

THE QUALITY OF MERAUKE REGENCY GOVERNMENT FINANCIAL STATEMENT

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Abstract: This study aims to determine the effect of Accounting Information System, Application of Government Accounting Standards and Internal Control System on the Quality of Merauke Regency Government's Financial Statements. This study using primary data, which was obtained using a questionnaire. The sample of this study, which was selected using convenience sampling method, is 115 employees from 839 employees in Merauke Regency's SKPD. The data were analyzed using multiple linear regression analysis with the help from software Smart PLS 3.0. The results of this study indicate that: 1. The Accounting Information System has no effect on the Quality of Merauke Regency Government's Financial Statements, 2. The application of Government Accounting Standards has a positive effect on the Quality of Merauke Regency Government's Financial Statements, and 3. The Internal Control System has a positive effect on the Quality of Merauke Regency Government's Financial Statements.

Keywords: accounting information system, application of government accounting standards, quality of financial reports, internal control system

Abstrak : Penelitian ini bertujuan untuk mengetahui Pengaruh Sistem Informasi Akuntansi, Penerapan Standar Akuntansi Pemerintahan dan Sistem Pengendalian Intern Terhadap Kualitas Laporan Keuangan Pemerintah Kabupaten Merauke. Penelitian ini menggunakan data primer yang diperoleh dengan menggunakan kuesioner. Sampel penelitian ini yang dipilih dengan menggunakan metode convenience sampling adalah 115 pegawai dari 839 pegawai di SKPD Kabupaten Merauke. Data dianalisis menggunakan analisis regresi linier berganda dengan bantuan software Smart PLS 3.0. Hasil penelitian ini menunjukkan bahwa: 1. Sistem Informasi Akuntansi tidak berpengaruh terhadap Kualitas Laporan Keuangan Pemerintah Kabupaten Merauke, 2. Penerapan Standar Akuntansi Pemerintahan berpengaruh positif terhadap Kualitas Laporan Keuangan Pemerintah Kabupaten Merauke, dan 3. Sistem Pengendalian Intern berpengaruh positif terhadap Kualitas Laporan Keuangan Pemerintah Kabupaten Merauke.

Kata Kunci: sistem informasi akuntansi, penerapan standar akuntansi pemerintahan, kualitas laporan keuangan, sistem pengendalian internal

INTRODUCTION

Local Government Financial Statements are financial statements that must be made by local governments. Local government financial statement that was prepared by local governments must be able to accomplish the purpose of reporting and preparing these financial statements. Quality financial statements are financial reports that can carry out their goals well.

The quality of Local Government Financial Statements can be measured through several criteria such as accountability, transparency, can be used to government organization's management, relevant, trustworthy, presenting true or honest data and balance between generations. However, it is not frequently also available Local Government Financial Statements to be issued but there is fraud in it. We can see this from several cases that have occurred in Indonesia and were discovered by the Supreme Audit Agency.

One example of a fraud case revealed by the Supreme Audit Agency was in the Local Government Financial Statements of the West Sumatra Provincial Government in 2020. In this case, the Supreme Audit Agency found several irregularities on the budget listed in West Sumatra Province's Financial Statements in 2020. These irregularities were explained by the Head of the West Sumatra Supreme Audit Agency Representative, Yusna Dewi, in a press conference held on Friday, May 7, 2021. In her presentation, Yusna Dewi said that the irregularities in the West Sumatra Province's Financial Statements were in the payment for the Online Student Admissions activity by the West Sumatra Education Office amounted to IDR 516.7 million where the budget was not in accordance with applicable regulations. In addition, Yusna Dewi also explained that in this West Sumatra Province's Financial Statement, the budget for the procurement of goods for handling COVID-19 of IDR 12.47 billion was not in accordance with the provisions (Nasution & Sujatmiko, 2021).

In addition, at the beginning of 2020, Indonesia's Supreme Audit Agency stated that nine percent of Local Government Financial Statement in the first semester of 2020 received a Fair with Exception audit opinion and one percent of Local Government Financial Statement for the 2019 fiscal year received a Disclaimer of Opinion's audit opinion. In addition, Indonesia's Supreme Audit Agency also stated that, there were several regions whose financial statements initially received an Unqualified audit opinion which in the end after being re-examined the opinion turned into a Qualified Opinion or changed to a Disclaimer of Opinion. The problem of changing the audit opinion occurred because of problems in the internal control system of five thousand one hundred and seventy five problems and problems due to non-compliance with laws and regulations amounting to IDR 1.52 trillion. In addition, Indonesia's Supreme Audit Agency also stated that, in the first semester of 2020 from the results of their examination of the Local Government Financial Statement, they succeeded in revealing one thousand one hundred and sixty findings with ten thousand four hundred ninety-nine problems (Satyagraha & Yuniyanto, 2020).

Besides that, the increasing of the public requirement for better governance, especially in terms of their region's development, have made the central government established that government organizations, both regional and central governments, must have public accountability. Good public accountability will be seen and rated by public, once is through the Local Government Financial Statement which they can access and view on the

government website. Therefore, the government must always maintain and improve the quality of its financial statement and present financial statement that are free from material misstatement or free from fraud, so that through the existing financial statements the government can answer the public requirement. In an attempt to improve the quality of Local Government Financial Statement, the government implements several things including implement of Accounting Information Systems, Government Accounting Standards and Internal Control Systems.

The development of information technology in this millennial era also plays an important role in accounting science. The role of information technology in accounting can be seen from the Accounting Information System (AIS). In the current era, accounting information systems play an important role in the preparation of financial statements by both private companies and government organizations. In government organizations, accounting information systems have been used to prepare financial reports by both local governments and by the central government. However, the implementation of this accounting information system has not been completely good or it's still abused by its users, so it is not frequently for Supreme Audit Agency to find that local government financial statements that are not proper or not in accordance with the applicable rules.

According to the Ministry of Home Affairs Number 29 of 2009 the accounting information system is an accounting system that includes the process of recording, classifying, interpreting, summarizing financial transactions or events and financial reporting in the context of implementing the regional revenue and expenditure budget, carried out in accordance with generally accepted accounting principles. Therefore, with the implementation of accounting information system, it is expected to improve the quality of reports related to the implementation of the regional revenue and expenditure budget (in this case the local government financial reports). The accounting information system has three objectives, specifically as supporting daily operations, supporting the management function and supporting the management decision-making process (Hall, 2015). From these three objectives, we can conclude that the Accounting Information System is applied to improve the quality of financial reports through support for the application of government accounting standards and internal control systems by implementing the processes that exist in the Accounting Information System, so that the financial statements can be free from misstatements, either due to daily data input errors or management errors.

According to Bastian (2010: 137), government accounting standards are requirements that have legal force used in an effort to improve the quality of financial statements made by the government in Indonesia. Therefore, with the implementation of government accounting standards, it is hoped that the government can improve the quality of its financial reports so that it can describe the actual financial condition so that it can show its accountability to the public.

According to the Government Regulation of the Republic of Indonesia Number 60 of 2008 concerning the Government's Internal Control System, the internal control system is an integral process of actions and activities carried out continuously by the leadership and all employees to provide sufficient confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets and compliance with laws and regulations. With this internal control system, it's hoped

that the resulting financial statements will be more reliable than before. Therefore, the existence of an internal control system is expected to improve the quality of the financial reports produced later.

From the description above, it can be stated that, Accounting Information Systems, Government Accounting Standards and Internal Control Systems are implemented with one of the objectives to improve the quality of local government financial statements. However, in practice there are still many weaknesses found in the financial statement that produced by local governments in Indonesia, one of the example is from the case found by Supreme Audit Agency above, where from this case we can conclude that the Local Government Financial Reports in several regions in Indonesia still have many shortage and do not have the good quality as expected by public. For example, from the West Sumatra Government's Financial Statement case, we can see that the existing local government financial statements do not describe the actual conditions are not even in accordance with the applicable provisions. This is contrary to the criteria for local government financial statements themselves. Local government financial statements should describe the actual situation and contain an element of honesty, because from local government financial statements the public must be able to see the accountability and performance of the real government. Local Government Financial Statements should not only inform or contain good or large values or numbers that the public wants to see, but the figures do not match the actual situation or do not in accordance with the applicable regulations. However, the Local Government Financial Statements must contain information that is expected by the community, specifically information that can describe the actual financial condition and development of the area. Local Government Financial Statement must also be able to describe the accountability of a government organization, especially local government.

Besides that, from the findings found by BPK that have been described above, it follows that it can also be concluded that the problems that arise in this Local Government Financial Statements are due to a weak or poor internal control system and non-compliance with the application of laws and regulations. In this case what is meant by statutory regulations is the provisions in budgeting and reporting on budget realization which we usually know as Government Accounting Standards.

Based on the description of the theory and facts as well as the case above, the researcher is interested in examining whether the good implementation of Accounting Information System, Internal Control System and Government Accounting Standards can affect the quality of local government financial statement as expected before. Previously, there had been previous research on this matter, where in this study it was explained that the accounting information system had a significant positive effect on the quality of local government financial reports (Zulfah et al., 2017), which means that a good accounting information system will produce good Local Government Financial Statement. This is in line with research from Trihandaru & Setiawati (2020), which says that the implementation of accounting information systems affects the quality of financial reports in this case is Local Government Financial Statement. However, this is not in line with the research conducted by Tampaty et al. (2020) which states that the use of technology in accounting information systems has a significant negative effect on the quality of Local Government Financial Reports.

In other previous studies it was also said that, the internal control system has a significant effect on the quality of local government financial statement (Yuliza et al., 2018). This is in line with the research conducted by Faishol (2016) on the LKPD of Lamongan Regency, which states that the internal control system has a significant effect on the quality of local government financial statement. However, this is not in line with the results of research conducted by Septarini & Papilaya (2016) which states that internal control has no effect on the quality of Local Government Financial Statements.

In addition, in other previous studies, it was also said that the application of government accounting standards had a significant positive effect on the quality of local government financial statements (Rahmawati et al., 2018). However, this is not in line with the results of research from Rahmah & Zulkifli (2018), which states that the application of government accounting standards accrual based has a positive and insignificant effect on the quality of financial statements. The Research conducted by Modo et al. (2016) also stated that, the comprehension of accrual based SAP regulations had a negative and insignificant effect on the statistical quality of financial statement information.

Based on the existing problems and differences in the results of previous studies, the researcher will re-examine whether there is an effect of Accounting Information System, Implementation of Financial Accounting Standards and Internal Control System on the quality of local government financial reports with the scope of research is at the regional government of Merauke Regency. The purpose of this study was to examine the effect of each independent variable (Accounting Information System, Implementation of Government Accounting Standards and Internal Control System) on the dependent variable (Quality of Financial Reports of the Regional Government of Merauke Regency). The novelty in this research is the use of new indicators on the Implementation of Government Accounting Standards variable, which is based on the contents of Government Regulation of the Republic of Indonesia Number 71 of 2010 concerning Government Accounting Standards concerning Government Accounting Standards that are correct and are expected to be applied by local governments in making their financial statements.

LITERATURE REVIEW

Quality of Local Government Financial Statement

Local government financial statements prepared by local governments must be able to meet the objectives of reporting and preparing these financial statements. Quality financial statement are financial statements that can carry out their goal as well. According to Bagjana et al. (2021:8), Local Government Financial Statements have two purposes, specifically first is the general purpose is to provide information of financial position, budget realization, excess budget balance, cash flow, operating results and changes in equity in reporting entities that are useful for stakeholders and users in making decisions and evaluating decisions regarding the allocation of resources and the second is specific purpose is to provide information that is useful for decision making and to demonstrate the accountability of the reporting entity (which in this case is local government) for the resources entrusted to it.

Based on the description above, it can be concluded that the purpose of local government financial statement is to provide information to users of financial statements, both internal

and external parties, regarding the financial position in a local government organization/entity, realization of Local Revenue and Expenditures, excess budget balance, cash flow within the organization/ a regional government entity that is useful for decision making and shows the accountability of an entity/organization of the regional government. Therefore, financial statements that can present all the information needed by users in accordance with the description above are financial statements that have good quality. In addition, good quality financial statement are financial reports that can be understood by users and are used for decision making and measuring the accountability of the government organization. A good local financial statement must be in accordance with SAP and applicable accounting policies.

According to Bagjana et al. (2021:9), a complete regional government financial statement consists of the following report components. 1) Budget Realization Report; 2) Report on Changes in Budget Balance; 3) Balance Sheet; 4) Operational Reports; 5) Equity Change Reports; 6) Cash Flow Statement; 7) Notes to Financial Statements. In addition, Bagjana et al. (2021:11) also said that “Financial reports must be prepared in Indonesian” and “Reports must be stated in rupiah currency”.

According to Bagjana et al. (2021:12), consistency must also be applied in the preparation of local government financial statements. This means that there should be no change from one accounting method to another. The accounting method can be changed on the condition that the new method applied is able to provide better information than the old method and the effect of the change must be included in the Notes to Financial Statements.

The presentation of financial statements is based on the concept of materiality. Items with material amounts are presented separately in the financial statements. Meanwhile, items whose amounts are immaterial can be combined as long as they have similar properties or functions. Information is considered material if the omission to include or an error in recording the information can affect the decisions taken Bagjana et al. (2021:13).

Based on the description above, it can be concluded that a good local government financial statement is a complete financial report, presented in Indonesian and in rupiah currency. In addition, a good local government financial statements is a financial report that has consistency in the accounting methods it uses and is free from material errors

Accounting Information Systems.

Accounting information systems (AIS) is the intelligence – the information – providing vehicle – of that language (Romney et al., 2021:36). According to Romney et al. (2021:37), Accounting Information Systems has six components, specifically: 1). The people who use the system, 2). The procedures and instructions used to collect, process and store data, 3). The data about the organization and its business activities, 4). The software used to process the data), 5). The information technology infrastructure, including the computers, peripheral devices, and network communications device used in the AIS, 6). The internal controls and security measures that safeguard AIS data.

According to Romney et al. (2021:37), the six components above will support an AIS in carrying out its functions, according to which AIS also has three functions within a company or organization, specifically as collecting and storing data on activities, resources, and organizational personnel, converting data into information so that management can plan,

execute, control, and evaluate activities, resources and personnel, and provide adequate controls to safeguard the organization's assets and data.

Based on the description above, it can be concluded that the application of an Accounting Information System (AIS) in an organization or company will support the recording of every accounting or financial activity of the organization or company. If the implementation of AIS is carried out properly and AIS is successful in carrying out its functions properly, the accounting challenges in organizations and companies that use AIS will be smaller than when they do not use AIS. A good AIS application will produce accounting information in the form of financial reports that can support good and appropriate management decision-making processes. In addition, if the AIS is implemented well in an organization, then the AIS should also be used as a reference for implementing good internal control within the organization. This is because, if the SIA succeeds in producing an accounting information in this case in the form of financial statements if the AIS is good, then the AIS will support good decision making, one of which is a good internal control system for the organization and the company. Based on this explanation, the hypothesis that can be formulated is:

H1: Accounting information system has a positive effect on the Quality of Merauke Regency Government's Financial Statements.

Implementation of Government Accounting Standards.

According to c, Government Accounting Standards are accounting principles applied in preparing and presenting government financial statements.

According to Bastian (2010: 137), Government Accounting Standards are requirements that have legal force used in an effort to improve the quality of financial statement made by the government in Indonesia.

According to Mahmudi (2011:271), Government Accounting Standards are accounting principles that applied in preparing and presenting government financial statements.

Based on the three definitions above, it can be concluded that, Government Accounting Standards are accounting principles that have legal force which are then implied in preparing and presenting financial statement made by government entities in Indonesia in order to improve the quality of financial statements produced by the entity. This is means, Government Accounting Standards is not only used by the central government but all government entities in Indonesia, both the center and local government entities also use Government Accounting Standards as a guidelines or principles for preparing and presenting their financial statements. Therefore, can be concluded that in the preparation of Local Government Financial Statements by the government at the regency level will also use Government Accounting Standards as a guide in its preparation, so it is also hoped that the application of Government Accounting Standards in the process of making a local government financial statements will improved the quality of the Local Government Financial Standards. Based on these explanations, so the hypothesis that can be formulated is:

H2: Implementation of Government Financial Standards has a positive effect on the Quality of Merauke Regency Government's Financial Statements.

Internal Control System.

According to Government Regulation of the Republic of Indonesia Number 60 of 2008, the internal control system is an integral process of actions and activities carried out continuously by the leaders and all employees to provide reasonable assurance on the achievement of organizational goals through effective activities and efficiency, reliability of financial reporting, assets security state and compliance with legislation.

According to I Gusti Agung Rai (2010), internal control system is the policies and procedures designed to provide reasonable assurance to management that organization achieves its goals and objectives.

From the description above, it can be concluded that the internal control system in government entities is a policies and procedures that has an integral process, which was design to provide reasonable assurance about the achievement of organizational goals through an effective and efficient activities, reliability of financial reporting, assets security state and compliance with legislation. This mean, one of the goals from internal control system is the reliability of financial reporting. The quality of financial statement can be measured by the reliability of existing financial reporting, so that can be conclude the good financial statements will be created when the internal control over employees in an entity or company is running well and in accordance with the value of integrity, norms and applicable laws. Based on this description, so we can formulate the hypothesis is:

H3: Internal Control System has a positive effect on the Quality of Merauke Regency Government's Financial Statements.

RESEARCH METHODOLOGY

Data Sources and Types.

The type of data used in this study is primary data, where was obtain from questionnaires which was directly filled out by respondents.

Population and Sample.

The population in this study were all employees or staff in Merauke City Regional Apparatus Work Unit, amounting eight hundred and thirty-nine employees. The sampling method in this study is non-probability sampling, namely convenience sampling with criteria that the respondents are employees or staff of the finance department or general department or administrative department of each regional work unit in Merauke Regency.

Variable Operationalization.

The dependent variable of this study is The Quality of Merauke Regency Financial Statements and the independent variables in this study are Accounting Information Systems (AIS), Implementation of Government Accounting Standards and Internal Control Systems. All variables contained in this study were measured using the questions contained in questionnaire based on indicators and scales as shown in table 1.

Table 1. Variable Operationalization

Variable	Indicator	Measurement Scale
The Quality of Merauke Regency Financial Statements (KLKPD)	Relevant local government's financial statements	
	Reliable local government's financial statements	1 = Strongly disagree
	Local government's financial statements can be compared	2 = Disagree
	Local government's financial statements can be understood	3 = Agree 4 = Strongly Agree
Accounting Information Systems (SIA)	The hardware used is adequate	
	The software used is easy to used and adequate	1 = Strongly disagree
	Network and telecommunications are adequate	2 = Disagree
	The database is secure and not easily accessible by other divisions	3 = Agree 4 = Strongly Agree
Implementation of Government Accounting Standards (PSAP)	Accrual based application for statement of financial position	
	Application of the same basis as the basis used by regional revenue and expenditure budget for budget realization reports.	1 = Strongly disagree
	There are regional head regulations regarding regional government accounting systems and regional government accounting policies.	2 = Disagree
		3 = Agree 4 = Strongly Agree
Internal Control Systems (SPI)	Control Environment	
	Risk assessment	1 = Strongly disagree
	Control activities	2 = Disagree
	Information and communication	3 = Agree
	Supervision	4 = Strongly Agree

Source: Primary data has been processed.

Data analysis method.

In this study, the data was processed using multiple linear regression analysis techniques with the help of Smart PLS 3.0. The regression equation used in this study is as follows.

$$KLKPD = \alpha + \beta_1 SIA + \beta_2 PSAP + \beta_3 SPI + e$$

The tests carried out on the data obtained in this study consisted of, validity test, reliability test, classical assumption test (normality test, multicollinearity test and heteroscedasticity test), multiple linear regression analysis and hypothesis testing (coefficient of determination test, F test and t test).

RESULTS AND DISCUSSION

A total of 200 questionnaires were distributed directly to respondents via email and managed to collect as many as 115 questionnaires which we received back with details as in table 2.

Table 2. Distribution and Return Questionnaires

Descriptions	Total	Percentage (%)
Questionnaire Shared	200	100%
Questionnaire Received Back	115	57,50%
Questionnaire Not Received Back	85	42,50%

Source: Primary data has been processed.

Respondent Demographics.

Respondents in this study have been grouped based on gender, age and length period of work, as we can see in table 3.

Table 3. Respondent Demographics

Information	Total	Percentage (%)
Gender		
Male	55	47,80%
Female	60	52,20%
Age		
< 25 years old	4	3,50%
25-29 years old	23	20,00%
30-34 years old	19	16,50%
35-39 years old	44	38,30%
40 years old	7	6,10%
>40 years old	18	15,70%
Length Period of Work		
Less than one year	13	11,30%
One year	36	31,30%
More than one year	66	57,40%

Source: Primary data has been processed.

In table 3 it can be seen that, from 115 respondents in this study who were less than 25 years old as many as four people (3.50%), aged between 25 to 29 years as many as twenty three people (20%), aged between 30 to 34 years as many as nineteen people (16.5%), aged between 35 to 39 years old as many as forty four people (38.3%), seven people 40 years old (6.10%) and eighteen people over 40 years old (15.7%). Based on gender, in table 3 it can be seen that the male respondents were fifty-five people (47.8%) and female respondents were sixty people (52.2%).

Based on the length of work period, in table 3 it can be seen that the respondents in this study had a period of working for less than one year as much as 11.30%, for one year as much as 31.30% and for more than one year as many as 57.40%.

Validity Test.

The data that has been obtained is then processed using Smart PLS 3.0 software to test the validity of the instrument using a validity test. Of the 10 indicators of the variable quality of financial reports, there are 4 indicators whose outer loading value is below 0.5 so that the four indicators are deleted. Of the 8 indicators of accounting information system variables, there are 4 indicators whose outer loading value is below 0.5 so that the four indicators are deleted. Of the 5 variable indicators of implementing government accounting standards, there is 1 indicator whose outer loading value is below 0.5 so that one indicator is removed. Of the 10 indicators of internal control system variables, there are 5 indicators whose outer loading

value is below 0.5 so that the five indicators are deleted. The following presents the indicators used for each variable in this study.

Table 4. Validity Test

Indicator	Outer Loading	Conclusion
The Quality of Merauke Regency Government's Financial Statements		
KLKPD 1	0,743	Valid
KLKPD 3	0,761	Valid
KLKPD 5	0,784	Valid
KLKPD 7	0,742	Valid
KLKPD 9	0,713	Valid
KLKPD 11	0,733	Valid
Accounting Information Systems (SIA)		
SIA 2	0,851	Valid
SIA 4	0,821	Valid
SIA 6	0,689	Valid
SIA 8	0,680	Valid
Implementation of Government Accounting Standards (PSAP)		
PSAP 1	0,665	Valid
PSAP 2	0,735	Valid
PSAP 3	0,697	Valid
PSAP 4	0,566	Valid
Internal Control Systems (SPI)		
SPI 1	0,743	Valid
SPI 3	0,761	Valid
SPI 5	0,784	Valid
SPI 7	0,742	Valid
SPI 9	0,713	Valid
SPI 11	0,733	Valid

Source: Primary data has been processed.

Reliability Test.

Furthermore, after testing the instrument validity of each of the existing variables, we will test the reliability of the variables contained in this study, both the dependent variable and the independent variable. The purpose of this test is to test the reliability of the instrument that has been declared valid in the validity test. In this reliability test, we will compare the Composite Reliability value with the Critical value (0.60). If the Composite Reliability value > 0.60 then the variable can be declared reliable.

Table 5. Reliability Test

Variable	Cronbach's Alpha	R _{critical}	Conclusion
The Quality of Merauke Regency Government's Financial Statements	0,883	0,60	Reliable
Accounting Information Systems	0,847	0,60	Reliable
Implementation of Government Accounting Standards	0,762	0,60	Reliable
Internal Control Systems	0,868	0,60	Reliable

Source: Primary data has been processed.

In table 5 it can be seen that, the Composite Reliability value of each variable is greater than 0,60 ($r_{\text{alpha}} > 0,60$). This is means, that all the variables in this study can be declared reliable.

Table 6. Multiple Linear Regression Analysis

Variable	Coefficient	P values
SIA	0,062	0,622
PSAP	0,198	0,024
SPI	0,443	0,000

Source: Primary data has been processed.

Multiple Linear Regression Analysis.

This analysis was conducted to see how much influence the independent variable has on the dependent variable.

Based on table 6, it can be seen that the Accounting Information System has a significance value ($0,622 > \alpha (0,05)$), this means that H1 in this study is rejected. Based on table 6, it can also be seen that the Implementation of Government's Accounting Standard has a significance value ($0,024 < \alpha (0,05)$), this means that H2 in this study is accepted. Based on table 6, it can be seen that the Internal Control System has a significance value ($0,000 < \alpha (0,05)$), this means that H3 in this study is accepted. Based on these results, it can be concluded that the Accounting Information System have a no effect on the Quality of Merauke Regency Government's Financial Statement, the Implementation of Government Accounting Standards and the Internal Control System partially have a positive effect on the Quality of Merauke Regency Government's Financial Statement.

Table 7. R Square

R Square	Adjusted R Square
0,287	0,265

Source: Primary data has been processed.

Coefficient of Determination Test.

The coefficient of determination is used to measure the regression model in explaining the variation of the independent variable on the dependent variable or it can also be said as the proportion of the influence of all independent variables on the dependent variable. Based on table 7, we can see that the value of Adjusted R Square is 0.265 (26.5%), this means that the dependent variable in this study (Quality of Merauke Regency Government's Financial Statement) can be explained by the independent variable (Accounting Information System, Implementation of Government Accounting Standards and Internal Control System) of 26.5%, while the remaining 73.5% is a determinant or contribution of other factors not examined in this study or not included in the model.

Based on the results of the research that has been done above regarding the Effect of Accounting Information Systems, Application of Government Accounting Standards and Internal Control Systems on the Quality of Merauke Regency Government's Financial Statement, which was carried out on all employees of the financial or administrative division in all Merauke Regency Regional Apparatus Work Units, the results of the previously predicted hypothesis have been obtained. In the results of testing the first hypothesis, it is

concluded that the Accounting Information System has no effect on the Quality of Merauke Regency Government's Financial Statements.

According to Turner et al. (2017), Accounting information system consisting of processes, procedures and systems that capture accounting data from business processes, record accounting data in appropriate records, process accounting data in detail by classifying, summarizing and combining, and reporting concise accounting data to internal and external users. From this understanding we can conclude that this Accounting Information System is applied with the aim of processing accounting data owned by an entity or company to produce output in the form of accounting reports or what we are more often familiar with as concise financial statements so that they are easy to understand and use by consumers. the users of the report are both internal and external users. In addition, the application of this accounting information system is also expected to be able to classify transactions or accounting data contained in an entity or company with proper classification based on existing accounts so as to minimize data misstatements due to misclassification of data in the resulting report.

According to Romney et al. (2021:37), Accounting Information Systems has six components, specifically: 1). The people who use the system, 2). The procedures and instructions used to collect, process and store data, 3). The data about the organization and its business activities, 4). The software used to process the data), 5). The information technology infrastructure, including the computers, peripheral devices, and network communications device used in the AIS, 6). The internal controls and security measures that safeguard AIS data.

Based on the description above, it can be concluded that, the accounting information system applied is getting better, it will produce reports related to accounting data that are concise and easy to understand by users of the report, and are free from misstatements caused by wrong classification of transaction. But it cannot be denied there are some components that will improve the Accounting Information System Quality and when the Accounting Information System Quality is poor because the components are not working well so the implementation of Accounting Information System to increase the Quality of Financial Statement are poor to. Therefore the existence of Accounting Information System will not improve the Quality of Financial Statement to. This problem occurs in Merauke Regency Government, where based on the result of this study the employees in the Merauke Regency Government have not fully mastered the technology of Accounting Information System that used in Merauke Regency Government and most of the employees feel that the system is difficult to learn so they cannot run the system properly, that's why even Merauke Regency Government has used an Accounting Information System but it will not improve or decrease the quality of their financial statement, it is because the system was not run properly.

Furthermore, on the results of testing the second hypothesis, it is concluded that the implementation of Government Accounting Standards has a significant positive effect on the Quality of Merauke Regency Government's Financial Statements. This means that, the better implementation of local government accounting standards in the Merauke district government in the process of making financial reports, the better the quality of the local government financial reports produced. According to Bastian (2010), government accounting standards

are requirements that have legal force used in an effort to improve the quality of financial statement made by the government in Indonesia.

From the description above, it can be concluded that, with the implementation of government accounting standards, the quality of financial reports made by the government in Indonesia can increase. According to Government Regulation of the Republic of Indonesia Number 71 of 2010 concerning Government Accounting Standards, Government Accounting Standards are accounting principles applied in preparing and presenting government financial statements. Therefore, if Government Accounting Standards is implemented properly, the application of accounting principles in making financial statements is also good. According to Gie (2020), accounting principles are useful for making financial statements accurate. Therefore, if the application of accounting principles in making financial statements is even better, then the quality of financial statements will also be better because the financial statements will be more accurate. Based on this, it can be concluded that the implementation of good Government Accounting Standards will apply good accounting principles and the application of good accounting principles will result in better quality financial reports because the financial statements will be more accurate. This supports the results of existing research, namely the implementation of Government Accounting Standards has a positive effect on the Quality of Merauke Regency Government's Financial Statements.

Furthermore, on the results of testing the third hypothesis, it is concluded that the Internal Control System has a significant positive effect on the Quality of Merauke Regency Government's Financial Statements. This means that the better the internal control system carried out and implemented by the leadership of the Regional Apparatus Work Unit as well as by the regional government of Merauke Regency will make the better quality of the financial statements produced. According to Government Regulation of the Republic of Indonesia Number 60 of 2008, the internal control system is an integral process of actions and activities carried out continuously by the leaders and all employees to provide reasonable assurance on the achievement of organizational goals through effective activities and efficiency, reliability of financial reporting, assets security state and compliance with legislation.

Based on the description above, it can be concluded that, the internal control system is applied to provide confidence that the objectives of the organization have been achieved, one way to provide assurance about the achievement of the organization's objectives is to provide reliable financial statements. Therefore, if the internal control system is carried out better, more reliable financial statements will be produced. The more reliable the financial statements of an entity or organization will produce the better the quality of the financial statements. Therefore, it can be concluded that if the internal control system implemented by the leadership and all employees in a government organization is better implemented, it will produce a more reliable financial report and if the financial statements produced are more reliable, it will produce the better quality of the financial report. This also applies to regional government of Merauke Regency, so this theory supports the results of the research that has been done.

CONCLUSION

The Accounting Information System has no effect on the Quality of Merauke Regency Government's Financial Statements. The application of Government Accounting Standards has a significant positive effect on the Quality of Merauke Regency Government's Financial Statements. This means that, the better the application of local government accounting standards in the Merauke district government in the process of making financial statements, the better the quality of the local government financial statements produced. The Internal Control System has a significant positive effect on the Quality of Merauke Regency Government's Financial Statements. This means that the better the internal control system carried out and implemented by the leader of the Regional Apparatus Work Unit as well as by the regional government of Merauke Regency, the better the quality of the financial statements will be produced.

The results of this study are expected to be a reference for the Merauke Regency Government to improve the Quality of Merauke Regency Government's Financial Statements by improving the quality of the Accounting Information System. To improve the quality of the Accounting Information System it will be done by provide teaching and training that related to the system used to employees, so the employees dan implemented the system properly, so it will make the using of Accounting Information System will have an effect to the Quality of Merauke Regency's Financial Statement. In addition, it is also hoped that the Merauke Regency Government can be more assertive in implementing the rules and sanctions to improve the Internal Control System so that it can suppress existing violations and can improve implementation Government Accounting Standards in the preparation of their financial statements so that they can be more improve the quality of its financial reports.

In addition, the results of this study can be used as a reference for further research. It is hoped that further researchers can add other variables such as commitment organization, budget execution, Human Resources (HR) capacity, adherence to laws and regulations and other variables which are internal and external factors that are suspected to significantly affect the Quality of Merauke Regency Government's Financial Statements as well as conducting research with a long period of time longer so that it can collect questionnaires according to the desired target previously.

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