

Quality Drivers of Local Government Financial Reports: Examining the Moderating Role of Information Technology in Bintan Regency

Giantoro Rudiman¹, Chablullah Wibisono¹, Bambang Satriawan¹, R.A Widyanti Diah Lestari¹, Adi Budiarmo¹

Master of Accounting, Faculty of Economics and Business, Universitas Batam, Indonesia

Email Koresponden: Masgiant.rudi@gmail.com

ABSTRACT

The assessment results of government financial statements in Indonesia remain a concern for academics, practitioners, and researchers. Although the WTP opinion is the highest rating from the Indonesian Audit Board on Local Government Financial Statements, problems persist, such as errors in presentation that do not comply with SAP, weak internal control systems (SPI), and recurring findings despite follow-up actions outlined in the TLRHP report. The achievement of WTP reflects the quality of financial reports prepared by central and regional governments, yet challenges remain in ensuring consistency and compliance. This study aims to examine the influence of SAP implementation, human resource quality, and SPIP on the quality of local government financial reports, with information technology as a moderating variable, focusing on Bintan Regency. Using a quantitative method supported by descriptive analysis and data triangulation, data were obtained through questionnaires and interviews with 140 respondents from 39 regional agencies. Smart PLS Version 4.0 software was applied for analysis. The results show that SAP, SPIP, and information technology positively and significantly affect the quality of LKPD in Bintan Regency. In contrast, human resource quality has a negative and insignificant effect. Moreover, information technology moderates the effect of SAP on LKPD quality but does not moderate the influence of human resource quality and SPIP.

Keywords: LKPD, SAP, SPIP, Human Resource Quality, Information Technology.

INTRODUCTION

Bureaucratic reform is an effort to renew and change the system of government administration to improve governance. Bureaucratic reform is an important factor in state financial management that encourages the implementation of better governance (Good Corporate Governance). There are nine principles of GCG: public participation, rule of law, community concern, consensus building, effectiveness and efficiency, fairness, transparency, accountability, and responsibility. The application of these principles is very important in shaping good governance, especially in terms of state and regional financial management.

The implementation of Good Corporate Governance (GCG) in financial management in local government is stipulated in the provisions of Article 283 of Law Number 23 of 2014 and Article 3 of Government Regulation Number 12 of 2019, which states that "Regional finances shall be managed effectively, efficiently, economically, transparently, and responsibly, taking into consideration a sense of fairness, propriety, and benefits for the community." Accountability for the implementation of the Regional Budget (APBD) is one aspect of regional financial management.

Based on the provisions of Law Number 23 of 2014, further regulated in Government Regulation Number 12 of 2019, it is stated that "Local governments must prepare a Government Financial Report, commonly referred to as LKPD, which contains financial information, and submit it to the Audit Board no later than three months after the end of the fiscal year. In addition, local governments must prepare and submit a draft regional regulation on the accountability of APBD implementation to the Regional People's Representative Council (DPRD).

The evaluation of the quality of financial reports produced by local governments is an evaluation that determines who manages local government finances during a fiscal year and how they are managed. The task of the financial auditor in this case is for the BPK to evaluate, examine, and assess the financial reports prepared by local governments and to issue an opinion at the end of the audit. The results of the BPK RI audit consist of audit opinions indicating that the reports are WTP, WDP, TW, and TMP (Tiumaida et al., 2021). Audit opinions are also influenced by the follow-up on recommendations made

after the audit; the more that needs to be followed up, the worse the audit (Furqan et al., 2020). An unqualified opinion or achievement indicates that the local government has higher quality financial reports and a high level of compliance with the recommendations of the audit (Furqan et al., 2020).

Based on the Audit Report prepared by the Indonesian Audit Board (BPK) RI in the first semester of 2024 (IHPS BPK RI Semester I Tahun 2024) shows that local governments continue to experience problems with presentation that is not in accordance with Accounting Standards (SAP), weaknesses in internal control systems (SPI), and presentation errors that are not in accordance with the standards used in Accounting Standards (SAP).

The report also mentioned that BPK had audited 546 Financial Statements prepared by local governments in 2023. According to this report, the distribution of opinions reveals that 493 LKPD (90.29 percent) received an opinion classified as unqualified (WTP), while 48 LKPD (8.79 percent) were given an opinion marked as qualified (WDP). In addition, 3 LKPDs (0.55 percent) were associated with opinions categorized as No Opinion (TMP), and 2 LKPDs (0.37 percent) received opinions considered unreasonable (TW), as shown in Figure 1:

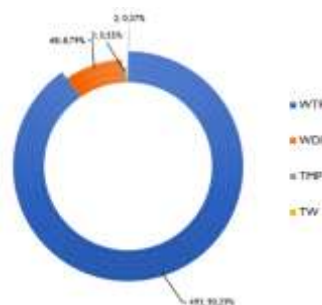


Figure 1 Obtaining an Opinion on the 2023 LKPD
 Source: Summary of BPK RI Audit Results for the First Semester of 2024



Figure 2 Number and Value of Findings, Issues, and Recommendations in the 2023 LKPD Audit Report
 Source: IHPS BPK RI Book, Semester I, 2024

On the other hand, in the process of compiling and presenting financial reports in 2023, several local governments failed to obtain an unqualified opinion or experienced a decline in their opinion. The recommendations given by the BPK regarding the 2023 Government Financial Report indicate non-compliance with regulations and weaknesses in internal controls, even though the achievement of unqualified opinions has generally increased. From the results of the evaluation of 546 financial reports compiled from audits conducted by the BPK, a total of 13,271 cases were recorded, including 5,426 cases of deficiencies in the Internal Ownership System (SPI) and 7,845 cases of non-compliance with

legal regulations (Compliance). This situation has forced the BPK to formulate more constructive recommendations, which focus on improving internal control systems, with the aim of strengthening public financial accountability and transparency, as well as the integrity of government financial reports in line with the objectives of the 2020-2024 RPJMN. The issues affecting the fairness of the presentation of financial statements in 2023 can be seen in Figure 2 Number and Value of Findings, Issues, and Recommendations in the 2023 LKPD Audit Report.

The Bintan Regency Government has received an unqualified opinion since 2011, and in 2023 it received its thirteenth unqualified opinion. Despite receiving an unqualified opinion, the report states that there are still findings, weaknesses, and issues that need to be followed up by the Bintan Regency. There are several recurring findings, such as fixed asset management, misclassification of expenditure accounts, and overpayment of expenditures that do not meet specifications. These issues indicate that the follow-up on the BPK audit results as outlined in the TLRHP document by the Bintan Regency Government has not been adequately implemented, thus requiring further investigation.

Considering the problems, the findings after the audit, and the phenomena mentioned above, it can be concluded that the Bintan Regency Government, in compiling its financial reports, has not been able to present the required information in accordance with the necessary standards and has not met several qualitative characteristics. Decision-making regarding local government financial reports depends on qualitative characteristics. Based on these points, the researchers attempted to conduct a re-examination of the quality of financial reports compiled by the Bintan Regency using research variables such as SAP implementation, human resource quality, and internal control systems, as well as information technology as a moderating variable.

This study also attempted to develop on previous research conducted by (Kansah et al., 2023). The results of the study (Kansah et al., 2023) show that human resource competence has a positive impact on the quality of local government financial reports, while internal control systems have a negative impact. The use of information technology is unable to strengthen or moderate human resource competence in relation to the quality of financial reports prepared by the government, while the use of information technology is able to strengthen or moderate internal control systems in relation to the quality of financial reports prepared by the government.

Table 1. Gap Previous research

Research Gap	Research Result	Researchers
Differences in research results regarding the effect of applying Government Accounting Standards (SAP) (X1) on the quality of government financial reports	Significant	(Mahardini & Miranti, 2018; Manik & Kusasi, 2019; Jultri et al., 2021; Siti Rahayu et al., 2022; Alamsyah, Wibisono & Satriawan, 2023; Sunarya & Maulidina, 2024)
	Not Significant	(Aprisansyah et al., 2020; Mahartini et al., 2021; Ramadhan & M. Ziqry, 2024)
Differences in research results regarding the effect of Human Resource Quality (X2) on the quality of government financial reports	Significant	(Aryani & Kiswanto, 2017; Siti Rahayu et al., 2022; Sunarya & Maulidina, 2024; Jultri et al., 2021; Manik & Kusasi, 2019; Juniartha & Asana, 2020; Rahayu et al., 2022; Mahardini & Miranti, 2018; Kansah et al., 2023; Alamsyah et al., 2023)
	Not Significant	(Alhabbasy, 2020; Mansur, 2018; Suhardjo, 2019)
Differences in research results regarding the effect of the Government Internal	Significant	(Anggadini et al., 2021; Kansah et al., 2023; Sunarya & Maulidina, 2024; Manik & Kusasi, 2019)

Control System (SPIP) (X3) on the quality of government financial reports	Not Significant	(Atharizka et al., 2021; Purba et al., 2021; Mayasari, 2022)
---	-----------------	--

Government Regulation No. 71 of 2010 and Government Regulation No. 12 of 2019 stipulate that SAP must be used as the accounting standard used by local governments in preparing financial reports. The re-research was conducted based on the belief that SAP was not used as a variable in the research (Kansah et al., 2023). In order to produce maximum and high-quality government financial report outputs, an understanding of government accounting practices is required. Therefore, in this study, the accounting standards used by the government in the practice of preparing financial reports, namely SAP, are used as independent variables. Furthermore, the gaps in previous studies are presented simply in the data below, as table 1.

Bureaucratic reform has had a positive impact on improving the quality of financial reports prepared by local governments. The synergy between bureaucratic reform and GCG has also encouraged the strengthening of internal control systems, improved human resource competencies, and accelerated digital transformation through the use of information technology. The result is better and higher quality financial reports, as demonstrated by timely reporting, reliability of information, and presentation based on accounting standards, namely SAP. Ultimately, high-quality and accurate financial reports have an impact on increasing public trust and assist in making wiser decisions on how to manage state and regional finances.

Based on the background description, the phenomena/problems that occur, and the different results (research gap) in several previous studies shown in Table 1 Research Gap, this study is a modification and development that applies independent variables that connect the influence of SAP implementation, the implementation of the Internal Control System (SPI), and the quality of human resources on the quality of LKPD, with information technology as a moderator that affects the quality of LKPD in the Bintan Regency Government. All of these variables are the limitations of this research.

This study will examine how the implementation of SAP, human resources, SPIP implementation, and information technology affect the quality of financial reports compiled in Bintan Regency. It will also look at the extent to which information technology functions as a moderating variable in the interaction between SAP implementation, human resource quality, and SPIP implementation.

LITERATURE REVIEW

Stewardship Theory

Based on this theory, namely Stewardship developed by Donaldson and Davis (1991), it can be seen that local government executives (stewards) have motivations that are in line with the interests of the principal, namely the community and stakeholders. Local governments are more inclined to prioritize the achievement of organizational goals rather than personal interests. Local governments, as stewards, are responsible for managing public resources. As a form of accountability to the community for the management of the regional budget, the government prepares a sound and high-quality Local Government Financial Report.

GRC Theory

The GRC theory aims to combine and coordinate actions so that organizations have greater security, reduce risks, and reduce costs (Muñoz-Martínez et al., 2021). To encourage the application of Good Corporate Governance (GCG) principles and enforce sound business practices and create added value in line with stakeholder expectations, the implementation of GRC is very important. (Mujahid, 2024). Synthesis of GRC (Governance, Risk, and Compliance) theory in the context of state financial reform in Indonesia, GRC theory can serve as a conceptual foundation for building a government accounting system that meets regulatory and technical requirements and supports compliance, better financial management, and effective risk management.

Compliance Theory

Compliance Theory as a supporting middle theory in this study is viewed from the perspective of compliance in the preparation of Local Government Financial Reports (LKPD). The theory, created by Milgram in 1963, can be used to explain how local governments must comply with applicable regulations on financial reporting. These regulations, as stipulated in Law Number 17 of 2003 and Law

Number 23 of 2014, enable local governments to be accountable for their duties and functions to stakeholders (Saffanah & Suhartini, 2024).

Quality of Financial Statements

Financial statements that meet the qualitative criteria set forth in Government Regulation No. 71 of 2010 concerning SAP can be considered to be of high quality (Putri Andriani, Abin Suarsa, 2019). Government financial statements can be considered to be of high quality if the output of the financial statements is presented in accordance with the established Government Accounting Standards (SAP), which is a dominant factor (Luh et al., 2024). Based on the provisions in PP No. 71 of 2010, it is stated that financial statements that have qualitative characteristics are standards that must be met in the presentation of accounting information in order to achieve their objectives. These four standards are necessary for government financial reports to have qualitative characteristics, namely Relevance, Reliability, Comparability, and Understandability.

Government Accounting Standards (SAP)

As a concrete first step towards implementing higher quality state financial management, the government is in the process of preparing and presenting financial reports by applying government accounting standards (SAP) (Mahartini et al., 2021). The government is required to apply government accounting standards (SAP) in accordance with the provisions of Government Regulation No. 71 of 2010 concerning Government Accounting Standards when preparing financial reports. The central and regional governments must use the specified accounting standards in accordance with the provisions of laws and regulations, namely SAP, in the process of preparing and auditing financial reports so that the quality of government financial reports in Indonesia can be improved. The principles of government financial reporting and SAP are used as the basis for assessing whether financial reports are of high quality.

Internal Control System (ICS)

Local governments need an internal control system when preparing financial reports. SPI is very important and must be a primary concern in order to achieve efficiency, effectiveness, and fraud prevention, which will have an impact on providing benefits to the community and the region (Anggadani et al., 2021). The Internal Control System (ICS) affects the quality of financial reports prepared by local governments. The Internal Control System (ICS) increases confidence in the efficiency and effectiveness of the financial accountability process, especially in the preparation of good financial reports. Therefore, using ICS increases confidence, honesty, and ease in the financial report audit process (Mahartini et al., 2021). Based on Government Regulation No. 60 of 2008, there are five main elements in the Government Internal Control System (SPIP) that will be used as indicators in this research.

Information Technology

The more advanced the implementation of information technology, the greater the impact or the better the quality of financial reports. The effects of using information technology include a shift from manual systems to computerized systems and changes in internal control models (Feoh et al., 2022:182). An organization cannot maintain its own accounting information system without the development of information technology. This is because technology helps solve many accounting information system problems, such as process speed, accuracy of transferred data, reducing the amount and value of work that needs to be done when transferring data, and several limitations of accounting procedures. According to (Nurdin et al., 2024). In the implementation of information technology, it is still necessary to measure the process of compiling, processing, and producing quality financial reports. According to Permatasari & Sigalingging (2022), the indicators of information technology variables in measuring the success of an information system include net benefits, user satisfaction, user intensity, system quality, information quality, and service quality.

RESEARCH METHODS

This research includes descriptive investigation and can be verified using quantitative methodology. Descriptive research is a form of investigation conducted on a specific population or sample with the aim of evaluating pre-established hypotheses (Sugiyono, 2014:11). Sugiyono (2014:8) argues that the

verifiable method represents a type of investigation that aims to distinguish the values of independent variables, whether single or multiple, without engaging in comparisons or analyzing other variables related to the research before drawing conclusions. Sugiyono (2015:83) articulates that data triangulation is a technique of collecting data that is combined with various additional data and sources to ensure data validity. According to Wijaya (2018:120-121), the process of analyzing data from various sources through various methodologies and at different intervals is called data triangulation.

This research will be conducted in the Bintan Regency Government area, targeting all 39 regional apparatus within the Bintan Regency Government, spread across 10 sub-districts in Bintan Regency. The population is the overall subject of the research (Arikunto, 2010:173). Researchers select objects or subjects that have specific qualities, characteristics, and attributes or certain features to be examined and studied, then they create a population (Sugiyono, 2010:115). The census method was used in sampling. The subjects or objects in this research were determined by considering the roles of employees who were directly involved (Persons in Charge) in preparing the Bintan Regency Government Financial Report, totaling 140 people. The population used in this research is as follows:

Table 2 Research Population Data

No	Job Description	Number of Respondents
1	Budget User (PA)	39
2	Financial Administration Officer (PPK-SKPD)	39
3	Financial Administration Officer (PPK Unit-SKPD)	15
4	OPD Financial Report Preparer	39
5	Regional General Treasurer (BUD)	1
6	Deputy Regional General Treasurer (KBUD)	1
7	Civil Servants in the field of Accounting and Reporting at BKAD Bintan Regency	6
Total		140

This study uses five variables, with LKPD quality as the endogenous variable, SAP Quality of Human Resources and SPIP implementation as exogenous variables, and information technology as the moderator.

In this study, primary data collection was conducted by distributing questionnaires online using Google Forms. Each respondent could only fill out the questionnaire once using their respective email authorization. A closed questionnaire was used in this research, where respondents were asked to choose one of the available answer options based on a Likert scale. The Likert scale was used in this research as a scale to measure the instrument. The Likert scale functions as a methodological instrument to measure the opinions, attitudes, and perceptions of individuals or groups regarding various social phenomena, according to Sugiyono (2020:93). In the survey, respondents are given five options or levels of answers, each with a score of 1 to 5. Data will also be collected through interviews, which involve asking interviewees directly to obtain information or data, which is then used for data triangulation.

This research will analyze data using structural model equation structural-partial least squares (SEM-PLS). This is done using the SmartPLS version 4.0 program. SEM is a statistical technique that can analyze many dependent and independent variables directly, as well as the relationship patterns between latent constructs and their indicators. SEM can also analyze measurement errors directly (Hair et al., 2010). According to Fernanda et al. (2022), PLS-SEM is a structural equation modeling method in which a repetitive approach is used as a foundation that maximizes the explained variance of each independent variable or free variable. PLS-SEM has several advantages over covariance-based SEM methods, such as the ability to be used as a method for analyzing non-normal data or small amounts of data. The PLS-SEM testing and analysis stages used in this study consisted of Outer Model Analysis and Inner Model Analysis, followed by Hypothesis Testing.

RESULTS AND DISCUSSION

Bintan Regency is one of the regencies within the administrative area of Riau Islands Province, located at 1o05'03.94“ North Latitude and 104 o28'56.23” East Longitude, with a total area of 1,318.21 km2 consisting of 10 sub-districts and 50 villages. Bintan Regency is an archipelago, with most of its administration located on Bintan Island, while its outermost island is Tambelan Island, which is part of Tambelan District.

The object of this research is the Bintan Regency Government, which was conducted on all 39 regional apparatus within the Bintan Regency Government, spread across 10 districts in Bintan Regency. The subjects studied were employees who were directly involved (Persons in Charge) in preparing financial reports for the Bintan Regency Government. Based on the results of the questionnaire distribution, the questionnaire completion rate was 100%, meaning that 140 respondents out of the total number of respondents filled out the questionnaire.

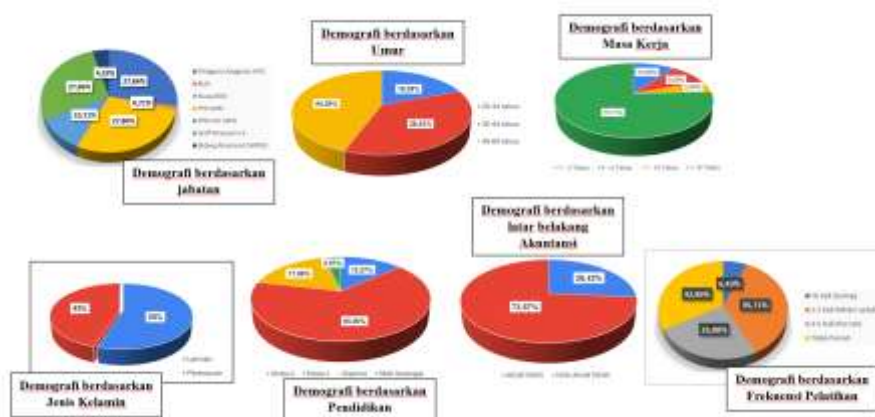


Figure 3. Demografi Responden
 Source: Data processed by researchers (2025)

The demographics of respondents were divided into several groups based on position in the regional apparatus, gender, age, education level, length of service, educational background, and frequency of training attendance. The description of the respondents can be seen in Figure 3, as follows: length of service and education level, educational background, and frequency of training attendance. The description of the respondents can be seen in Figure 3, as follows: length of service and education level, educational background, and frequency of training attendance. The description of the respondents can be seen in Figure 3, as follows:

Measurement Model Analysis (Outer Model)

Validity Test

Testing the outer model is the first step in the analysis using the Partial Least Square method. The PLS algorithm was used to conduct this research analysis. Outer model testing was used to examine the results of the analysis that had been conducted. The outer model was tested using convergent validity testing (factor loading results), discriminant validity testing using Average Variance Extracted (AVE), and reliability testing (Composite Reliability).

According to Hair et al. (2022), PLS-SEM convergent validity is tested to ensure that the same construct indicators are indeed highly correlated with each other. For convergent validity, outer loading or factor loading values are used if the outer loadings (loading factor) are at least 0.70 or greater than 0.70.

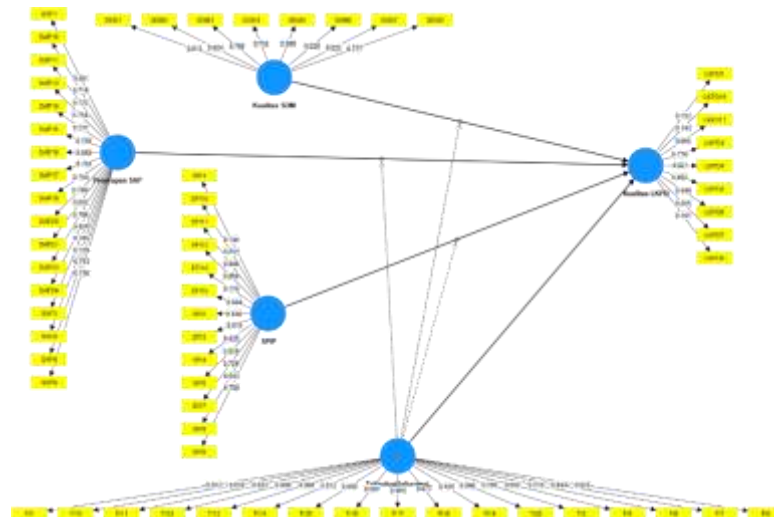


Figure 4 Validitas Convergence Item Instrument
 Source: Data processed by researchers (2025)

Table 3 Loading Factor Results

Indicator	LKPD Quality	HR Quality	SAP Implementation	SPIP	Information Technology
LKP01	0.752				
LKP010	0.743				
LKP011	0.806				
LKP03	0.778				
LKP04	0.821				
LKP05	0.849				
LKP06	0.862				
LKP09	0.855				
LKP01 (second set)	0.761				
SAP10			0.801		
SAP11			0.719		
SAP13			0.723		
SAP15			0.764		
SAP16			0.772		
SAP17			0.806		
SAP18			0.750		
SAP19			0.789		
SAP20			0.792		
SAP21			0.808		
SAP22			0.826		
SAP23			0.866		
SAP24			0.825		
SAP25			0.809		
SAP3			0.753		
SAP4			0.749		

Indicator	LKPD Quality	HR Quality	SAP Implementation	SPIP	Information Technology
SAP5			0.743		
SAP6			0.759		
SAP9			0.758		
SDM1		0.913			
SDM2		0.924			
SDM3		0.765			
SDM4		0.732			
SDM5		0.808			
SDM6		0.825			
SDM7		0.822			
SDM8		0.777			
SPI1				0.740	
SPI10				0.853	
SPI11				0.849	
SPI13				0.710	
SPI14				0.778	
SPI15				0.803	
SPI2				0.818	
SPI3				0.848	
SPI4				0.815	
SPI5				0.825	
SPI6				0.809	
SPI7				0.729	
SPI8				0.843	
SPI9				0.788	
TI1					0.812
TI10					0.819
TI11					0.832
TI12					0.909
TI13					0.800
TI14					0.812
TI15					0.866
TI16					0.881
TI17					0.905
TI18					0.877
TI19					0.835
TI20					0.848
TI3					0.795
TI5					0.855
TI6					0.775
TI7					0.844
TI8					0.823

Source: Data processed by researchers (2025)

Table 4. Average Variance Extracted (AVE) Results

No	Variable	Average Variance Extracted (AVE)	Conclusion
1	Implementation of Government Accounting Standards (X1)	0.586	Valid
2	Human Resource Quality (X2)	0.678	Valid
3	Internal Control System (X3)	0.659	Valid
4	Information Technology (Z)	0.708	Valid
5	Quality of Local Government Financial Statements (Y)	0.651	Valid

Source: Data processed by researchers (2025)

All variables have an Average Variance Extracted (AVE) value above 0.5, meeting the criteria for convergent validity, and are declared valid, as shown in Table 4.

Table 5 Fornell Lacker Discriminant Validity

Variable	X1	X2	X3	Z	Y
Implementation of Government Accounting Standards (X1)	0.765				
Human Resource Quality (X2)	0.061	0.823			
Internal Control System (X3)	0.767	0.091	0.812		
Information Technology (Z)	0.559	0.169	0.597	0.841	
Quality of Local Government Financial Statements (Y)	0.733	0.105	0.698	0.668	0.807

Source: Data processed by researchers (2025)

According to Table 5, when compared with the overall correlation values of each variable, it can be seen that the AVE root values of all variables are greater, which indicates discriminant validity with Fornell Lacker.

Table 6 Discriminant Validity of the Heterotrait-Monotrait Ratio of Correlation (HTMT)

Variable	X1	X2	X3	Z	Y
Implementation of Government Accounting Standards (X1)					
Human Resource Quality (X2)	0.088				
Internal Control System (X3)	0.799	0.084			
Information Technology (Z)	0.566	0.182	0.608		
Quality of Local Government Financial Statements (Y)	0.769	0.091	0.839	0.695	

Source: Data processed by researchers (2025)

The HTMT values for all variables are below 0.90, meaning that all variables meet the HTMT validity criteria and are declared valid, as shown by the overall HTMT values in Table 6.

Based on the results of the convergent and discriminant validity tests described above, it can be concluded that each statement item used in this study meets the requirements for validity testing; in addition, each indicator of each variable has met the requirements for convergent and discriminant

validity testing. Therefore, the indicators of each variable can be considered feasible or valid, so that further analysis can be carried out.

Reliability Test

According to Table 7 below, the test results show that the variables are considered reliable overall and have a Cronbach's alpha value of more than 0.7. Variables are considered reliable when they have a composite reliability value and Cronbach's alpha of more than 0.7 (Hair et al., 2022). All variables are shown to be reliable, so further analysis can proceed.

Table 7 “Composite reliability dan Cronbach’s alpha”

No	Variable	Cronbach’s Alpha	Composite Reliability (rho c)
1	Implementation of Government Accounting Standards (X1)	0.956	0.958
2	Human Resource Quality (X2)	0.944	0.951
3	Internal Control System (X3)	0.957	0.966
4	Information Technology (Z)	0.975	0.975
5	Quality of Local Government Financial Statements (Y)	0.932	0.934

Source: Data processed by researchers (2025)

Structural Model Analysis (Inner Model)

Table 8 Composite reliability dan Cronbach’s alpha

Variable	R-square	R-square adjusted	Criteria
LKPD Quality	0,731	0,717	Moderat

Source: Data processed by researchers (2025)

Based on Table 8, the Quality of Local Government Financial Reports shows an R-square coefficient of 0.731 and an adjusted R-square coefficient of 0.717, which means that the Quality of Local Government Financial Reports has moderate accuracy estimates, or a “moderate” model. In other words, 71.7% of other variables in the model affect the LKPD Quality variable, and the other 28.3% are influenced by variables not explained in this study.

	Saturated model	Estimated model	No	Variabel	Average variance extracted (AVE)	R Square	
SRMR	0,074	0,074	1	Penerapan Standar Akuntansi Pemerintahan (X1)	0,586		$GoF = \sqrt{AVE} \times R^2$
d ULS	11,422	11,421	2	Kualitas Sumber Daya Manusia (X2)	0,678		$GoF = \sqrt{0,656} \times 0,717$
d G	16,597	16,598	3	Sistem Pengendalian Internal Pemerintah (X3)	0,699		
Chi-square	7,017,654	7,017,776	4	Infrastruktur Informatika (Z)	0,708		$GoF = \sqrt{0,471}$
NFI	0,507	0,507	5	Kualitas Laporan Keuangan Pemerintahan Daerah (Y)	0,661	0,717	$GoF = 0,686$
				Rata-rata	0,656	0,717	

Source: Data processed by researchers (2025)

Based on the data above, it can be seen that the SRMR value is 0.074, or less than 0.10, and the NFI value obtained is 0.507, or less than 0.90. Thus, it can be concluded that the model used in this study is appropriate and feasible. To determine the magnitude or value of GoF using the PLS-SEM method, the GoF value must be calculated manually. The GoF value ranges from 0 to 1 with the following interpretations: 0.1 indicates a small GoF value, 0.25 indicates a moderate GoF value, and 0.36 indicates a large GoF value. Based on the above calculations, a GoF value of 0.686 was obtained, which is greater than 0.36. This indicates that the combined performance of the external and internal

models in this study can be categorized as a large GoF, or the feasibility level of the research model is 68.6%.

Table 9. Kolinieritas (Colinierity /Variance Inflation Factor)

Variable	LKPD Quality
LKPD Quality	1.033
HR Quality	2.683
SAP Implementation	2.697
SPIP	2.067
Information Technology	1.123
Information Technology × HR Quality	1.129
Information Technology × SPIP	1.314
Information Technology × SAP Implementation	3.371

Source: Data processed by researchers (2025)

Table 9 shows the results of the Variance Inflation Factor (VIF) measurements for all research variables. VIF values are used to analyze collinearity (Hair et al., 2021). A VIF value greater than 5 indicates a significant collinearity problem; if the VIF value is between 3 and 5, it is usually not significant, and if the VIF value is less than 3, collinearity is usually not significant. It is possible that there is no collinearity problem in the structural model used in this study.

Hypothesis Testing

Table 10 Hypothesis Testing

Relationship	O (Original Sample)	M (Sample Mean)	STDEV	T Statistics	P Values
HR Quality → LKPD Quality	-0.006	0.002	0.07	0.089	0.929
SAP Implementation → LKPD Quality	0.263	0.253	0.097	2.697	0.007
SPIP → LKPD Quality	0.469	0.478	0.088	5.303	0.000
Information Technology → LKPD Quality	0.248	0.244	0.074	3.349	0.001
Information Technology × HR Quality → LKPD Quality	-0.028	-0.019	0.044	0.602	0.531
Information Technology × SPIP → LKPD Quality	0.108	0.122	0.071	1.548	0.122
Information Technology × SAP Implementation → LKPD Quality	0.232	0.263	0.104	2.221	0.026

Source: Data processed by researchers (2025)

The results of the analysis of the direct effect test data above show that the application of SAP to the quality of LKPD in Bintan Regency has a t -statistic value of “2.697 > 1.96”, which is greater than the t table value, with a significance p -value of “0.007 < 0.05” and a path coefficient value of 0.263 (positive). These analysis results show that the implementation of Government Accounting Standards has a significant effect on the quality of Local Government Financial Reports in the Bintan Regency Government. The results of this hypothesis state that the first hypothesis (H1) is accepted.

The results of the analysis of the data processing for the direct effect test on the data above show that the quality of human resources on the quality of LKPD in Bintan Regency has a t -statistic value of " $0.089 < 1.96$ ", which is smaller than the t table value. the significance value of p -value is " $0.929 > 0.05$ " with a path coefficient value of -0.006 (negative). These analysis results indicate that HR quality has no significant effect on the quality of local government financial reports in the Bintan Regency Government. The results of this hypothesis state that the second hypothesis (H2) is rejected.

The results of the analysis of the data processing for the direct effect test on the data above show that the implementation of SPIP on the quality of LKPD in the Bintan Regency Government has a t -statistic value of " $5.303 > 1.96$ ", which is greater than the t table value. the significance value of p -value is " $0.000 < 0.05$ " with a path coefficient value of 0.469 (positive). These analysis results indicate that the implementation of the Government Internal Control System (SPIP) has a significant effect on the quality of local government financial reports in the Bintan Regency Government. The results of this hypothesis state that the third hypothesis (H3) is accepted.

The results of the analysis of the processing of data testing the direct effect on the above data show that information technology on the quality of LKPD in Bintan Regency has a t -statistic value of " $3.349 > 1.96$ ", which is greater than t table, the significance value of p -value is " $0.001 < 0.05$ " with a path coefficient value of 0.240 (positive). Based on this analysis, it shows that information technology has a positive and significant effect on the quality of LKPD in the Bintan Regency Government. Thus, it can be concluded that the fourth hypothesis (H4) is accepted.

The results of testing the interaction between Information Technology and SAP implementation in influencing the Quality of LKPD in Bintan Regency based on the above data show that the t -statistic value produced is " $2.221 > 1.96$ ", which is greater than the t table value. the significance value of p -value is " $0.026 < 0.05$ " with a path coefficient value of 0.232 (positive). Based on this analysis, it shows that Information Technology significantly moderates the effect of Government Accounting Standards Implementation on the Quality of Local Government Financial Reports in Bintan Regency. Because the moderating effect coefficient of Information Technology x Implementation of Government Accounting Standards is positive at 0.232 (positive), Information Technology strengthens the effect of SAP Implementation on the Quality of LKPD in the Bintan District Government. It can be concluded that the fifth hypothesis (H5) is accepted.

The results of testing the interaction between Information Technology and Human Resource Quality in influencing the Quality of LKPD in Bintan Regency based on the above data show that the t -statistic value produced is " $0.627 < 1.96$ ", which is smaller than the t table value, the significance value of the p -value is " $0.531 > 0.05$ " with a path coefficient value of -0.028 (negative). Based on this analysis, it shows that Information Technology does not significantly moderate the influence of HR Quality on LKPD Quality in Bintan Regency. Information Technology is unable to strengthen or moderate the influence of HR Quality on LKPD Quality in the Bintan Regency Government. It can be concluded that Hypothesis (H6) is rejected.

The results of testing the interaction between Information Technology and SPIP in influencing LKPD Quality in Bintan Regency based on the above data show that the t -statistic value produced is " $1.548 < 1.96$ ", which is smaller than the t table value, and the significance p -value is " $0.122 > 0.05$ " with a path coefficient value of -0.187 (negative). Based on this analysis, it shows that Information Technology does not significantly moderate the influence of the Government Internal Control System (SPIP) on the Quality of Local Government Financial Reports in Bintan Regency. Information Technology is unable to strengthen or moderate the influence of the Government Internal Control System (SPIP) on the Quality of LKPD in the Bintan Regency Government. It can be concluded that the seventh hypothesis (H7) is rejected.

CONCLUSION

Based on the results of the analysis, the direct effect test shows that the implementation of SAP, the Government Internal Control System (SPIP), and Information Technology has a significant effect on the quality of LKPD in Bintan Regency. The implementation of Information Technology can moderate the effect of SAP implementation on the quality of LKPD in Bintan Regency. Conversely, Information

Technology is unable to strengthen or moderate the influence of human resource quality and SPIP on the quality of LKPD in Bintan Regency.

It is recommended that the Bintan Regency Government improve and maximize the use of information technology, in this case the implementation of the Regional Government Information System (SIPD) in Bintan Regency, in the preparation of job competency standards within the Bintan Regency Government so that employees are placed according to their qualifications and educational backgrounds. Particularly in the finance department, priority should be given to employees with an accounting education background. Human resource competencies should be improved through education, training, technical guidance, or in-house training, especially related to understanding Government Accounting Standards and preparing financial reports using SIPD. This should be done at least once a year to refresh the knowledge of human resources in the Bintan Regency Government. It is necessary to hold regular coordination meetings at least once a month to reconcile financial report data in terms of assets, expenditures, and revenues, because SIPD is not yet capable of integrating data, so that reconciliation work does not pile up at the end of the year. The Ministry of Home Affairs should improve the infrastructure and network of SIPD, as there are still obstacles in the form of slow application access and frequent errors. Improve services by forming a team/task force of at least one person per province to handle problems in the regions so as not to hinder services in the regions. Immediately complete the development of SIPD integration with other applications such as the BOS, BLUD, Capitation, Assets, and Revenue applications, which currently require manual data entry from other applications.

For future researchers, increase and expand the number of research samples so that the results obtained are more comprehensive, or change the research object to a higher scale, such as at the provincial level. Future research is expected to add other variables related to the quality of financial reports because there are still many other factors that influence the quality of financial reports, such as accountability, transparency, and audit quality. Change the research method by using a mixed method so that the results obtained are more in-depth, comprehensive, valid, reliable, and objective.

REFERENCES

- Anggadani, S. D., Bramasto, A., & Aulia, S. (2021). Kualitas Laporan Keuangan Pemerintah Daerah : Dampak Dari Sistem Pengendalian Intern Dan Sistem Akuntansi Keuangan Daerah. *Jurnal Ilmiah Akuntansi*, 12(2), 165–178. <http://ejournal.unibba.ac.id/index.php/AKURAT>
- Arikunto, S. (2010). *Metode Penelitian*. Jakarta: Rineka Cipta, 173.
- Badan Pemeriksa Keuangan Republik Indonesia (BPK RI). (2024). *Ikhtisar Hasil Pemeriksaan Semester I (IHPS I) Tahun 2019*.
- Donaldson, L., & Davis, J. H. (1991). Stewardship Theory or Agency Theory: June 1991, 49–65.
- Feoh, G., Anisah, H. U., Karsana, I. W. W., L, S., Susanto, P. C., Hastutik, S., Colia, R. S., Lie, D., Putra, L. A., Krismawintari, N. P. D., Arshandy, E., Gunawan, P. W., & Putri, S. A. (2022). Information Technology Konsep dan Implementasinya (Issue September). https://www.researchgate.net/publication/363753483_Information_Technology_Konsep_dan_Implementasinya
- Furqan, A. C., Wardhani, R., Martani, D., & Setyaningrum, D. (2020). The effect of audit findings and audit recommendation follow-up on the financial report and public service quality in Indonesia. *International Journal of Public Sector Management*, 33(5), 535–559. <https://doi.org/10.1108/IJPSM-06-2019-0173>
- Hair J, R, A., Babin B, & Black W. (2010). *Multivariate Data Analysis.pdf*. In New Jersey: Pearson Prentice Hall.: Vol. 7 edition (p. 758).
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2021). Review of Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R: A Workbook. In *Structural Equation Modeling: A Multidisciplinary Journal* (Vol. 30, Issue 1). <https://doi.org/10.1080/10705511.2022.2108813>
- Kansah, D. D., Utamingtyas, T. H., & Fauzi, A. (2023). Pengaruh Kompetensi Sumber Daya Manusia Dan Sistem Pengendalian Intern Terhadap Kualitas Laporan Keuangan Pemerintah Daerah Dengan Pemanfaatan Teknologi Informasi Sebagai Variabel Moderasi. *Jurnal Revenue, Jurnal*

- Akuntansi, 4(1), 405–419.
<https://revenue.lppmbinabangsa.id/index.php/home/article/download/278/247>
- Luh, N., Ayu, N., Anggreni, G., Nyoman, N., Suryandari, A., & Sena, M. L. (2024). Analisis Faktor-Faktor Yang Mempengaruhi Kualitas Laporan Keuangan Pemerintah Daerah Pada Badan Pengelolaan Keuangan Dan Aset Daerah (BPKAD) Di Kabupaten Gianyar. *Kumpulan Hasil Riset Mahasiswa Akuntansi (KHARISMA)*, 6(3).
- Mahartini, N. K. A., Yuesti, A., & Sudiartana, I. M. (2021). Pengaruh Penerapan Standar Akuntansi Pemerintahan, Sistem Pengendalian Intern, Dan Sistem Informasi Akuntansi Terhadap Kualitas Laporan Keuangan Pada Pemerintah Kabupaten Karangasem. *JURNAL KARMA (Karya Riset Mahasiswa Akuntansi)*, 1(4), 1125–1134.
- Milgram, Stanley. (1963). "Behavioral Study of Obedience". *Journal of Abnormal and Social Psychology* 67. p.371-378. Yale University. (Online). Tersedia: <http://www.wordnik.com/words/obedience/definitions>).
- Mujahid, U. (2024). Governance, Risk and Compliance (Grc) : Analisis Bibliometric. *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)*, 8(2), 1071–1094.
<https://doi.org/10.31955/mea.v8i2.4139>
- Muñoz-Martínez, L., Aurelia Benito-Osorio, D., & Gonzalez-Sanchez, R. (2021). The role of public governance, risk and compliance in the public financial management: A literature review. *Public Administration and Development*, 41(3), 130-142
- Nurdin, E., Lestari, Y., Wahyuni, Z. (2024). Laporan Keuangan Pada Pemerintah Kabupaten Kolaka Jurusan Akuntansi Fakultas Ekonomi dan Bisnis Universitas Halu Oleo 4 Magister Akuntansi Fakultas Ekonomi dan Bisnis Universitas Halu Oleo Emilia Nurdin , Yuli Lestari , Zahra Wahyuni , Muhammad Fachm. *Jurnal Akuntansi Dan Keuangan*, 9(01), 188–201.
- Pemerintah Republik Indonesia. (2010). Peraturan Pemerintah Nomor 71 Tahun 2010 Tentang Standar Akuntansi Pemerintahan.
- Pemerintah Republik Indonesia. (2019). Peraturan Pemerintah Nomor 12 Tahun 2019 tentang Pengelolaan Keuangan Daerah.
- Permatasari, D. I., & Sigalingging, E. D. (2022). Analisis Pengaruh Kualitas Sistem Informasi Akuntansi Terhadap Penerimaan Teknologi Di Sektor Ukm Medan Dengan Pendekatan Model Tam. *Jurnal Ilmiah Mahasiswa Akuntansi) Universitas Pendidikan Ganesha*, 13(03), 1066–1073.
- Putri Andriani, Abin Suarsa, Y. (2019). Pengaruh Pengendalian Internal Terhadap Kualitas Laporan Keuangan Pada Pdam Tirtawening Kota Bandung. *Sain Ekonomi Manajemen Dan Akuntansi Rivi (Semar) STIE Muhamadiyah Bandung*, 1(2), 26–41.
- Saffanah, V.M. & Suhartini, D. (2024). Determinan Kualitas Laporan Keuangan Pemerintah Daerah. *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 6(5), 3255–3271.
<https://doi.org/10.47467/alkharaj.v6i5.1720>
- Sugiyono 2013. *Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.
- Sugiyono 2014. *Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.
- Sugiyono. (2020). *Metodologi Penelitian Kuantitatif, Kualitatif dan R & D*.
- Tiurmaida, J., Murwaningsari, E., Simanjuntak, B., & Mayangsari, S. (2021). Determinant of Indonesia Government Financial Reporting Quality. *Journal of Business and Management Review*, 2(9), 595–604. <https://doi.org/10.47153/jbmr29.2192021>
- Undang-Undang Nomor 23 Tahun 2014 tentang Pemerintah Daerah. Republik Indonesia.
- Wijaya, T. (2018). *Manajemen Kualitas Jasa*. Edisi Kedua. Jakarta: PT. Indeks.