, SAP, SPI, SIAKD

Source : Primary data processed by SPSS 2025

Based on the results of the F test in table 10 above, it can be concluded that the F count value is 60.518 > F table 2.62 with a significant level of 0.001 < 0.05. This means that understanding SAP (X1), the use of SIAKD (X2), internal control systems (X3) and human resource competencies (X4) simultaneously affect the quality of financial statements.

Coefficient of Determination (R2)

Table 11 Yield Determination Coefficients
Modelb Summary

Models	R	R Square	Customized R Box	Std. Estimation Error
1	.930a	0.864	0.850	0.59179

a. Predictor: (Constant), HR, SAP, SPI, SIAKD

b. Variable Dependency: KLKD

Source : Primary data processed by SPSS 2025

Based on the table above the output *results of the Model Summary*, it is known that the value of the determination coefficient or R Square is 0.864. The value of the determination coefficient (R Square) is 0.864 or equal to 86.4%. This value means that the

P-ISSN 2828-4976
E-ISSN 2808-263X

variables of Government Accounting Standards (SAP), Regional Financial Accounting Information System (SIAKD), Internal Control System (SPI), and Human Resources (HR) competencies simultaneously affect the quality of regional financial statements by 86.4%. While the remaining 13.6% was influenced by other variables outside this research model that were not studied in this study.

The Effect of Understanding Government Accounting Standards (SAP) on the Quality of Regional Financial Statements

The results of the t-test showed that the variable of Government Accounting Standard Understanding (SAP) had a calculated t value of 4.804 which was greater than the t table of 2.024 with a significance level of 0.001 < 0.05. The regression coefficient of 0.305 with a standard beta value of 0.489 shows that the SAP variable has the most dominant contribution compared to other independent variables in improving the quality of regional financial statements.

Empirically, these results show that the higher the level of understanding of the apparatus towards SAP, the better the quality of the financial statements produced. An adequate understanding of the principles of recognition, measurement, presentation, and disclosure of financial statements allows the apparatus to prepare reports according to applicable standards so as to increase the relevance and reliability of information.

This finding is in line with the Decision Usefulness Theory which states that accounting information will be valuable if it is compiled according to standards and is able to support the decision-making process (Staubus, 2013). The results of this study are also consistent with (Huliselan, 2022) and (Ramadan & Fahrani, 2024) found that understanding SAP had a significant effect on the quality of local government financial statements. Thus, understanding SAP can be considered a key factor in improving the quality of regional financial reporting.

The Effect of the Utilization of the Regional Financial Accounting Information System (SIAKD) on the Quality of Regional Financial Statements

The results of the t-test showed that the SIAKD utilization variable had a calculated t-value of 3.163 which was greater than the t table of 2.024 with a significance level of 0.003 < 0.05. The regression coefficient of 0.213 with a standard beta value of 0.322 shows that the use of information systems makes a positive contribution to improving the quality of regional financial statements.

These results indicate that the optimal use of SIAKD helps to improve timeliness, accuracy, and efficiency in the financial recording and reporting process. The integrated system allows data processing to be carried out more systematically and reduces the potential for manual errors.

In the perspective of Decision Usability Theory, an effective information system supports the availability of relevant and timely information for stakeholders. The results of this study are in line with the findings (Ardhiarisca *et al.,* 2023) which states that the use of accounting information systems has a significant effect on the quality of local government financial statements. Therefore, optimizing the use of SIAKD is one of the strategic efforts in improving the quality of regional financial reporting.

The Influence of the Internal Control System on the Quality of Regional Financial Statements

The results of the t-test showed that the Internal Control System (SPI) variable had a calculated t-value of 2.820 which was greater than the t table of 2.024 with a significance level of 0.008 < 0.05. The regression coefficient of 0.121 with a standard beta value of 0.200 shows that SPI has a positive and significant effect on the quality of regional financial statements.

Although its contribution is relatively small compared to other variables, SPI still has an important role in maintaining the reliability of financial statements. An effective internal control system ensures that every transaction is recorded according to procedures, minimizes errors, and prevents potential irregularities in regional financial management.

These findings support Decision Usability Theory which emphasizes the importance of information reliability in the financial reporting process. The results of this study are also consistent with (Mega Astuti et al., 2024) as well as Ramadan and (Ramadan & Fahrani, 2024). which found that the internal control system had a significant effect on the quality of local government financial statements. Thus, strengthening SPI is an important part of supporting accountable regional financial governance.

The Influence of Human Resource Competence on the Quality of Regional Financial Statements

The results of the t-test showed that the Human Resources Competency (HR) variable had a calculated t-value of 5.976 which was greater than the t table of 2.024 with a significance level of 0.001 < 0.05. The regression coefficient of 0.221 with a standard beta value of 0.370 shows that human resource competence has a positive and significant effect on the quality of regional financial statements.

Empirically, these results show that officials who have knowledge, skills, and experience in the field of government accounting are able to compile financial statements more accurately and in accordance with standards. Human resource competencies also support the effectiveness of SAP implementation and the use of SIAKD in the reporting process.

These findings are in line with Decision Usability Theory which states that the quality of information is greatly influenced by the ability of its compilers. The results of this study also support (Juniartha & Sugiarto Asana, 2025) which found that the competence of human resources has a significant effect on the quality of local government financial statements. Thus, increasing the capacity and competence of the apparatus is a strategic factor in improving the quality of regional financial statements.

Conclusions

Based on the results of data analysis and hypothesis testing, it can be concluded that the understanding of Government Accounting Standards (SAP) has a positive and significant impact on the quality of local government financial statements. This shows that the higher the level of government officials' understanding of SAP principles, the better their ability to prepare financial statements that are compliant, accurate, and accountable. A good understanding of SAP also helps prevent record-keeping errors and increases transparency and accountability in regional finances. Furthermore, the use of the Regional Financial Accounting Information System (SIAKD) has a positive and significant impact on the quality of local government financial statements. This means that the more optimal the use of accounting information systems, the more effective and

P-ISSN 2828-4976
E-ISSN 2808-263X

efficient the process of recording, reporting, and tracking regional financial transactions. Integrated SIAKD supports timeliness, data reliability, and ease of auditing and supervising regional finances. In addition, the Internal Control System (SPI) also has a positive and significant impact on the quality of local government financial statements. This shows that a good monitoring and control mechanism can minimize errors, fraud, and irregularities in the implementation of the APBD. Effective internal controls ensure that every financial transaction is conducted in accordance with procedures and supports transparent financial governance. Finally, the competence of human resources (HR) has a positive and significant impact on the quality of local government financial statements. Officials who have knowledge, skills, and experience in government accounting are better able to manage financial data accurately and in accordance with regulations. This shows that improving human resource competence is an important aspect in producing high-quality and reliable regional financial reports.

Acknowledgment

The author expresses his sincere and deep gratitude to his parents for their unwavering prayers and support, which has been a key factor in the completion of this study. He also expressed his gratitude to the University of Muhammadiyah Palopo and its supervisors for their guidance, patience, and direction during the research and writing process. He also thanked his colleagues for their support, prayers, and encouragement during the preparation of this research. In addition, he thanked his workplace and colleagues for the understanding, support, and opportunities they provided, which allowed him to complete this research despite the demanding workload. Lastly, he expressed his appreciation to himself for his perseverance, patience, and commitment to continue to fight until the successful completion of this research, and to the Regional Finance and Assets Agency (BKAD) of Luwu Regency for his trust, permission, and support, which made this research possible to be successfully completed.

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