

The Influence of the Implementation of Local Government Information Systems, Human Resources, and Internal Control on the Qualitative Characteristics of Jambi City Government Financial Reports

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ARTICLE INFO

Keywords: Local Government Information System (SIPD), Human Resources (HR), Internal Control, Financial Statement Quality, Local Government

Received : 5, March

Revised : 19, March

Accepted: 20, April

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ABSTRACT

This study aims to analyze the effect of the application of the Regional Government Information System (SIPD), the quality of human resources (HR), and internal control on the qualitative characteristics of the financial statements of the Jambi City Government. The quality of local government financial reports is an important indicator in assessing the accountability and transparency of public financial management. By utilizing data from the Jambi City Government, this study uses a quantitative method with a survey approach to test the proposed hypothesis. The results showed that the implementation of SIPD, the quality of human resources, and internal control significantly positively affected the qualitative characteristics of financial statements, which include relevance, reliability, comparability, and understandability. This study provides practical implications for local governments in improving the quality of financial statements through optimizing information systems, developing human resource competencies, and strengthening internal control systems.

INTRODUCTION

The ongoing global digitization presents both opportunities and challenges for countries worldwide, including Indonesia, the fourth most populous nation. The proliferation of online educational and entertainment programs reflects this transformation, highlighting the growing complexity of the information systems that support them. In the context of local governance, the implementation of the Regional Government Information System (SIPD) is becoming increasingly vital, particularly given the challenges in managing accurate and timely financial reports. Effective management and utilization of human resources and governmental systems are essential for achieving transparent and efficient governance.

Logically, the adoption of SIPD is expected to optimize the efficiency and effectiveness of regional financial management. In today's digital era, governments are required to manage resources transparently and accountably, thereby producing high-quality financial reports. Phenomenologically, the focus on Jambi City's Government—a region that has implemented SIPD to improve its financial reporting—provides a practical case study. High-quality financial reports serve as a key indicator of accountability and transparency in public financial management. Prior research indicates that the use of technology like SIPD in government enhances the accuracy and efficiency of financial reporting, while competent human resources and strong internal controls are crucial for ensuring the quality and compliance of financial reports. However, weaknesses in internal controls and challenges in human resource capacity can hinder the achievement of desired financial reporting quality.

This research contributes to the enrichment of knowledge by examining the impact of SIPD, human resources, and internal controls on the qualitative characteristics of financial reports in the unique context of Jambi City. This study seeks to fill a niche by providing an in-depth analysis of a specific regional government, capturing the nuances of its implementation of SIPD. Prior studies, such as Fitriani (2024) as cited in, have explored the impact of SIPD on regional financial management and the quality of financial reports. However, this study differs by incorporating human resources and internal controls as additional independent variables and focusing specifically on the qualitative characteristics of financial reports, such as relevance, reliability, comparability, and understandability.

Therefore, this study aims to analyze how the implementation of SIPD, the quality of human resources, and internal controls affect the qualitative characteristics of the financial reports of the Jambi City Government. Specifically, this research seeks to determine whether the implementation of SIPD impacts the quality of financial reporting in the City of Jambi, whether the quality of human resources correlates with the quality of quantitative financial reporting in the City of Jambi, and whether a correlation exists between internal controls and the quality of financial reporting in the Jambi City Government.

LITERATURE REVIEW

Stewardship Theory

Stewardship theory states that managers are motivated to act as stewards who are oriented towards the interests of the organization and owners (shareholders). In the context of local government, this theory is relevant because government officials are expected to have a commitment to managing public resources responsibly and maximizing public welfare. The implementation of SIPD, improving the quality of human resources, and strengthening internal control are manifestations of stewardship behavior in local financial management (Davis, n.d.).

Stakeholder Theory

Stakeholder theory emphasizes that organizations have responsibilities not only to owners (shareholders), but also to all stakeholders, including the community, government, and employees. Financial reports are one of the means for organizations to provide information to stakeholders regarding performance and resource management. Good quality financial reports will increase stakeholder trust in the organization. In the context of local government, stakeholders have the right to know how public funds are managed and used for the benefit of the community (Deegan, 2000).

Resource Based Theory (RBT)

According to Wernerfelt (1984) insight, resources and products in a company are two sides of the same coin that are interrelated in the first attempt to codify Resource-Based Theory (RBT). Thus, a company's performance is directly influenced by its products and indirectly - but still inevitably - by its production resources (Newbert, 2007).

Definition of SIPD

Winarno (2019) The regional government information system (SIPD) is organizing, managing, and managing regional planning data into information that can be accessed by the public and used in decision making for planning, implementing, and evaluating regional government performance. Villages can handle ideas or complaints from the community, proposals, and data entered by the village that can be prioritized using the SIPD program stages.

H₁: Local Government Information System Influences the Qualitative Characteristics of Financial Reports

Definition of HR

Human resources (HR) include structured systems designed to optimize the use of individual skills to achieve organizational goals effectively and efficiently (Mathis and Jacson, 2006). Human resource quality assessment can be done through a framework established by competency standards, performance indicators, and evaluation systems that are in accordance with organizational needs (Kasanuddin and Aisyah, 2015).

H₂: Human Resources Influence the Qualitative Characteristics of Financial Reports

Definition of Internal Control

The Internal Control System, as regulated in Article 1 paragraph (1) of PP 60/2008, is a process that includes a series of actions and activities carried out continuously by leaders and all personnel to ensure that organizational goals are achieved. This process includes effective and efficient operations, preparation of reliable financial reports, protection of state assets, and compliance with laws and regulations.

H₃: Internal Control Affects Qualitative Characteristics of Financial Reports

Qualitative Characteristics of Financial Reports

PP Number 71 of 2010 regulates that the quality of qualitative financial reports is a standard required in accounting information to ensure that the financial reports meet the expected objectives. The four qualities are:

- (a) relevant;
- (b) reliable;
- (c) easy to understand.

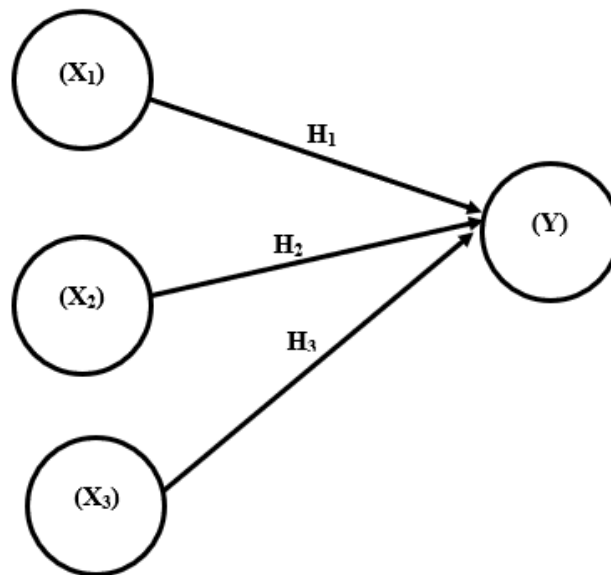


Figure 1. Research Model

METHODOLOGY

Research Design

This study employs a correlational research design, which is a quantitative approach aimed at testing theoretical frameworks by measuring research variables and applying statistical methods for data analysis. The purpose of this correlational design is to investigate interactions between multiple variables and examine how changes in one variable impact fluctuations in another.

Population and Sample

The population in this study consists of government agencies (Organizational Work Units) in Jambi City. A total of 28 government institutions,

including 19 departments and 4 government agencies, were included in the research.

The study employs purposive sampling, selecting respondents based on specific characteristics. The sample size is determined using Taro Yamane's formula with a 10% margin of error, yielding a final sample of 97 respondents. These respondents are distributed across 23 government institutions, including financial officers such as Heads of Financial Departments, Budgeting Heads, Treasury Heads, and Expenditure Treasurers.

Data Collection Method

Primary data is collected using structured questionnaires. The questionnaire consists of closed-ended questions using a Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The collected data focuses on four key research variables:

- Implementation of Local Government Information Systems (SIPD)
- Human Resources
- Internal Control
- Qualitative Characteristics of Financial Reports

Data Analysis Method

The study utilizes a descriptive analysis method to interpret the collected data, providing a general overview and insight into the respondents' perspectives. Responses are systematically organized and presented in tabular format, including statistical measures such as minimum, maximum, standard deviation, median, and mean.

For verification, the Partial Least Squares (PLS) Structural Equation Modeling (SEM) method is used. This technique is implemented through SmartPLS version 4.0, as it offers better consistency in bootstrapping processes. PLS-SEM is chosen due to its ability to analyze complex models with small sample sizes and its flexibility in handling reflective and formative constructs.

This methodology ensures rigorous and reliable results in evaluating the impact of SIPD implementation, human resource effectiveness, and internal control on the qualitative characteristics of financial reports in Jambi City Government.

Operational Definition of Variables

SIPD

In order to strategize, implement, and assess the effectiveness of regional governance, the regional government digital platform (SIPD) carefully organizes, records, and transforms regional planning data into important documents for decision making.

Human Resources

Capable local government workers must have a deep understanding of accounting principles. If local government workers are unable to examine and apply accounting principles, this will result in inaccurate financial reports that do not meet the standards set by the government.

Internal Control

The Internal Control System includes a series of ongoing actions and activities, carried out by management and all staff. This framework aims to ensure the achievement of company objectives by supporting efficient and effective operations, ensuring the reliability of financial reports, protecting state assets, and complying with applicable laws and regulations.

Qualitative Characteristics of Financial Reports

Based on PP Number 71 of 2010, the qualitative characteristics of financial reports are explained as the criteria that must be met in accounting information to achieve the expected goals and provide benefits to users.

RESEARCH RESULT*Analysis Statistics - Research Indicators*

Table 1. Analysis Statistics - Research Indicators

Indicator	Minimum	Maximum	Standard deviation	Mean	Median	Excess kurtosis	Skewness
SIPD (X1)							
Effective	3,0	5,0	4,501	4,295	4,0	-0.496	0.299
Efficient	3,5	5,0	4,599	4,390	4,0	-1.587	0.376
Accountability	3,0	5,0	4,978	4,347	4,0	-1.229	0.389
SDM (X2)							
Productivity	3,0	5,0	4,429	4,230	4,0	0.231	0.115
Attitude and Behavior	3,3	5,0	4,099	4,221	4,0	-0.070	0.853
Communication	3,3	5,0	4,187	4,228	4,0	-0.365	0.889
PI (X3)							
Control Environment	3,7	5,0	3,885	4,230	4,0	-0.137	1.093
Risk Assessment	3,3	5,0	3,977	4,167	4,0	0.829	0.848
Control Activities	3,0	5,0	3,802	4,183	4,0	1.112	1.011
Information and Communication	3,0	5,0	4,482	4,170	4,0	0.050	0.428

Internal Control Monitoring	3,0	5,0	3,949	4,179	4,0	0.925	1.038
Qualitative Characteristics (Y)							
Relevance	3,6	5,0	3,954	4,235	4,0	-0.487	1.000

Source: Data processed with SmartPLS 4, 2025

Outer Model Test Results

Convergent Validity

Table 2. Loading Factor Values for Latent Variable Indicators

Variable Indicator	X1	X2	X3	Y	Information
SIPD (X1)					
Accountability	0.883				Valid
Effective	0.888				Valid
Efficient	0.944				Valid
SDM (X2)					
Productivity		0.941			Valid
Attitude and Behavior		0.943			Valid
Communication		0.899			Valid
PI (X3)					
Information and Communication			0.921		Valid
Control Activities			0.973		Valid
Control Environment			0.939		Valid
Internal Control Monitoring			0.950		Valid
Risk Assessment			0.933		Valid
Qualitative Characteristics (Y)					
Relevance				1.000	Valid

Source: Data processed with SmartPLS 4, 2025

This table displays the loading factor values for all indicators for each latent variable analyzed. The external focus factor is greater than 0.70, which means that all original indicators can assess their latent variables (Setiaman, 2020).

Convergent validity is determined by the filler factor and Average Variance Extraction. The AVE value can be measured through the total variance of the constructs presented based on their measurements. Values above 0.50 are preferred. This table shows the measurement results:

Table 3. Measurement of Extracted Average Variance

Variables Laten	Average Variance Extracted
X1	0.820
X2	0.861

X3	0.890
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Source: Data processed with SmartPLS 4, 2025

All indicators related to each latent variable have the ability to properly assess the latent variable, as can be seen in the table, that the AVE value of each latent variable is greater than 0.50.

Discriminant Validity

Table 4. Assessing Discriminant Validity with the Fornell Larcker Criterion

Variables	X1	X2	X3	Y
X1	0.906			
X2	0.623	0.928		
X3	0.627	0.842	0.943	
Y	0.666	0.710	0.836	1.000

Source: Data processed with SmartPLS 4, 2025

The measurement results above show that there is no Fornell-Larcker Criterion Correlation value that is lower than the relationship value between constructs. The diagonal square value of AVE exceeds the structural relationship. This shows that the discriminant validity of Fornell Larckel measures latent variables (Hair, Hult, Ringle, 2014).

Discriminant validity is assessed using the cross-loading test value. This is applied to see the comparison of the indicator filler factor values with hidden variables and other variables that are not there. The results of the cross-loading test are shown in the table below:

Table 5. Relationship between Indicators and Latent Variables

Variables	X1	X2	X3	Y
SIPD (X1)				
Accountability	0.883	0.497	0.524	0.534
Effective	0.888	0.599	0.606	0.650
Efficient	0.944	0.587	0.567	0.613
SDM (X2)				
Productivity	0.547	0.941	0.750	0.605
Attitude and Behavior	0.577	0.943	0.772	0.667
Communication	0.605	0.899	0.815	0.696
PI (X3)				
Information and Communication	0.579	0.836	0.921	0.803
Control Activities	0.632	0.836	0.973	0.774
Control Environment	0.594	0.779	0.939	0.796
Internal Control Monitoring	0.594	0.774	0.950	0.775
Risk Assessment	0.561	0.743	0.933	0.794
Qualitative Characteristics (Y)				
Relevance	0.666	0.710	0.836	1.000

Source: Data processed with SmartPLS 4, 2025

As seen in the table above, the loading factor for each latent variable (marked with bold numbers) is higher compared to the loading factor on other latent variables. This shows that each indicator can measure its latent variable well (Hussein, 2015).

Reliability Test

Table 6. Cronbach's Alpha and Composite Reliability Values

Variables	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
X1	0.890	0.898	0.932	0.820
X2	0.919	0.922	0.949	0.861
X3	0.969	0.969	0.976	0.890

Source: Data processed with SmartPLS 4, 2025

The table above shows that the composite reliability value for each variable is more than 0.70, indicating that the measurement results of each construct are reliable and sufficiently represent the variable. In addition, the Cronbach's Alpha value for each variable exceeds 0.60, indicating that the data obtained from the indicators used in measuring the latent variables have a good level of reliability (Haryono, 2016).

Inner Model Test Results (Structural Model Evaluation)

Uji R-Square

Table 7. R-Square Value

Variables	R-Square	R-Square Adjusted	Criteria
Y	0.733	0.724	Strong

Source: Data processed with SmartPLS 4, 2025

The Adjusted R Square value in the Qualitative Characteristics of Financial Reports model functions as an endogenous variable, which is influenced by the Implementation of SIPD, Human Resources, and Internal Control, is 0.724. This value indicates that all exogenous variables together have a strong influence on the Qualitative Characteristics of Financial Reports. In other words, the Implementation of SIPD, Human Resources, and Internal Control can explain 72.4% of the variability of the Qualitative Characteristics of Financial Reports, while the remaining 27.6% is influenced by other factors not included in the model (Haryono, 2016).

Predictive Relevance

A good model must not only have a good fit with the existing data (model fitting) but must also be able to make accurate predictions of new data. Predictive relevance is seen based on the Q^2 value where $Q^2 > 0$ indicates good predictive

relevance, conversely $Q^2 < 0$ indicates poor predictive relevance (Dr. Duryadi, 2021).

The R-Square value for each variable is determined, followed by calculations and formulations to ensure the predictive relevance value as described below:

$$Q^2 = 1 - (1 - R^2)$$

$$Q^2 = 1 - (1 - 0.724)$$

$$Q^2 = 1 - 0.276$$

$$Q^2 = 0.724$$

The calculated predictive relevance value is 0.724, or 72.4%, indicating that the variable explains 72% of the data variability. Errors and other models that do not exist are included in the research model for the remaining 28%.

Size Effect f^2

The f^2 value will reflect the significant impact of the independent construct on the dependent construct. The assessment of the direct impact of the independent construct on the dependent construct is categorized into three different classifications: 0.02 minor factor, medium factor is 0.15%, while the major factor is 0.35 (Hair, 2017). As an achievement of the magnitude of the influence of f^2 , the results are as follows:

Table 8. F-Square Value

Variables	F-Square	Efek
X1 -> Y	0.126	Kecil
X2 -> Y	0.003	Sangat Kecil
X3 -> Y	0.552	Besar

Source: Data processed with SmartPLS 4, 2025

Koefisien Path

Path coefficient values range from -1 to +1. Values above +1 indicate a stronger relationship between the two constructs or a tendency for a directional relationship between the variables, while values below -1 indicate a negative relationship or a tendency for an inverse relationship between the variables (Hair, J. F., Hult, G. T. M., Ringle, C. M., dan Sarstedt, 2017). The table below presents the results of the path coefficient values from this study:

Table 9. Path Coefficient Achievement

Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1 -> Y	0.241	0.243	0.107	2.249	0.025
X2 -> Y	-0.057	-0.054	0.103	0.558	0.577
X3 -> Y	0.733	0.728	0.087	8.458	0.000

Source: Data processed with SmartPLS 4, 2025

The data presented in table 9, obtained from the results of the Path Coefficient, serves to validate the hypothesis regarding the direct influence between variables. Data analysis reveals the original sample values between variables as follows: The implementation of SIPD (X1) shows a positive

correlation with the qualitative characteristics of financial statements (Y) of 0.241. Conversely, human resources (X2) show a negative correlation with the qualitative characteristics of financial statements (Y) of -0.057. Internal control (X3) shows a strong positive correlation with the qualitative characteristics of financial statements (Y) of 0.733.

Hypothesis Testing

The findings of this data analysis show the direct impact of SIPD, HR, and Internal Control on the Qualitative Characteristics of Financial Reports.

Table 10. Path Coefficient of Direct Influence

Variables	Path coefficients
X1 -> Y	0.241
X2 -> Y	-0.057
X3 -> Y	0.733

Source: Data processed with SmartPLS 4, 2025

- H1 The Relationship between SIPD Implementation and Qualitative Characteristics of Financial Reports (X1 -> Y) is characterized by a positive path coefficient of 0.222. This aspect reveals that an increase in SIPD is correlated with an increase in Qualitative Characteristics of Financial Reports, which reflects a magnitude of influence of $0.241 \times 100\% = 24.1\%$.
- H2 Human Resources have a direct influence on the qualitative characteristics of regional financial reports (X2 -> Y), which is indicated by a negative path coefficient value of (-0.057). The calculation results show that the magnitude of the direct opposite influence between Human Resources and the Qualitative Characteristics of Regional Financial Reports is $(-0.057)^2 \times 100\% = 0.32\%$.
- H3 The relationship involving Internal Control and Qualitative Characteristics of Financial Reports (X3 -> Y) is represented by a positive path coefficient of 0.714. This aspect reveals that every increase in Internal Control is correlated with an increase in the relevance of Financial Reports, which is quantified as the magnitude of the influence of $0.733 \times 100\% = 73.3\%$.

Table 11. Results of Direct Effect Hypothesis Testing

Relationship Between Variables	P Values	Test Results	Conclusions
X1 -> Y	0.025	< 0.05	Influential
X2 -> Y	0.577	> 0.05	Not Influential
X3 -> Y	0.000	< 0.05	Influential

Source: Data processed with SmartPLS 4, 2025

The results of the hypothesis testing can be described as shown in the table above:

- a. The effect of SIPD on the quantitative attributes of financial statements has a statistically significant effect, this can be proven by the p-value of 0.025 which is smaller than the significance level of 0.05, so H_a is accepted.

- b. Human Resources on the quantitative attributes of financial statements do not have a significant effect, this can be proven by the p-value of 0.577 which is greater than the significance level of 0.05, so H_a is rejected.
- c. Internal Control has a significant effect on the quantitative attributes of financial statements, this can be proven by the p-value of 0.000 which is smaller than the significance level of 0.05, so H_a is accepted.

DISCUSSION

The Influence of Regional Government Information Systems on Qualitative Characteristics of Financial Reports

Based on the Stewardship theory, it is assumed that managers or agents will act in the interests of the organization or owner, not for personal interests. In the context of SIPD, this theory supports the idea that with a structured and transparent system, local government officials will be more motivated to produce quality financial reports, because accountability and transparency are higher. Meanwhile, the Stakeholder theory states that organizations must consider the interests of all parties involved, including the government, community, investors, and other parties. The implementation of SIPD can increase the accessibility and reliability of local government financial information, thereby meeting the information needs of stakeholders. This encourages the preparation of higher quality financial reports to meet the expectations and needs of various parties.

Analysis of the Influence of SIPD on the Qualitative Characteristics of Financial Reports

- a. Relevance: SIPD can provide faster and more accurate data, so that financial reports become more relevant for decision making.
- b. Reliability: With an integrated and structured system, the risk of errors and data manipulation can be minimized, increasing the reliability of financial reports.
- c. Understandability: Data presented through SIPD is more easily accessed and understood by various parties, increasing the transparency and accountability of local governments.

The findings of this study are consistent with research conducted by Renta HR Siregar and Nurlinda (2024) which showed that the SIPD implementation factor affects the quality of financial reports produced by the Jambi City Government.

This condition encourages the preparation of financial reports in accordance with the Qualitative Characteristics stated in PP No. 71 of 2010. In addition to having an effective reporting system, financial reports also have high information quality. The implementation of the reporting system is expected to increase proactive efforts to improve the performance of regional government agencies in the future. Thus, the implementation of SIPD is in line with the principles in the Stewardship and Stakeholder theory, where this system can improve the quality of financial reports through transparency, accountability, and ease of access for various interested parties. Therefore, it can be concluded that the implementation of SIPD has a significant effect on the qualitative characteristics of financial reports.

The Influence of Human Resources on the Qualitative Characteristics of Financial Reports

Based on the Resource-Based Theory (RBT), an organization gains competitive advantage through the utilization of unique, valuable, rare, and difficult-to-imitate resources. RBT theory focuses on the importance of a company's internal resources and capabilities as determining factors of competitive advantage. In this case, human resources are considered as one of the important elements, but not always the main factor in influencing the quality of financial reports.

The qualitative characteristics of financial reports, such as relevance, reliability, and understandability, are influenced by various factors, including accounting policies, internal control systems, and information technology. Although human resources play a role in the management and presentation of financial reports, their influence may not be significant when compared to other more dominant factors. In the context of RBT, companies that have good managerial capabilities and effective systems can produce high-quality financial reports without depending directly on the quality of human resources. This shows that the existence of high-quality human resources does not always guarantee good qualitative characteristics of financial reports.

In this study, the hypothesis states that human resources do not have a significant effect on the qualitative characteristics of financial reports, which can be explained by several reasons as follows:

First, although human resources are an important element in an organization, the quality of financial reports is more influenced by the applicable systems, regulations, and accounting standards. With strict regulations and reporting guidelines that must be adhered to, the quality of financial reports can be maintained regardless of variations in human resource competencies.

Second, technological and automation factors in the preparation of financial reports are increasingly developing, so that the role of individuals in the reporting process is more limited. Modern accounting systems are able to reduce dependence on human resources in determining the qualitative characteristics of financial reports, such as relevance, reliability, comparability, and clarity of information.

Third, RBT emphasizes that only resources that are unique and difficult to imitate can create competitive advantages. If the competence of human resources in an organization does not have a significant advantage over other organizations, then its influence on the quality of financial reports also tends to be limited.

The findings of this study are consistent with research conducted by Suci Ramadhani and Roni Ekha Putera, (2024) showing that human resource factors do not affect the quality of financial reports in the financial management of the Jambi City Government.

Thus, although human resources have a role in the process of preparing financial reports, RBT theory supports the possibility that this factor does not have a significant influence on the qualitative characteristics of financial reports, because there are other factors that are more dominant in determining the quality of the report.

The Influence of Internal Control on the Qualitative Characteristics of Financial Reports

According to Stewardship theory, the establishment of an internal control system (ISC) across all aspects of local government will provide important direction and support through government regulations and administration. This approach ensures that the implementation of stewardship duties and responsibilities is carried out effectively, which ultimately serves the interests of the general public. This study illustrates how stewardship theory explains the role of local government as a reliable institution capable of meeting the needs of the community, providing quality public services, and ensuring financial accountability, thereby facilitating the achievement of economic goals and optimizing public welfare. A manager who carries out these tasks with full responsibility, integrity, and accountability. Internal control serves as a necessary oversight mechanism to effectively carry out the financial management responsibilities mandated by the principal.

Analysis of the Effect of Internal Control on the Qualitative Characteristics of Financial Reports

- a. **Relevance:** Good internal control ensures that the information presented in the financial statements is relevant to the needs of users, assisting in making the right decisions.
- b. **Reliability:** With strict internal control procedures, the risk of errors and irregularities in the financial statements can be minimized, thereby increasing the reliability of the information presented.
- c. **Understandability:** Effective internal control also contributes to the presentation of clear and easy-to-understand information, increasing transparency for stakeholders.

The results of the hypothesis test show that internal control has a significant influence on the quality of financial reports produced by the Jambi City Government. These findings indicate that internal control has a significant influence on the quality of financial reports.

The findings of this study are consistent with research conducted by Dita Ayudia Shanti and Wirawan Suhaedi, (2024) which revealed that internal control factors affect the quality of financial reports in the financial management of the Jambi City Government.

Based on the explanation of the Stewardship theory, it can be concluded that internal control plays an important role in improving the qualitative characteristics of financial reports. With a good control system, managers will be more motivated to present accurate and transparent financial reports, thus meeting stakeholder expectations.

CONCLUSIONS AND RECOMMENDATIONS

1. Implementation of SIPD directly affects the Qualitative Characteristics of the Jambi City Government Financial Report.
2. Internal Control directly affects the Qualitative Characteristics of the Jambi City Government Financial Report.

3. The quantitative characteristics of the Jambi City Government Financial Report are indirectly influenced by HR.

ADVANCED RESEARCH

1. Future research could use a larger and more diverse sample, including respondents from different local governments, to increase the generalizability of the findings. Longitudinal research could be conducted to examine the long-term impact of SIPD implementation, human resource development, and internal control enhancement on financial reporting quality. Qualitative research methods, such as interviews or case studies, could be used to gain a deeper understanding of the factors that influence financial reporting quality in local governments.
2. In addition, future research could explore the role of other variables, such as leadership, organizational culture, or external audit quality, in shaping the qualitative characteristics of financial reports. It would also be useful to investigate the effectiveness of specific training programs or internal control mechanisms in improving financial reporting quality.

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