Journal of Accounting and Economics Studies
Vol. 1 **No.** 1 July (2025) | 17-30
e-ISSN: xxx-xxxx **p-ISSN:** xxx-xxxx
DOI: xxxxx

JAES

The Impact of Government Accounting Standards Implementation and Accounting Information Systems on the Quality of Financial Reports in the Sub-District Government of Kotabuntok

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Riwayat Artikel:

Diterima	: 29 July 2024
Disetujui	: 17 February 2025
Diterbitkan	: 1 July 2025

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Abstract:
This study aims to analyze the relationship between the intensity of Accounting Information System (AIS) usage and the implementation of Government Accounting Standards (GAS) on the quality of financial reports in government institutions. The method used in this research is an explanatory survey, which involves collecting primary data through the distribution of questionnaires to sub-district leaders and accounting or reporting staff in six sub-districts in Buntok City, South Barito Regency. The data obtained were then analyzed using Partial Least Square (PLS) software to test the validity and reliability of the constructs and evaluate the inner model. The results indicate that the intensity of AIS usage and the implementation of GAS positively correlate with the quality of financial reports. In other words, the better the use of AIS and the implementation of GAS in an institution, the better the quality of the financial reports produced. This suggests that the appropriate implementation of information technology and accounting standards can enhance financial transparency and accountability in the government sector. The implications of this research suggest that achieving optimal use of AIS and GAS requires the development of several key components such as user needs analysis, efficient database design, system integration, information security, process automation, good reporting and analysis, and continuous evaluation and improvement. This study also provides recommendations for future research to expand the research objects to other sectors and use additional data collection techniques to improve the validity of the research results.

Keywords: accounting information system; government accounting standards; quality of financial reports

Abstrak:
Penelitian ini bertujuan untuk menganalisis hubungan antara intensitas penggunaan Sistem Informasi Akuntansi (SIA) dan penerapan Standar Akuntansi Pemerintahan (SAP) terhadap kualitas laporan keuangan di institusi pemerintahan. Metode yang digunakan dalam penelitian ini adalah explanatory survey, yang melibatkan pengumpulan data primer melalui penyebaran kuesioner kepada pimpinan kecamatan dan staf bagian akuntansi atau pelaporan di enam kecamatan di Kota Buntok, Kabupaten Barito Selatan. Data yang diperoleh kemudian dianalisis menggunakan software Partial Least Square (PLS) untuk menguji validitas dan reliabilitas konstruk serta mengevaluasi inner model. Hasil penelitian menunjukkan bahwa intensitas penggunaan SIA dan penerapan SAP berhubungan positif dengan kualitas laporan keuangan. Dengan kata lain, semakin baik penggunaan SIA dan penerapan SAP di suatu institusi, semakin baik pula kualitas laporan keuangan yang dihasilkan. Hal ini menunjukkan bahwa implementasi teknologi informasi dan standar akuntansi yang tepat dapat meningkatkan transparansi dan akuntabilitas keuangan di sektor pemerintahan. Implikasi dari penelitian ini menunjukkan bahwa untuk mencapai penggunaan SIA dan SAP yang optimal, diperlukan pengembangan beberapa komponen kunci seperti analisis kebutuhan pengguna, desain database yang efisien, integrasi sistem, keamanan informasi, otomatisasi proses, pelaporan dan

analisis yang baik, serta evaluasi dan peningkatan berkelanjutan. Penelitian ini juga memberikan rekomendasi untuk penelitian selanjutnya agar memperluas objek penelitian ke sektor lain dan menggunakan teknik pengumpulan data tambahan untuk meningkatkan validitas hasil penelitian.

Kata Kunci: sistem informasi akuntansi; standar akuntansi pemerintahan; kualitas laporan keuangan

INTRODUCTION

The principle of good governance is a fundamental foundation that must be implemented in all countries, including Indonesia. To establish good governance, it is essential to strengthen systems and institutions based on prevailing regulations. According to Article 23C of the 1945 Constitution concerning State Finance, it is necessary to formulate fundamental rules outlined in the Constitution into general principles of state financial management, which include the principles of annuality, universality, unity, and specificity (UUD 1945). Moreover, to apply sound principles in state financial management, principles such as result-oriented accountability, professionalism, proportionality, transparency in financial management, and audits by independent and autonomous institutions are also established.

One concrete measure to ensure transparent and accountable financial management is the preparation and presentation of accountability reports for the implementation of the State Budget (APBN) or Regional Budget (APBD) in accordance with government accounting standards set by government regulations as stipulated by Law No. 17 of 2003 on State Finance (Government of Indonesia, 2003). Government Regulation No. 24 of 2004 on Government Accounting Standards (SAP) was issued based on Law No. 17 of 2003. The SAP accounting system is used to prepare and present government financial statements (Government of Indonesia, 2004).

Financial reports generated from integrated information systems can be obtained more quickly, easily, and accurately. The internet and computer networks are utilized in the workplace as media for information transmission, although there are weaknesses such as occasional slow or faulty networks. Access to computer use is restricted to accounting and finance staff to maintain data security and confidentiality.

Pujanira and Taman (2017) state that one effort to implement a clean governance system is by requiring local governments to prepare financial reports in the form of Balance Sheets, Cash Flow Statements, and Notes to the Financial Statements. High-quality financial reports provide benefits for future government policymaking. The quality of financial reports can be assessed from the opinions provided by the Audit Board of Indonesia, which has a grading system for the financial reports it audits (Pujanira & Taman, 2017).

Financial reports in the sub-districts of Buntok City, which comply with Government Accounting Standards, must accurately reflect transactions and other events. These financial reports should also be comparable to data from previous reporting periods and understandable to stakeholders. The sub-districts in Buntok City have implemented accrual-based financial reporting for the recognition of assets, liabilities, and equity in the balance sheet, as well as accrual-based cash reporting for the recognition of revenues, expenditures, costs, and financing in budget realization. Assets are recorded at fair value in the financial statements, while liabilities are recorded at the amount of cash and cash equivalents expected to be paid to meet future obligations. The financial statements of the local government work units are presented according to the information needs of the users.

Several studies have examined the impact of the implementation of Government Accounting Standards on the quality of financial reports. Research by Purwaniati Nugraheni and Imam Subaweh (2008) showed that the implementation of Government Accounting Standards in the Inspectorate General of the Ministry of National Education had a positive impact on the quality of financial reports (Nugraheni & Subaweh, 2008). Research by Wiwin Mulyani (2007) found that the implementation of Government Accounting Standards had a significantly positive impact on the quality of local government financial reports (Mulyani, 2007). Research by Daniel Kartika Adhi and Yohanes Suhardjo (2013) indicated that the implementation of Government Accounting Standards positively affected the quality of financial reports in Tual City Government (Adhi & Suhardjo, 2013).

The research method used in this study is an explanatory survey, aimed at obtaining systematic, factual, and accurate descriptions, illustrations, or depictions of the facts, characteristics, and relationships among the variables studied. However, the data analysis techniques used in this study differ from previous research. The data analysis method in this study employs Partial Least Square (PLS) software to conduct reliability and validity tests. PLS was chosen because it has the capability to model multiple dependent and independent variables, handle multicollinearity among independent variables, and can be used with relatively small samples (Wold, 1985).

The purpose of this study is to determine the impact of the implementation of Government Accounting Standards on the quality of financial reports in the Dusun Selatan sub-district of Buntok City, and to understand how the implementation of the Accounting Information System affects the quality of financial reports in the Dusun Selatan sub-district of Buntok City.

Financial Reports

Financial reports are explanations of information regarding an entity, institution, or company within an accounting period to explain the operational performance results of the entity. Financial reports are systematically prepared information that includes the financial condition and various transactions of the entity. Financial reports can be referred to as data or information that indicates the financial condition of the company for a specific period (Kasmir, 2008). In detail, the outcomes expected from the financial reports of ministries or institutions are data used for decision-making and demonstrating the accountability of resources used by the reporting entity.

To achieve these objectives, financial reports present data related to the entity's reporting in terms of:

1. Assets
2. Liabilities
3. Equity
4. Revenues
5. Expenditures
6. Transfers
7. Financing

The general purpose of financial reports is to convey data regarding the financial condition, budget realization, cash flows, and financial performance of a reporting entity.

Government Accounting (SAP)

Government accounting is defined as the provision of services to supply financial information for the government based on processes of recording, classifying, summarizing, and interpreting financial transactions (Nurmalia et al., 2017). It is a branch of accounting that encompasses all accounting activities within governmental

entities, including ministries/agencies and local governments. One key activity is the recording of budget implementation by all government units. According to Halim (2002), government accounting involves identifying, measuring, recording, and reporting economic (financial) transactions of the government, transforming them into information used for economic decision-making by external government stakeholders.

From these definitions, government accounting can be understood as the comprehensive accounting processes undertaken by each government work unit, which then becomes critical information for decision-making processes and economic policy formulation. Government accounting serves to provide information regarding economic and financial transactions of the government that are not profit-oriented. The objectives of government accounting typically encompass three primary aspects.

First, accountability: Government accounting is designed to fulfill the financial accountability requirements of the state as mandated by Article 23 Paragraph 5 of the 1945 Constitution, which necessitates accountability reports for all financial management activities of the state (UUD 1945). Second, management: Government accounting supports the planning and preparation of the national budget (APBN) and other developmental strategies. Effective management of government policies is achieved through meticulously planned budgets, ensuring that the financial resources of the state are managed efficiently and effectively (Halim, 2002). Third, oversight: The objective here is to prevent the misuse of budgets and to assess the needs of the state as a guideline for future budget preparation. Indonesia employs general, compliance, and operational or managerial audits to achieve these oversight objectives (Nurmalia et al., 2017).

Characteristics of Government Accounting

Government accounting is directly linked to governmental institutions and other entities that do not aim to generate profit. As an accounting entity, the government possesses characteristics distinct from other entities. Firstly, government accounting does not include profit reporting, as the government does not focus on profit. Secondly, the government records the budget at the time it is created. Thirdly, in government accounting, funds can originate from various sources. Fourthly, government accounting is highly stringent due to its reliance on statutory regulations. Fifthly, government accounting also records capital expenditures. In government accounting, estimates of capital and retained earnings are not recorded, as the primary objective is not to generate profit but to manage public funds transparently and accountably (Halim, 2002; Nurmalia et al., 2017).

Government Accounting Standards (SAP)

Government Accounting Standards (SAP) are accounting rules used to prepare and present government financial statements. These standards are necessary to conduct clear and accountable government accounting. The Central Government Financial Statements (LKPP) and Local Government Financial Statements (LKPD) are prepared based on SAP to present financial reports transparently.

The principles of Government Accounting Standards are regulated by Government Regulation Number 71 of 2010 concerning Government Accounting Standards, established by the Government Accounting Standards Committee (KSAP). Generally, SAP is a statement that includes a title, number, and the effective date of the standard. There are eight general principles of government accounting and financial reporting according to PP Number 71 of 2010: accounting basis, historical cost principle, realization principle, substance over form, periodicity, consistency, full disclosure, and fair presentation.

Government Accounting Standards in PP Number 71 of 2010 contain 13 Government Accounting Standards Statements (PSAP), which are:

1. PSAP 01 on the Preparation of Financial Statements.
2. PSAP 02 on Budget Implementation Reports.
3. PSAP 03 on Cash-Based Cash Flow Reports.
4. PSAP 04 on Notes to Financial Statements.
5. PSAP 05 on Inventory Accounting.
6. PSAP 06 on Investment Accounting.
7. PSAP 07 on Fixed Assets Accounting.
8. PSAP 08 on Construction in Progress Accounting.
9. PSAP 09 on Responsibility Accounting.
10. PSAP 10 on Discontinued Operations, Error Corrections, Changes in Accounting Policies, and Changes in Accounting Estimates.
11. PSAP 11 on Consolidated Financial Statements.
12. PSAP 12 on Operational Reports.
13. PSAP 13 on Financial Statement Presentation for Public Service Agencies (BLU).

Implementation of SAP

The implementation of Government Accounting Standards (SAP) comprises the fundamental accounting principles used in government financial statements. For both central and local governments, adherence to the accounting standards set by the government is mandatory to enhance the quality of Central Government Financial Statements (LKPP) and Local Government Financial Statements (LKPD). This adherence serves as a manifestation of transparency and accountability in the administration of national finances. Government Regulation No. 71 of 2010 concerning Government Accounting Standards specifies that the SAP is articulated in the form of Government Accounting Standards Statements (PSAP), which provide the SAP with titles, numbers, and effective dates, explaining the basis used in government financial reporting and accounting. The key principles included are:

1. Accounting Basis
2. Historical Cost
3. Realization
4. Substance Over Form
5. Periodicity
6. Consistency
7. Comprehensive Disclosure
8. Fair Presentation

Definition of Accounting Information System

According to Krismiaji (2010), an accounting information system (AIS) is a cohesive system component that processes data and transactions to generate information useful for planning, controlling, and operating a business. To produce the necessary information for decision-makers, an accounting information system must perform the following tasks:

1. Collect transaction data and other relevant data and input them into the system.
2. Process transaction data.
3. Store data for future use.
4. Generate the required information by producing reports or allowing users to access stored data directly on the computer.
5. Control the entire process to ensure that the generated information is accurate and reliable.

According to Gelinas and Dull (2012), there are several characteristics of high-quality information:

1. Effectiveness
2. Efficiency
3. Confidentiality
4. Integrity
5. Availability
6. Compliance
7. Reliability

Hypothesis Development

According to Sugiyono (2014), a hypothesis is a temporary answer to the research problem statement, formulated as a question, based on a literature review and previous research. The hypotheses for this study are formulated as follows:

H1: Government Accounting Standards have a significant impact on the quality of financial reports.

H2: Accounting Information Systems have a significant impact on the quality of financial reports.

METHOD

This research is a descriptive study aimed at thoroughly and clearly describing the characteristics of the problems or phenomena encountered. Additionally, this research is also verificative, aiming to understand the relationships between variables through hypothesis testing. The method used is an explanatory survey, which involves systematically, factually, and accurately describing, illustrating, or depicting the facts, characteristics, and relationships between the variables studied. The reason for choosing the explanatory survey method is to seek fundamental answers about cause and effect by analyzing the factors causing a particular phenomenon, especially those related to existing problems and practices.

The research population includes all sub-districts in the local government of Buntok City, namely six sub-districts: Dusun Hilir, Dusun Selatan, Dusun Utara, Gunung Bintan Awai, Jenamas, and Karau Kuala. The research objects are sub-district leaders and accounting or reporting staff, with a sample size of 30 people. The influence of the implementation of Government Accounting Standards (SAP) is referred to as variable X1, the Accounting Information System (AIS) as variable X2, and the quality of financial reports as variable Y.

The type of data required in this study is primary data, which is collected through the distribution of 30 questionnaires to sub-district leaders and financial managers in the local government of Buntok City, South Barito Regency. This primary data collection method is conducted through field research using questionnaires designed by the researchers to gather data related to the independent and dependent variables. The data collected is based on written responses from the questionnaire participants. The questions in the questionnaire are structured to determine the relationship between Government Accounting Standards (SAP) and the Accounting Information System (AIS) on the quality of financial reports. The questionnaires were distributed by directly visiting all sub-districts in the local government of Buntok City.

Table 1. Operationalization of Variables

Variable	Variable Definition	Indicator	Scale

Quality of Financial Reports (Y1)	The final result of an accounting activity or a summary of financial transactions.	. Accurate . Verifiable . Comparable . Understandable	Ordinal
Government Accounting Standards (X1)	The accounting principles used in preparing and presenting government financial statements to ensure financial transparency.	Accounting basis Historical cost principle Realization principle Substance over form principle Periodicity principle Consistency principle Full disclosure principle Fair presentation principle Use of an appropriate and accrual-based SAP accounting system . Transaction recording procedures based on general accounting principles	Ordinal
Accounting Information System (X2)	A system that processes data and transactions to generate useful information for planning, controlling, and operating business activities.	Speed Security Cost efficiency Quality of output Accuracy	Ordinal

Data analysis is conducted after processing the required data to make it more meaningful. The data analysis methods applied to achieve the research objectives are as follows:

Data Quality Testing

Data quality testing in this study includes reliability and validity tests using Partial Least Square (PLS) software. The reliability test aims to assess the internal consistency of a questionnaire as an indicator of a variable or construct. Reliability measurement is done using the Composite Reliability test criteria. An indicator is considered reliable if the Composite Reliability value is greater than or equal to 0.60 (Ghozali, 2015). The validity test assesses whether a questionnaire is valid. A questionnaire is considered valid if the questions can measure what they are intended to measure. Validity measurement is done using the criteria that the data processing result value must be greater than or equal to 0.50 (Ghozali, 2015).

Hypothesis Testing Tool

Structural Equation Modelling (SEM)

The data accumulation process is conducted using the Structural Equation Model (SEM) approach with Partial Least Square (PLS) software. PLS is a variance-based structural equation model. According to Ghozali (2015), PLS is an alternative method that shifts from covariance-based SEM to variance-based. Covariance-based SEM generally tests causality/theory, while PLS is more predictive.

RESULTS AND DISCUSSION

This study collected data by distributing questionnaires to respondents in six sub-districts within the Buntok City Government. From the 30 distributed questionnaires, all were collected for analysis.

Table 2. Questionnaire Return Details

Description	Quantity	Percentage
Distributed questionnaires	30	100%
Returned questionnaires for processing	30	100%

Validity and Reliability Testing

Data validity testing uses PLS software with the Outer Model, specifically Convergent validity, which is assessed by the average variance extracted (AVE) value of each construct, where the value must be greater than 0.5. Another way to test validity is by comparing the square root of the average variance extracted (√AVE) of each construct (latent variable) with the correlation between that construct and other constructs in the model. If the √AVE value of each construct is greater than the correlation between that construct and others in the model, the construct is said to have good discriminant validity (Ghozali, 2015).

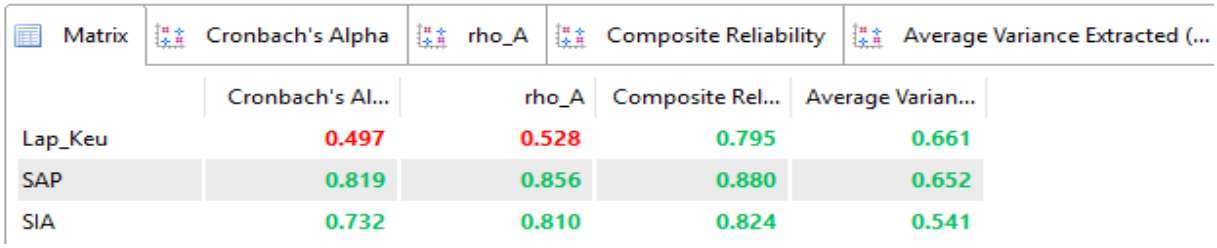

Figure 1. Average Variance Extracted (AVE)

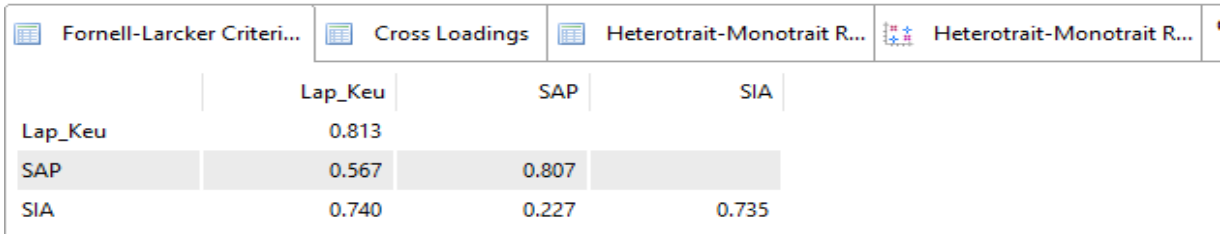

Figure 2. Diskriminan Validity

Table 4.2 provides an explanation of the AVE and square root of AVE values for the constructs of financial reports, Government Accounting Standards (SAP), and the Accounting Information System (AIS). All structures (variables) have AVE values above 0.5, ranging from 0.541 to 0.661. This indicates that each construct has good validity based on the indicators or questionnaires used. Therefore, the correlation between Government Accounting Standards and the Accounting Information System with the financial reports of the organization can be considered valid.

Another way to determine the validity of a construct is by comparing the square root of AVE with the correlation of latent variables. Based on the results in Table 4.2, the square root of AVE is higher compared to the correlation of latent variables, which means that the statements in the questionnaire remain valid as the data results meet the requirements.

This robust analysis of validity using AVE and square root of AVE supports the conclusion that the constructs measured in this study—financial reports, Government Accounting Standards, and the Accounting Information System—are accurately and reliably reflected by their respective indicators. Thus, the relationships established

among these constructs are well-founded and meaningful within the context of this research.

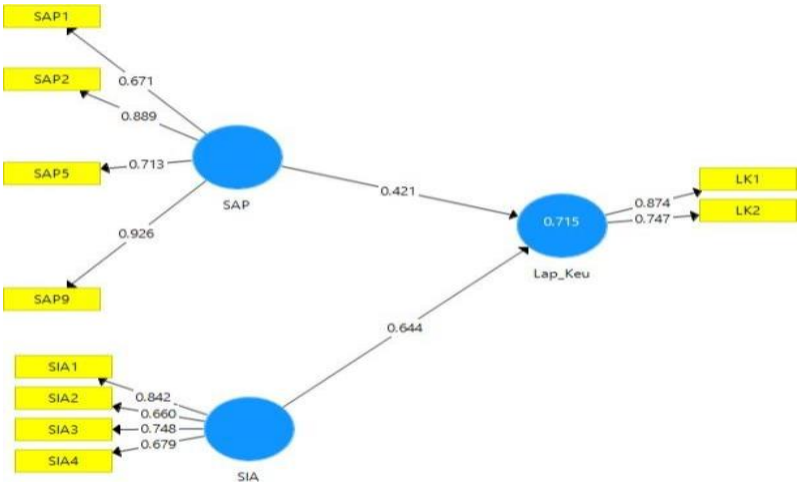

Figure 3. Path Diagram 1

From Figure 4.1, it is evident that there are indicators with outer loadings values less than 0.6. These indicators need to be eliminated and then recalculated. After recalculating, the results show that there are no longer any indicators with values below 0.6. This indicates that the outer model or the correlation with all variables now meets the criteria for Convergent Validity.

The elimination and recalibration process ensures that the model only includes indicators that contribute significantly to the constructs, thus enhancing the overall validity and reliability of the model. This step is crucial in refining the model to ensure that it accurately represents the relationships among the constructs being studied.

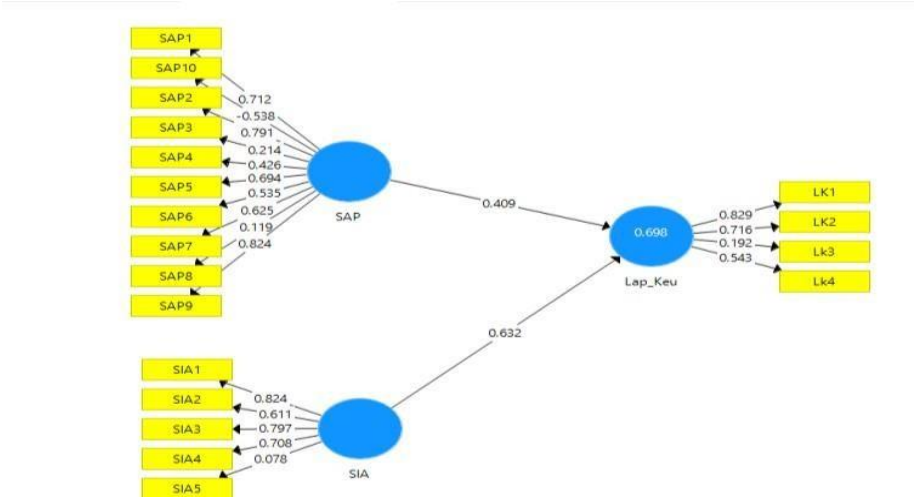

Figure 4. Path Diagram 2

Matrix	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (...
	Cronbach's Al...	rho_A	Composite Rel...	Average Varian...
Lap_Keu	0.497	0.528	0.795	0.661
SAP	0.819	0.856	0.880	0.652
SIA	0.732	0.810	0.824	0.541

Figure 5. Construct Reliability and Validity

Similarly, the AVE and Composite Reliability values for all constructs are above 0.5, indicating that all construct indicators meet the reliability test requirements and are therefore considered reliable.

Mean, STDEV, T-Values, P-Va...	Confidence Intervals	Confidence Intervals Bias C...	Samples

	Original Sampl...	Sample Mean (...	Standard Devia...	T Statistics (|O...	P Values
SAP -> Lap_Keu	0.421	0.415	0.118	3.567	0.000
SIA -> Lap_Keu	0.644	0.653	0.102	6.315	0.000

Figure 6. Path Coefficient

From the results of the path coefficients in Table 4.5, it is observed that all first-order constructs have a significant effect, as the t-statistic values for all first-order constructs are greater than 1.96. This means that all first-order constructs are dimensional constructs forming the Financial Reports construct.

Hypothesis Testing through Outer Model (Full Model)

In Partial Least Squares (PLS), there are three criteria for evaluating the outer model: Convergent Validity, Discriminant Validity (in the form of the square root of average variance extracted (AVE)), and Composite Reliability. The latter two criteria have been previously discussed during the data quality testing. The following Table 4.6 shows the overall correlation for each variable, specifically illustrating the Government Accounting Standards, Accounting Information Systems, and their impact on the quality of financial reports.

Mean, STDEV, T-Values, P-Va...	Confidence Intervals	Confidence Intervals Bias C...	Samples

	Original Sampl...	Sample Mean (...	Standard Devia...	T Statistics (|O...	P Values
LK1 <- Lap_Keu	0.874	0.879	0.068	12.831	0.000
LK2 <- Lap_Keu	0.747	0.711	0.206	3.632	0.000
SAP1 <- SAP	0.671	0.672	0.166	4.044	0.000
SAP2 <- SAP	0.889	0.852	0.183	4.871	0.000
SAP5 <- SAP	0.713	0.678	0.182	3.926	0.000
SAP9 <- SAP	0.926	0.896	0.174	5.334	0.000
SIA1 <- SIA	0.842	0.855	0.062	13.616	0.000
SIA2 <- SIA	0.660	0.621	0.191	3.445	0.001
SIA3 <- SIA	0.748	0.726	0.139	5.375	0.000
SIA4 <- SIA	0.679	0.633	0.185	3.674	0.000

Original Sample (O)

Figure 7. Outer Loadings

Hypothesis Testing with Inner Model

Ghozali (2015) states that the inner model depicts the relationships between latent variables based on substantive theory. The inner model, also known as the inner relation, structural model, or substantive theory, illustrates how latent variables are interrelated and influence each other. The output of this analysis provides inner weight values for each direct or indirect relationship. If the inner weight value is greater than 0, it indicates that the model has predictive relevance. In this study, the inner model used is:

Mean, STDEV, T-Values, P-Va...	Confidence Intervals	Confidence Intervals Bias C...	Samples

	Original Sampl...	Sample Mean (...	Standard Devia...	T Statistics (|O...	P Values
SAP -> Lap_Keu	0.421	0.415	0.118	3.567	0.000
SIA -> Lap_Keu	0.644	0.653	0.102	6.315	0.000

Figure 8. Result for Inner Weight

The R-square value can be used to assess the structural model in Partial Least Squares (PLS) for each latent variable. The R-square values obtained are as follows:

Matrix	R Square	R Square Adjusted

	R Square	R Square Adjus...
Lap_Keu	0.715	0.694

Figure 9. R-Square

The table above shows the R-square value of the Financial Reports construct, which is 0.715. The higher the R-square value, the greater the influence of the independent variables. The R-square value of 0.715 for the Financial Reports construct indicates that the variance in financial reports can be explained by the Government Accounting Standards (SAP) and the Accounting Information System (AIS) to the extent of 71.5%. The remaining 28.5% is explained by other variables not examined in this study.

Table 3. Conclusions and Hypotheses

Hypothesis	Conclusion
H1: Government Accounting Standards have a significant impact on the Quality of Financial Reports	Accepted
H2: Accounting Information Systems have a significant impact on the Quality of Financial Reports	Accepted

Testing and Discussion of Hypothesis 1 (SAP - Financial Reports)

Based on Table 4.7, the implementation of Government Accounting Standards (SAP) has a significant and positive relationship with the quality of financial reports, as indicated by an original sample estimate value of 0.421 and a t-statistic of 3.567 (greater than the t-table value of $\pm$ 2.750). This demonstrates that the proper implementation of SAP will result in adequate financial reports.

The findings suggest that institutions adhering to SAP are more likely to produce financial reports that are transparent, accurate, and reliable. SAP provides a structured framework for recording, measuring, and reporting financial transactions, which enhances the comparability and credibility of financial information. Therefore, ensuring the proper implementation of SAP is crucial for improving the quality of financial reporting in government institutions.

Testing and Discussion of Hypothesis 2 (AIS - Financial Reports)

Based on Table 4.7, the intensity of competition has a significant and positive relationship with the quality of financial reports, as indicated by an original sample estimate value of 0.644 and a t-statistic of 6.315 (greater than the t-table value of $\pm$ 2.750). This demonstrates that the adequate implementation of an Accounting Information System (AIS) will result in high-quality financial reports.

The findings imply that institutions that invest in robust AIS are likely to produce financial reports that are accurate, reliable, and timely. Such systems enhance data processing, storage, and retrieval capabilities, ensuring that financial information is presented in a manner that meets the needs of stakeholders and complies with relevant standards. Consequently, improving the AIS infrastructure can be seen as a strategic move to boost the overall quality of financial reporting within an organization.

CONCLUSION

This study concludes that the intensity of Accounting Information System (AIS) usage and the implementation of Government Accounting Standards (GAS) positively correlate with the quality of financial reports. In other words, when an institution effectively uses AIS, the quality of its financial reports improves. Similarly, the proper implementation of GAS leads to better-quality financial reports. Based on the conclusions drawn, several components need to be developed to ensure the effective use of AIS and GAS in an institution. First, a thorough analysis of user needs can provide a strong foundation for successful AIS development. Second, an efficient and consistent database design can meet user needs and play a crucial role in the overall performance of the system. Third, effective system integration can enhance the performance and responsibility of information systems. Fourth, information security, including confidentiality, integrity, and data availability, must be prioritized. Fifth, process automation can increase efficiency, reduce the risk of human error, and expedite processes. Sixth, good reporting and analysis help organizations understand their performance, identify opportunities and challenges, and make better decisions. Finally,

evaluation and improvement involve assessing the performance and effectiveness of the system and taking actions to enhance its functionality and efficiency.

For future research, it is recommended to employ additional data collection techniques such as interviews with company representatives to increase the number of respondents and ensure that the questionnaire items are well understood by respondents. Furthermore, expanding the research object beyond the manufacturing sector to other industries such as service and trade companies will broaden the scope and allow for generalization of findings. Future studies could also use other methods such as case studies or focus group discussions to examine the relationships between variables. This study has several limitations, including time constraints, limited resources, and the researcher's capabilities. Additionally, respondents' ability to understand the statements in the questionnaire and their honesty in responding also affect the accuracy of the results. This study only examines the quality of financial reports using AIS and GAS, thus further research is needed to explore the quality of financial reports using other approaches. The conclusions are based solely on the analysis of the data obtained, highlighting the need for further research with different methodologies, larger samples, and more comprehensive research instruments.

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