

The Effects of Human Resource Competencies, Internal Controls, and Accrual Accounting on Financial Report Quality

Accounting on
Financial Report
Quality

Jamaluddin

Universitas Almuslim Bireuen; Bireuen, Indonesia

Email: jamaluddin.akt@gmail.com

2757

Hakim Muttaqim

Universitas Almuslim Bireuen; Bireuen, Indonesia

E-Mail: hakimmuttaqim@umuslim.ac.id

Submitted:
MARCH 2025

Accepted:
JULY 2025

ABSTRACT

Government financial reporting demands accountability and transparency, yet challenges persist in achieving high-quality financial statements. This study examines the influence of human resource competencies and internal control implementation on the adoption of accrual-based accounting and their impact on the quality of financial reporting information. It also investigates the mediating role of accrual-based accounting in these relationships. The research utilized a quantitative approach, collecting primary data through questionnaires from 206 respondents, including heads of subdivisions and financial officers across 103 work units. Path analysis was employed using Structural Equation Modeling to test the relationships. The findings indicate that human resource competencies and internal control implementation significantly enhance the adoption of accrual-based accounting, contributing 12.7% and 79.7%, respectively. Both factors directly improve the quality of financial reporting information, with coefficients of 0.492 and 0.282, respectively, while accrual-based accounting has a direct effect of 0.290. Accrual-based accounting partially mediates the effects of human resource competencies and internal controls on reporting quality. In conclusion, competent personnel, robust internal controls, and accrual-based accounting are essential for producing relevant, reliable, and comparable financial reports, emphasizing the need for integrated accounting practices in government agencies.

Keywords: Accrual-Based Accounting, Financial Reporting Quality, Human Resource Competencies, Internal Controls System, Public Sector Financial Management.

ABSTRAK

Pelaporan keuangan pemerintah menuntut akuntabilitas dan transparansi, namun tantangan tetap ada dalam mencapai laporan keuangan berkualitas tinggi. Studi ini meneliti pengaruh kompetensi sumber daya manusia dan penerapan pengendalian internal terhadap adopsi akuntansi berbasis akrual dan dampaknya terhadap kualitas informasi pelaporan keuangan. Ini juga menyelidiki peran mediasi akuntansi berbasis akrual dalam hubungan ini. Penelitian ini menggunakan pendekatan kuantitatif, mengumpulkan data primer melalui kuesioner dari 206 responden, termasuk kepala subdivisi dan pejabat keuangan di 103 unit kerja. Analisis jalur digunakan dengan menggunakan Structural Equation Modeling untuk menguji hubungan. Temuan menunjukkan bahwa kompetensi sumber daya manusia dan penerapan pengendalian internal secara signifikan meningkatkan adopsi akuntansi berbasis akrual, berkontribusi masing-masing sebesar 12,7% dan 79,7%. Kedua faktor tersebut secara langsung meningkatkan kualitas informasi pelaporan keuangan, dengan koefisien masing-masing sebesar 0,492 dan 0,282, sedangkan akuntansi berbasis akrual memiliki efek langsung sebesar 0,290. Akuntansi berbasis akrual sebagian memediasi dampak kompetensi sumber daya manusia dan pengendalian internal

JIMKES

Jurnal Ilmiah Manajemen
Kesatuan
Vol. 13 No. 4, 2025
pp. 2757-2768
IBI Kesatuan
ISSN 2337 – 7860
E-ISSN 2721 – 169X
DOI: 10.37641/jimkes.v13i4.3405

terhadap kualitas pelaporan. Sebagai kesimpulan, personel yang kompeten, pengendalian internal yang kuat, dan akuntansi berbasis akrual sangat penting untuk menghasilkan laporan keuangan yang relevan, andal, dan sebanding, yang menekankan perlunya praktik akuntansi terpadu di lembaga pemerintah.

Kata kunci: *Akuntansi Berbasis Akrual, Kompetensi Sumber Daya Manusia, Kualitas Pelaporan Keuangan, Manajemen Keuangan Sektor Publik, Sistem Pengendalian Internal.*

INTRODUCTION

The Indonesian government has made financial management accountability a priority through various regulatory reforms, including Law No. 17 of 2003 concerning State Finance, Law No. 1 of 2004 concerning State Treasury, and Government Regulation No. 24 of 2005 concerning Government Accounting Standards. These regulations have required the preparation of government financial reports since 2005 to encourage transparency in the use of public resources, including budget realization reports, balance sheets, cash flow statements, and notes to the financial statements. Accountability, as emphasized by Chan and Zhang (2013), is a fundamental principle in public sector financial reporting because it concerns the public's right to know how resources are managed. However, various audit findings indicate that government financial reports still face challenges in meeting qualitative characteristics such as relevance, reliability, and comparability (Wulandari & Jatmiko, 2022; Octaviani et al., 2024).

Human resource (HR) competency is a critical determinant of financial reporting quality in government institutions. Competent personnel with knowledge of financial regulations and accounting systems enhance the accuracy and reliability of financial statements (Hertati, 2015; Synthia, 2016). According to Anggraeni (2020), HR competency directly influences the preparation of reports that meet qualitative standards, such as relevance and understandability. However, inadequate training and limited technical skills among financial staff often hinder effective reporting (Jamaluddin et al., 2023). The adoption of accrual-based accounting, mandated by Government Regulation No. 71 of 2010, further underscores the need for skilled personnel to handle complex accounting processes. Despite its benefits in capturing economic events accurately, accrual accounting implementation faces challenges due to insufficient HR capacity (Ladewi et al., 2023).

Internal control systems are essential for ensuring the integrity of financial reporting. Effective controls mitigate risks, enhance compliance with regulations, and improve the efficiency of resource utilization (Sumito et al., 2019; Lari Dashtbayaz et al., 2019). According to Razak et al. (2017), robust internal controls are vital for producing reliable financial statements in government agencies. However, weaknesses in control mechanisms, such as inadequate monitoring and poor reconciliation processes, have been identified in audits of the Ministry of Religious Affairs (Hepworth, 2003). Recent studies highlight persistent issues, including delays in fund reporting and lack of accountability in asset management (Nurchayani & Muhammad, 2023; Suherwan et al., 2025). These gaps indicate a need for stronger integration of internal controls with accounting practices to enhance reporting quality.

The research gap arises from the lack of studies that simultaneously examine the influence of HR competency and internal control on financial reporting quality, with accrual-based accounting as a mediating variable. As noted by

Alfartoosi et al. (2021), most previous studies have only examined these factors separately, without exploring the intermediary mechanisms that link the two. Zarei et al. (2022) also highlight that mediation analysis is still rarely conducted in the context of public sector financial reporting, especially in religious ministries that have their own reporting complexities. In addition, recent literature shows that factors such as technology integration and leadership commitment have also not been widely explored in the implementation of accrual accounting (Bekiaris et al., 2024; Kateb, 2024).

This study aims to examine the effects of HR competencies and internal control implementation on the adoption of accrual-based accounting and their direct and mediated impacts on the quality of financial reporting information. Specifically, it investigates whether accrual accounting mediates the relationship between HR competencies, internal controls, and reporting quality. By addressing these objectives, the study contributes to understanding how government agencies can enhance financial accountability through integrated accounting practices. The findings are expected to inform policy recommendations for improving HR training, control systems, and accrual accounting implementation in government work units.

LITERATURE REVIEW & HYPOTHESI DEVELOPMENT

Human Resource Competencies, Internal Controls, and Accrual-Based Accounting

Human resource (HR) competencies encompass the knowledge, skills, and abilities of personnel in managing financial processes, particularly in government settings. According to Synthia (2016), competent HR with expertise in accounting standards enhances the adoption of complex systems like accrual-based accounting. This accounting approach, mandated by Government Regulation No. 71 of 2010, recognizes revenues and expenses when incurred, requiring skilled staff to ensure accurate implementation (Hertati, 2015). HR competencies, such as proficiency in financial software and regulatory knowledge, are critical for navigating accrual accounting's complexities (Anggraeni, 2020; Daff, 2021). Internal control systems, defined as processes ensuring compliance and efficiency, support HR by providing structured oversight (Cohen & Sayag, 2010; Sumito et al., 2019). Effective controls, including risk assessment and monitoring, facilitate the adoption of accrual accounting by minimizing errors (Lari Dashtbayaz et al., 2019; Chalmers et al., 2019). According to Adhikari and Jayasinghe (2017), the interplay between HR competencies and internal controls is vital for successful accrual accounting implementation. Weaknesses in either can lead to inaccurate financial records and non-compliance (Rahim et al., 2017; Ladewi et al., 2023). Studies suggest that HR training and robust controls are prerequisites for effective accrual accounting in government agencies (Muthaher, 2019; Din et al., 2022; Kuroki et al., 2022). The relationship between HR competencies and internal controls with accrual accounting adoption is thus synergistic, as both enhance the technical and procedural capacity needed for accurate accounting practices. This study proposes the following hypotheses.

H1: Human resource competencies positively influence the adoption of accrual-based accounting.

H2: Internal control implementation positively affect the adoption of accrual-based accounting.

Quality of Financial Reporting Information

The quality of financial reporting information is defined by its relevance, reliability, comparability, and understandability, as outlined in Government Regulation No. 71 of 2010 (Wulandari & Jatmiko, 2022). HR competencies directly influence reporting quality by ensuring accurate data processing and compliance with standards (Synthia, 2016;

Connell, 2017). According to Anggraeni (2020), skilled personnel produce financial statements that meet user needs for decision-making. Internal controls enhance reporting quality by mitigating risks and ensuring regulatory adherence (Razak et al., 2017; Manginte, 2024). Weak controls, such as inadequate monitoring, lead to errors in financial reports, as noted in audits (Bhaskar et al., 2019). Accrual-based accounting contributes to reporting quality by providing a comprehensive view of financial transactions (Din et al., 2022). According to Amalia (2023), accrual accounting improves transparency but requires competent HR and robust controls to be effective. The combined effect of HR competencies, internal controls, and accrual accounting is critical for producing high-quality financial reports (Jamaluddin et al., 2023; Helmy & Silviana, 2024). Studies indicate that deficiencies in any of these elements can compromise reporting accuracy (Adhikari & Mellemevik, 2011; Sethi et al., 2017; Yazdani et al., 2019). Thus, HR competencies, internal controls, and accrual accounting collectively enhance the qualitative characteristics of financial reporting. This study proposes the following hypotheses.

H3: Human resource competencies positively affect the quality of financial reporting information.

H4: Internal control implementation positively influences the quality of financial reporting information.

H5: Accrual-based accounting adoption positively impacts the quality of financial reporting information.

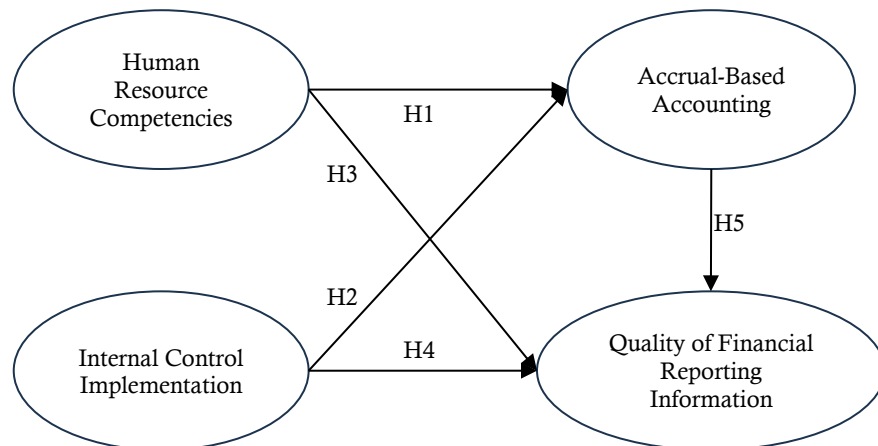


Figure 1. Research Framework

Figure 1 shows that, the research framework integrates HR competencies, internal control implementation, and accrual-based accounting to explain their impact on financial reporting information quality. According to Rana et al. (2021), a robust framework must account for the interrelationships among these variables in public sector contexts. HR competencies and internal controls serve as exogenous variables influencing accrual accounting adoption, which acts as a mediator affecting reporting quality (Wulandari & Jatmiko, 2022). The framework posits that competent HR and effective controls enhance accrual accounting implementation, which in turn improves the relevance and reliability of financial reports (Anggraeni, 2020). This study's framework, illustrated in Figure 1 depicts the direct effects of HR competencies and internal controls on accrual accounting and reporting quality, as well as the mediating role of accrual accounting. The figure highlights the structural relationships tested through path analysis, ensuring a comprehensive examination of variable interactions (Sumito et al., 2019). This framework addresses the need for integrated approaches in public sector accounting research.

RESEARCH METHOD

This study adopted a quantitative approach to test causal relationships among human resource competencies, internal control implementation, accrual-based accounting applications, and the quality of financial reporting information in government work units. The research focused on understanding how these variables interact within the context of public sector accounting, emphasizing accountability and transparency as mandated by Indonesian regulations (Government Regulation No. 71 of 2010). Primary data were collected through questionnaires distributed to respondents, ensuring direct insights into the variables under investigation. The population comprised 103 work units under the Ministry of Religious Affairs in Aceh Province, Indonesia, with respondents including heads of subdivisions or sections and financial officers responsible for preparing financial statements, totaling 206 participants.

The selection of respondents was strategic to capture perspectives from individuals directly involved in financial reporting processes. Human resource competency was assessed based on knowledge, skills, and adherence to financial regulations, while internal controls encompassed risk assessment, monitoring, and control activities to ensure compliance and efficiency, as outlined in Government Regulation No. 60 of 2008 (Ghozali, 2006). The application of accrual-based accounting was defined as the recognition of revenues and expenses when earned or incurred, regardless of cash flow timing, following principles such as consistency and full disclosure (Kieso et al., 2008). The quality of financial reporting information was evaluated based on its relevance, reliability, comparability, and understandability, aligning with government accounting standards. These variables were measured using a five-point interval scale, allowing for nuanced responses to capture varying degrees of agreement or implementation.

Data analysis employed path analysis to examine direct and mediating effects among the variables, utilizing Structural Equation Modeling (SEM) through the AMOS software (Analysis of Moment Structures). Path analysis was chosen for its ability to test complex relationships, including the mediating role of accrual-based accounting (Ghozali, 2006). The model included two structural equations: one linking human resource competencies and internal controls to accrual accounting adoption, and another assessing their direct and mediated effects on financial reporting quality. The mediating effect of accrual accounting was evaluated using criteria established by Preacher and Hayes (2004), where a perfect mediation occurs if the effect of independent variables on the dependent variable reduces to zero after including the mediator, and partial mediation if the effect decreases but remains non-zero. This analytical approach ensured a robust examination of the hypothesized relationships, providing insights into how HR competencies and internal controls influence reporting quality through accrual accounting.

The study's design prioritized reliability and validity by using established measurement scales and rigorous statistical techniques. Data collection procedures adhered to ethical standards, ensuring respondent confidentiality and voluntary participation. The use of SEM allowed for the simultaneous testing of multiple relationships, enhancing the study's ability to address the research objectives comprehensively. This methodological framework facilitated a systematic investigation of the factors contributing to high-quality financial reporting in government agencies.

RESULTS

The analysis of the study utilized path analysis through Structural Equation Modeling (SEM) with the AMOS software to examine the relationships among human resource (HR) competencies, internal control implementation, accrual-based accounting application, and the quality of financial reporting information. Primary data were collected from 206 respondents across 103 work units under the Ministry of Religious Affairs in Aceh Province, Indonesia, comprising heads of subdivisions or sections and financial officers. The results are presented through a structural model and regression weights, providing insights into the direct and indirect effects of the variables. The model's degree of freedom was 146, with a t-table value of 1.96 at a 5% significance level, and

significance was determined by a p-value less than or equal to 0.05 and a critical ratio (C.R.) greater than or equal to 2.

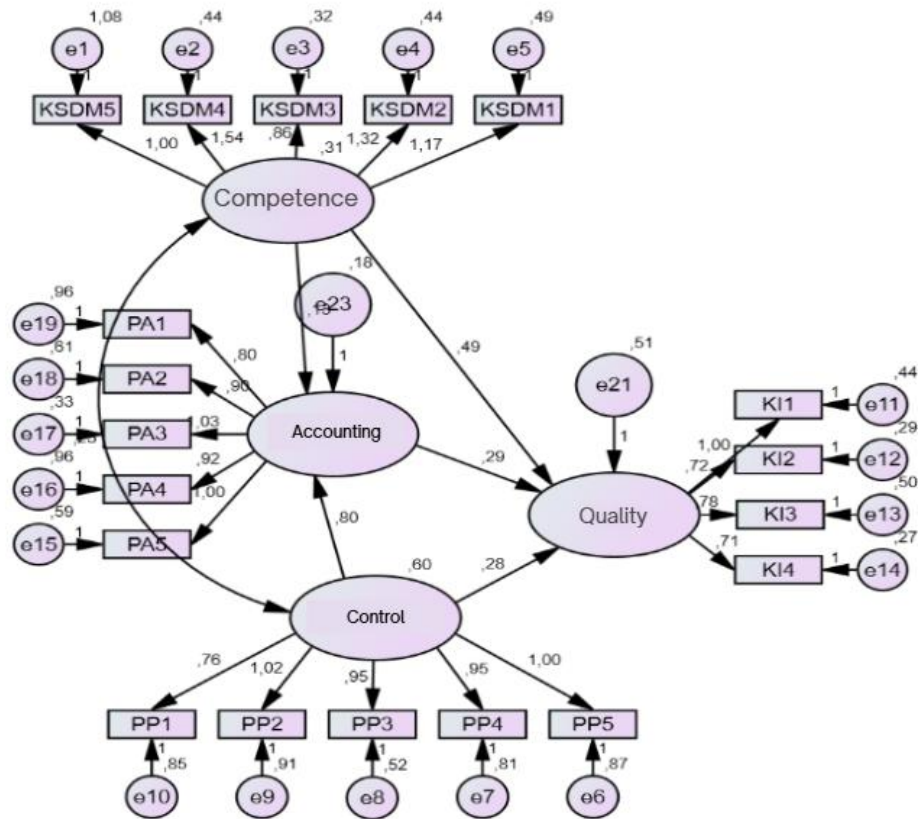


Figure 2. Structural Model

Figure 2 depicting HR competencies and internal control as exogenous variables influencing the endogenous variables of accrual-based accounting application and financial reporting information quality. The model visually represents the direct paths from HR competencies and internal control to accrual accounting, as well as their direct and mediated effects on reporting quality. The standardized coefficients and significance levels in the figure provide a clear overview of the strength and direction of these relationships. The structural model confirms that all paths tested were statistically significant, aligning with the analytical framework established in the methodology.

Table 1. Regression Weights Structural Equation Model

Variable		Estimate	S.E.	C.R.	P	Label
Human Resource Competencies	→ Application of Accounting	0.127	0.207	2.111	0.042	par_19
Internal Control	→ Application of Accounting	0.797	0.167	4.762	0.000	par_20
Human Resource competencies	→ Information Quality	0.492	0.246	2.000	0.006	par_16
Internal Control	→ Information Quality	0.282	0.333	1.848	0.036	par_17
Application of Accounting	→ Information Quality	0.290	0.308	1.943	0.044	par_18

Table 1 presents the detailed estimates, standard errors, critical ratios, and p-values for each path in the model. For the path from HR competencies to the application of accrual accounting, the estimate was 0.127, with a standard error of 0.207, a critical ratio of 2.111, and a p-value of 0.042, indicating a significant positive effect. The path from internal

control to accrual accounting yielded an estimate of 0.797, a standard error of 0.167, a critical ratio of 4.762, and a p-value of 0.000, demonstrating a strong significant positive effect. For the quality of financial reporting information, the path from HR competencies showed an estimate of 0.492, a standard error of 0.246, a critical ratio of 2.000, and a p-value of 0.006, confirming a significant positive effect. The path from internal control to reporting quality had an estimate of 0.282, a standard error of 0.333, a critical ratio of 1.848, and a p-value of 0.036, indicating significance. The path from accrual accounting to reporting quality showed an estimate of 0.290, a standard error of 0.308, a critical ratio of 1.943, and a p-value of 0.044, also significant.

The direct effects of HR competencies and internal control on financial reporting information quality were compared to their indirect effects through the application of accrual-based accounting. The results revealed that the direct effect of HR competencies on reporting quality (0.492) was greater than its indirect effect through accrual accounting (0.036), suggesting that direct improvements in HR competencies have a stronger impact. Similarly, the direct effect of internal control on reporting quality (0.282) was greater than its indirect effect through accrual accounting (0.232), indicating that direct enhancements in control systems are more influential. The mediation analysis, following Preacher and Hayes (2004), showed that the application of accrual accounting acted as a partial mediator, as the effects of HR competencies and internal control on reporting quality decreased but did not reach zero after including the mediator.

The effect of HR competencies on the adoption of accrual-based accounting was quantified with a coefficient of 0.127, reflecting a 12.7% contribution to the implementation of accrual accounting. The critical ratio of 2.611 and p-value of 0.042 confirmed the statistical significance of this relationship. This result indicates that improvements in HR knowledge, skills, and regulatory understanding positively influence the ability to implement accrual accounting practices. The analysis also highlighted that HR competencies play a crucial role in ensuring accurate recognition of revenues and expenses under the accrual system, aligning with government accounting standards.

Internal control implementation demonstrated a substantial effect on the adoption of accrual-based accounting, with a coefficient of 0.797, contributing 79.7% to its implementation. The critical ratio of 4.762 and p-value of 0.000 underscored the strong significance of this relationship. The results suggest that robust control mechanisms, including risk assessment and monitoring, significantly enhance the adoption of accrual accounting by ensuring compliance and reducing errors. The findings emphasize the importance of structured oversight in facilitating complex accounting practices within government work units.

For the quality of financial reporting information, HR competencies exhibited a direct effect with a coefficient of 0.492, contributing 49.2% to reporting quality. The critical ratio of 2.000 and p-value of 0.006 confirmed the significance of this effect. The results indicate that skilled personnel with expertise in financial regulations and accounting systems produce reports that are more relevant, reliable, and understandable. The findings highlight the pivotal role of HR in achieving high-quality financial reporting outcomes in public sector agencies.

Internal control implementation also affected the quality of financial reporting information, with a coefficient of 0.282. The critical ratio of 2.012 and p-value of 0.036 indicated statistical significance. The results suggest that effective control systems, such as activity controls and information communication, contribute to the production of accurate and compliant financial reports. The analysis underscores the necessity of internal controls in maintaining the integrity of financial reporting processes.

The application of accrual-based accounting influenced the quality of financial reporting information with a coefficient of 0.290. The critical ratio of 2.152 and p-value of 0.044 confirmed the significance of this effect. The results indicate that accrual accounting, by recognizing financial transactions when they occur, enhances the transparency and comprehensiveness of financial reports. The findings align with the

expectation that accrual-based systems improve the qualitative characteristics of financial reporting.

The indirect effect of HR competencies on financial reporting information quality through accrual-based accounting was calculated at 0.036, lower than the direct effect of 0.492. This result suggests that while accrual accounting mediates the relationship, direct improvements in HR competencies have a more substantial impact on reporting quality. The partial mediation effect indicates that HR competencies influence reporting quality both independently and through the adoption of accrual accounting, providing a nuanced understanding of their role.

The indirect effect of internal control implementation on financial reporting information quality through accrual-based accounting was 0.232, slightly lower than the direct effect of 0.282. This finding suggests that direct enhancements in internal control systems have a marginally stronger impact on reporting quality compared to their mediated effect. The partial mediation effect confirms that internal controls contribute to reporting quality both directly and through the implementation of accrual accounting, highlighting their multifaceted influence.

DISCUSSION

The results of this study indicate a significant relationship between human resource (HR) competence, implementation of internal control, application of accrual-based accounting, and the quality of financial reporting information in government work units. As stated by Anggraeni (2020), HR competence is the main foundation in ensuring financial reporting. This is confirmed by the direct influence coefficient of 0.492 on the quality of the report. The contribution of HR to the implementation of accrual accounting of 12.7% (coefficient 0.127; $p = 0.042$) indicates that employees who understand financial regulations are better able to facilitate the transition to an accrual-based system as mandated by PP No. 71 of 2010. However, the partial mediation effect (indirect effect of 0.036) confirms that direct improvements in HR competence have a stronger impact on reporting quality than its indirect effect through the implementation of accrual. This strengthens the findings of Synthia (2016) and broadens the understanding of the literature that HR is not only a supporting factor, but the main actor in creating reliable public reporting. Recent studies highlight that ongoing training enhances HR capacity to handle complex accounting standards, further supporting these findings (Soo et al., 2017; Yenni et al., 2024).

Internal control implementation significantly influences both accrual accounting adoption and financial reporting quality, as evidenced by the results. According to Sumito et al. (2019), robust internal controls ensure compliance and efficiency, and this study's findings show a substantial 79.7% contribution to accrual accounting (coefficient 0.797, $p = 0.000$). The direct effect on reporting quality (coefficient 0.282, $p = 0.036$) and partial mediation through accrual accounting (indirect effect 0.232) suggest that control mechanisms, such as risk assessment and monitoring, are vital for accurate financial reporting. These results resonate with Razak et al. (2017), who argue that internal controls mitigate errors in government financial statements. The partial mediation effect indicates that while accrual accounting enhances transparency, direct control improvements are equally critical, as supported by Kateb (2024). Audits, such as those by Hepworth (2003), reveal persistent control weaknesses, underscoring the need for strengthened oversight to support accrual accounting implementation.

The application of accrual-based accounting positively affects financial reporting quality, with a coefficient of 0.290 ($p = 0.044$), confirming its role in enhancing report transparency and comprehensiveness. According to Benfante et al. (2024), accrual accounting captures economic events more accurately than cash-based systems, and this study's findings align with this perspective. The partial mediation of accrual accounting in the relationships between HR competencies, internal controls, and reporting quality suggests that while it facilitates improved reporting, its effectiveness depends on competent HR and robust controls, as noted by Wiyani and Viddy (2022). The results

indicate that government agencies benefit from accrual accounting when supported by adequate training and control systems, corroborating Din et al. (2022). Recent research emphasizes that technological integration further enhances accrual accounting's impact on reporting quality, a factor not fully explored in this study but relevant for future investigations (Arnold, 2018; Velte, 2022).

These findings suggest that government institutions should prioritize developing HR competencies in accrual accounting and financial reporting, given their strong impact on reporting quality. Strengthening internal control through training and monitoring, along with investing in information technology, is also essential to support effective accrual implementation, as recommended by Shaleh (2024). Theoretically, this study affirms the relevance of partial mediation and contributes to public sector accounting literature by emphasizing the synergy between HR, internal control, and reporting quality. Compared to regional studies, these results align with Wicaksono (2021) in East Java, differ from Nursaid (2023) in Kalimantan who highlighted internal control, and contrast with Yuliana (2022) in Eastern Indonesia who found a full mediation effect, underlining the role of institutional context and infrastructure.

CONCLUSION

The study demonstrates that human resource competencies and internal control implementation significantly influence the adoption of accrual-based accounting and the quality of financial reporting information in government work units. Competent personnel with expertise in financial regulations contribute substantially to accurate reporting, while robust internal controls ensure compliance and reduce errors, enhancing the implementation of accrual accounting. The application of accrual accounting further improves reporting quality by providing a comprehensive view of financial transactions. Additionally, accrual accounting partially mediates the effects of human resource competencies and internal controls on reporting quality, indicating that direct improvements in these factors are critical alongside accounting system enhancements.

These findings imply that government agencies should prioritize training programs to bolster human resource competencies and strengthen internal control systems to support accrual accounting and high-quality financial reporting. However, the study's limitations include its focus on a single province, potentially limiting generalizability, and reliance on questionnaire data, which may introduce response bias. Future research should explore these relationships across diverse regions and incorporate objective performance metrics to validate findings. Investigating the role of technology and leadership in accrual accounting adoption could further enrich understanding, building on the partial mediation effects observed in this study.

REFERENCES

- [1] Adhikari, P., & Jayasinghe, K. (2017). 'Agents-in-focus' and 'Agents-in-context': The strong structuration analysis of central government accounting practices and reforms in Nepal. *Accounting Forum*, 41(2), 96-115.
- [2] Alfartoosi, A., Jusoh, M. A., Mohsin, H. J., & Yas, H. (2021). The effect of e-accounting and mediated by internal control system on the performance of SME in Iraq. *American Journal of Business and Operations Research*, 3(1), 5-38.
- [3] Amalia, M. M. (2023). Enhancing accountability and transparency in the public sector: A comprehensive review of public sector accounting practices. *The ES Accounting and Finance*, 1(03), 160-168.
- [4] Anggraeni, S. (2020). The effect of human resource competency on financial reporting. *JAFTA* 2(1), 1-22.
- [5] Arnold, V. (2018). The changing technological environment and the future of behavioural research in accounting. *Accounting & Finance*, 58(2), 315-339.
- [6] Bekiaris, M., Paraponti, T., & Spanou, F. (2024). Combining theories to investigate the acceptance of accrual accounting. *International Journal of Public Sector Management*, 37(4), 531-554.

- [7] Benfante, G., Casali, A., Mozzoni, I., & Ferretti, M. (2024). Navigating accounting reforms: a qualitative comparative analysis of accrual implementation in Italian local governments. *Journal of Public Budgeting, Accounting & Financial Management*, 37(6), 1-27.
- [8] Bhaskar, L. S., Schroeder, J. H., & Shepardson, M. L. (2019). Integration of internal control and financial statement audits: Are two audits better than one?. *The Accounting Review*, 94(2), 53-81.
- [9] Chalmers, K., Hay, D., & Khelif, H. (2019). Internal control in accounting research: A review. *Journal of Accounting Literature*, 42(1), 80-103.
- [10] Chan, J. L., & Zhang, Q. (2013). Government accounting standards and policies. In *The international handbook of public financial management*. London: Palgrave Macmillan UK.
- [11] Cohen, A., & Sayag, G. (2010). The effectiveness of internal auditing: An empirical examination of its determinants in Israeli organisations. *Australian Accounting Review*, 20(3), 296-307.
- [12] Connell, M. (2017). Compliance meets human resources: Monitoring competence and integrity. *Journal of Financial Compliance*, 1(2), 147-155.
- [13] Daff, L. (2021). Employers' perspectives of accounting graduates and their world of work: Software use and ICT competencies. *Accounting Education*, 30(5), 495-524.
- [14] Din, M., Paranoan, S., Azdar, F., & Ralis, G. (2022). The effect of accrual-based accounting training and assistance on the knowledge improvement of financial report management at local government units. *Economic and Business Horizon*, 1(2), 1-12.
- [15] Ghozali, I. (2006). *Aplikasi analisis multivariate dengan program SPSS*. Semarang: Badan Penerbit Universitas Diponegoro.
- [16] Helmy, A., & Silviana, S. (2024). Human resource competence effect on the quality of regional work unit of financial reports with the government's internal control system. *Journal La Bisecomana*, 5(5), 706-721.
- [17] Hepworth, N. (2003). Preconditions for successful implementation of accrual accounting in central government. *Public Money & Management*, 23(1), 37-44.
- [18] Hertati, L. 2015. Competence of human resources, the benefit of information technology on value of financial reporting in Indonesia. *Research Journal of Finance and Accounting* 6(8). 12-18.
- [19] Jamaluddin, J., Triana, N., & Saharuddin, S. (2023). Competence analysis of human resources on the financial performance of the Bireuen Regency Government. *Interdisciplinary Social Studies*, 2(10), 2445-2450.
- [20] Kateb, I. (2024). Reporting lag in the GCC region: exploring the nexus of earnings management and IFRS transition. *International Journal of Accounting & Information Management*, 32(4), 685-708.
- [21] Kieso, D. E., Weygandt, J. J., & Warfield, T. D. (2008). *Intermediate accounting* (12th ed.). New Jersey: John Wiley & Sons.
- [22] Kuroki, M., Ishikawa, K., & Yamamoto, K. (2022). Understanding the impact of mandatory accrual accounting on management practices: interpretation of Japanese local governments' behavior. *International Review of Administrative Sciences*, 88(3), 862-881.
- [23] Ladewi Y., Putri, E., & Darma Yanti. (2023). The influence of human resources competence and government internal control system on quality government financial statements. *International Journal of Arts and Social Science*, 4(4), 231-240.
- [24] Lari Dashtbayaz, M., Salehi, M., & Safdel, T. (2019). The effect of internal controls on financial reporting quality in Iranian family firms. *Journal of Family Business Management*, 9(3), 254-270.
- [25] Manginte, S. Y. (2024). Fortifying transparency: Enhancing corporate governance through robust internal control mechanisms. *Advances in Management & Financial Reporting*, 2(2), 72-84.
- [26] Muthaher, O. (2019). Government accounting standard, human capacity, internal control system and financial supervision as a quality analysis of government financial statements. *Fokus Ekonomi: Jurnal Ilmiah Ekonomi*, 14(1), 186-200.
- [27] Nurcahyani, R., & Muhammad, H. (2023). Optimizing the inspectorate's supervisory function to achieve accountability in regional financial management in Kuantan Singingi Regency. *Jurnal Ilmiah Manajemen Kesatuan*, 11(3), 1577-1586.
- [28] Octaviani, C., Fahmi, M., & Azmi, I. N. (2024). The effect of ISAK 35 implementation, organizational culture and gender on the quality of financial reports. *Jurnal Ilmiah Manajemen Kesatuan*, 12(5), 1839-1848.
- [29] Preacher, K. J., & Hayes, A. F. (2004). SPSS and SAS procedures for estimating indirect effects in simple mediation models. *Behavior Research Methods, Instruments, & Computers*, 36(4), 717-731.
- [30] Rahim, S. A. A., Nawawi, A., & Salin, A. S. A. P. (2017). Internal control weaknesses in a cooperative body: Malaysian experience. *International Journal of Management Practice*, 10(2), 131-151.
- [31] Rana, N. P., Dwivedi, Y. K., & Hughes, D. L. (2021). Analysis of challenges for blockchain adoption within the Indian public sector: an interpretive structural modelling approach. *Information Technology & People*, 35(2), 548-576.
- [32] Razak, J., Abdullah, M., & Dali, N. (2017). The effect of human resources competence on the government implementation of internal control system, accrual based accounting standards and the quality of local government's financial report. *Jurnal Progres Ekonomi Pembangunan*, 2(2), 2502-5171.
- [33] Republik Indonesia. (2008). Peraturan Pemerintah Nomor 60 Tahun 2008 tentang Sistem Pengendalian Intern Pemerintah. *Lembaran Negara Republik Indonesia Tahun 2008 Nomor 127*.

- [34] Sethi, S. P., Martell, T. F., & Demir, M. (2017). Enhancing the role and effectiveness of corporate social responsibility (CSR) reports: The missing element of content verification and integrity assurance. *Journal of business ethics*, 144(1), 59-82.
- [35] Shaleh, M. (2024). The Transformative implications of technology on accounting practices. *Advances in Management & Financial Reporting*, 2(2), 98-109.
- [36] Soo, C., Tian, A. W., Teo, S. T., & Cordery, J. (2017). Intellectual capital-enhancing HR, absorptive capacity, and innovation. *Human resource management*, 56(3), 431-454.
- [37] Suherwan, N. S., Rasyad Ariiq Utama, & Susy Muchtar. (2025). Risk management as a mediating variable in the influence of the board of directors on financial performance. *Jurnal Ilmiah Manajemen Kesatuan*, 13(1), 409-418.
- [38] Sumito, N., Setiyawati, H., & Mappanyukki, R. (2021, January). Influence of internal audit and internal control system on quality of the financial statement. In *Conference on International Issues in Business and Economics Research (CIIBER 2019)* (pp. 26-31). Atlantis Press.
- [39] Synthia. (2016). The effect of human resources competence and application of regional financial accounting systems on quality of financial report. *Journal of Applied Accounting and Taxation*, 2(1), 68-74.
- [40] Velte, P. (2022). Archival research on integrated reporting: A systematic review of main drivers and the impact of integrated reporting on firm value. *Journal of Management and Governance*, 26(3), 997-1061.
- [41] Wiyani, L., & Viddy, A. (2022, March). Influence of human resources and competency internal control system on the quality of financial reports with the application of accrual-based accounting standards as a mediation variable. In *International Conference on Applied Science and Technology on Social Science 2021 (iCAST-SS 2021)* (pp. 968-975). Atlantis Press.
- [42] Wulandari, G., & Jatmiko, B. (2022, January). The influence of human resource competency, internal control systems, and use of information technology on quality of village financial statements. In *International Conference on Sustainable Innovation Track Accounting and Management Sciences (ICOSIAMS 2021)* (pp. 158-163). Atlantis Press.
- [43] Yazdani, M., Zarate, P., Kazimieras Zavadskas, E., & Turskis, Z. (2019). A combined compromise solution (CoCoSo) method for multi-criteria decision-making problems. *Management decision*, 57(9), 2501-2519.
- [44] Yenni, E., Junaedi, A. T., & Wijaya, E. (2024). The impact of government accounting standards implementation, internal control systems, and human resource competence on regional financial report quality. *Journal of Applied Business and Technology*, 5(3), 134-145.
- [45] Zarei, H., Yazdifar, H., Dahmarde Ghaleño, M., & Namazi, N. (2022). National culture and public-sector budgeting: the mediating role of country-level institutions using a structural equation modeling approach. *Journal of Applied Accounting Research*, 23(3), 686-714.