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Improving the Quality of Financial Reports through Human Resources, Information Technology, Internal Controls, the Implementation of Government Accounting Standards, and Leadership Style

(Case Study on Regional Apparatus Organization of West Papua Province)

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ABSTRACT

Purpose: This study investigates the influence of human resource competency, information technology utilization, internal control systems, Government Accounting Standards implementation, and leadership style on the quality of financial reporting in Regional Apparatus Organizations of West Papua Province.

Research Method: This study employed a quantitative descriptive design using primary data collected through structured questionnaires. Responses were measured using a five-point Likert scale ranging from strongly disagree to agree strongly. The data were converted into numerical values and analyzed using multiple linear regression to examine the relationships between the independent variables and financial reporting quality.

Results and Discussion: The study involved 46 Regional Apparatus Organizations, with a total population of 184 respondents. The findings indicate that human resource competency, internal control systems, and Government Accounting Standards implementation positively affect financial reporting quality. However, information technology utilization and leadership style do not significantly affect the quality of financial reporting in West Papua Province.

Implications: These findings provide empirical insights for policymakers and government institutions, particularly Regional Apparatus Organizations, in evaluating and improving government financial reporting quality.

Originality: This study enriches the literature by providing empirical evidence regarding factors influencing government financial reporting quality in West Papua Province.

Keywords: control system; implementation of government accounting standards; leadership style; quality of financial statements.

1. Introduction

The quality of financial statements refers to the extent to which the presented financial statements provide accurate and truthful information, thereby enhancing transparency, improving accountability, and ensuring freedom from corrupt practices (Tran *et al.*, 2021). The quality of financial statements

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serves as a basis for economic decision-making by stakeholders. Financial statements serve as a means for an entity—in this case, the government—to be accountable to the public for its financial performance. According to Law No. 71 of 2010 on Financial Accounting Standards, the information presented in financial statements must be relevant, reliable, comparable, and understandable. The process of preparing financial statements involves various considerations, all aimed at ensuring that the financial statements are presented in a better and higher-quality manner.

The quality of financial statements is influenced by several factors, one of which is the competence of human resources. Competent human resources produce financial statements that are relevant, reliable, comparable, and understandable, as evidenced by the opinions of the Supreme Audit Agency (BPK) (Animah 2020; Pujanirah, 2017). The use of information technology is not limited to business organizations but also extends to public sector organizations. The use of information technology enables the production of better financial statements, as the applications used offer speed and accuracy in generating financial reports, minimize human error, and enhance accountability and transparency (Sofyani, Riyadh, and Fahlevi 2020; Zubaidi, Cahyono, and Maharani 2019). In addition, the Internal Control System is also one of the factors influencing the quality of financial reports. Government Regulation No. 60 of 2008 defines the Internal Control System as an integral process within the actions and activities continuously carried out by management and all employees to provide reasonable assurance regarding the achievement of organizational objectives through effective and efficient activities (Ariesta *et al.*, 2023), the reliability of financial reporting, the safeguarding of state assets, and compliance with laws and regulations.

The presentation of local government financial statements must comply with Government Accounting Standards (SAP) in accordance with Government Regulation No. 71 of 2010. The purpose of this regulation is to ensure that local financial management is more accountable and of higher quality. The components of financial statements according to Government Regulation No. 71 of 2010 include: the budget report, the budget execution report, the report on changes in the budget surplus, the balance sheet, the statement of operations, the statement of changes in equity, the cash flow statement, and the notes to the financial statements. Furthermore, leadership style is defined as the behaviors, strategies, skills, traits, and attitudes that leaders frequently employ to influence the performance of those they lead. According to Sudja and Mujiati (2017), leadership style refers to the way a leader communicates and interacts to influence, guide, motivate, and control others or their subordinates so that they can achieve a specific goal.

Every year, the Local Government Financial Report (LKPD) is assessed by the Supreme Audit Agency (BPK). The assessments issued by the BPK include an Unqualified Opinion (WTP), a Qualified Opinion (WDP), an Adverse Opinion (TW), and a refusal to express an opinion (TMP). One of the local governments that has achieved an Unqualified Opinion on its local government financial statements is the West Papua Provincial Government. It has achieved an Unqualified Opinion (WTP) five consecutive times from 2019 to 2023. The assessment issued by the BPK confirms that the financial statements have been presented fairly in accordance with SAP. However, the West Papua Provincial Government still has work to do to improve the quality of its reports.

Several issues requiring attention from the local government include weaknesses in the internal control system and non-compliance with laws and regulations regarding local financial management, as well as controls over the management and safeguarding of fixed assets that are not yet fully adequate (BPK, 2022) and the need to improve oversight governance in the financial management of West Papua

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Province (Santoso, 2023). These observations from the BPK regarding internal controls underscore the importance of internal oversight of financial reports. They also highlight that human resources are not yet fully optimized, accounting standards are not yet properly applied, and the systems used by the government for recording and reporting information are not up to date. This presents an interesting phenomenon regarding the quality of financial reports that warrants further review.

The remainder of this paper is organized as follows. Section 2 provides a literature review and hypothesis development. Section 3 presents the research method and design. Section 4 provides the results and discussion. Section 5 presents Concluding Remarks and Recommendations.

2. Literature Review and Hypothesis Development

2.1. Literature Review

2.1.1 *Agency Theory*

From the perspective of agency theory, the contractual relationship between a principal and an agent forms the basis for the emergence of agency problems, which are generally caused by conflicts of interest and information asymmetry between the two parties (Jensen *et al.*, 1979) About agency theory in public organizations—particularly local governments—this theory has been applied, including by the Indonesian government, to achieve transparency and public accountability. Transparency in financial reporting refers to the extent to which financial statements provide a clear, complete, and accurate picture of a company's financial position, operational performance, and condition. According to agency theory, public accountability can be understood as the obligation of the trustee (agent) to be accountable for, present, report on, and disclose all activities for which they are accountable to the principal (the public), who has the right to demand accountability (Schillemans & Bjurstrøm, 2019). The relevance of agency theory to this study is seen in financial reporting, where the government acts as the party entrusted with a mandate (the agent), obligated to disclose information required by stakeholders, and acts as the principal to assess accountability and establish social, political, and economic policies. The relationship between the government and stakeholders—as users of financial statement information—can be linked to the existence of an agency relationship.

2.1.2 *New Public Management (NPM)*

New Public Management (NPM) is defined as a new concept in public management/governance that applies private-sector practices to the public sector. NPM aims to improve efficiency, effectiveness, and accountability in public services. Hood (1995) states that New Public Management is the result of a broader paradigm shift regarding public accountability and public administration. The implementation of the New Public Management concept—or new public management practices—is intended to foster the innovative development of public service systems, particularly in record-keeping related to administrative matters, to improve the productivity and performance of public agencies. New Public Management is realized through the implementation of an accrual-based accounting system adopted by the government to replace the cash-based accounting system, which is considered suboptimal in providing a detailed account of how public funds are utilized. The implementation of New Public Management (NPM) aims to objectively explain and compare the actual implementation of the accrual accounting system in the Indonesian government by measuring the extent of accrual accounting

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adoption and examining the impact of various factors that potentially influence the quality of financial statements.

Government Regulation No. 71 of 2010 on Public Accounting Standards explains that financial statements are structured reports on the financial position and transactions carried out by a reporting entity. Four characteristics constitute regulatory requirements for local government financial reporting that meet the desired quality standards, namely: relevance, reliability, comparability, and understandability. The application of New Public Management (NPM) aims to objectively describe and compare the actual implementation of the accrual accounting system in the Indonesian government by measuring the extent of accrual accounting adoption and examining the impact of various factors that may influence the quality of financial statements.

2.1.3 *Quality of Financial Statements*

According to the Government Accounting Standards, 2010, four characteristics constitute the regulatory requirements for local government financial reporting to meet the desired quality standards, namely: relevance, reliability, comparability, and understandability. High-quality financial statements demonstrate that the government is accountable in accordance with the authority delegated to it in fulfilling its responsibility to manage the organization. Based on this form of accountability, local governments are obligated to report the efforts and results achieved in carrying out activities in a systematic and structured manner during a reporting period for: (i) accountability; (ii) management; (iii) Transparency; (iv). Intergenerational equity; and (v). Performance evaluation. According to Ryan *et al.,* (2002), public sector financial reporting generally has two main objectives: to ensure accountability and to support decision-making (decision usefulness). Accountability is one of the fundamental principles of modern governance and the economy because it reflects the obligation of public entities to be accountable for the management of the resources entrusted to them. In the accounting literature, accountability is also recognized as the primary objective of financial reporting. Achieving this objective requires the application of the principles of transparency and full disclosure, which are viewed as essential prerequisites for ensuring accountability to stakeholders.

2.2 Hypothesis Development

According to Tran *et al.,* (2021), accounting capacity refers to the ability of accounting professionals to carry out their duties and responsibilities based on their mastery of knowledge, technical skills, and work attitudes that align with the demands of the profession. This capacity is one of the key determinants that influence the quality of the accounting information produced. Preparing financial information that is relevant, reliable, and useful for decision-making requires competent human resources in accounting and financial management. Furthermore, mastery of specialized knowledge in accounting is an essential prerequisite for ensuring the quality of financial statement preparation, so that the resulting information meets the qualitative characteristics of financial reporting and supports the needs of stakeholders. Research conducted by Safiri and Zulkarnain (2021), Thi, Thoa, and Nhi (2026), and Tran, Nguyen, and Hoang (2021) indicates that human resource competence has a positive effect on financial statements.
H1: *Human Resource Competence Has a Positive Effect on the Quality of Financial Statements*.

The use of information technology can help accelerate the processing of transaction data and the analysis of government financial statements, as well as reduce errors in financial statements and prevent

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the loss of information value. Research findings by Diah *et al.,* (2026) and Mardinan & Dahlan (2018) indicate that the use of information technology has a positive effect on the quality of financial statements. Based on the above discussion, the hypotheses in this study are:

H2: *The Use of Information Technology Has a Positive Effect on the Quality of Financial Statements*.

Internal accounting controls are processes that include authorization, segregation of operational functions, recording, ensuring and providing accurate information, and conducting physical supervision of the assets or wealth of a local government organization. Research findings by Putri *et al.,* (2025) and Anuruddha & Mahanamahewa (2021) indicate that internal control systems positively affect the quality of financial statements.

H3: *The internal control system has a positive effect on the quality of financial statements*.

Government accounting standards are the standards used in preparing and presenting financial statements within public sector organizations. These standards serve as guidelines for improving the quality of financial statements in Indonesia (Government Regulation No. 71 of 2010). This must be implemented by both the central and local governments to enhance transparency and accountability in government accounting. This is supported by research conducted by Muraina & Dandago (2020) and Minarni (2025), whose studies demonstrated that the implementation of government accounting standards has a positive effect on the quality of financial statements

H4: *The implementation of Government Accounting Standards has a positive effect on the quality of financial statements.*

Leadership style, within the framework of agency theory, is a method and strategy that can be used to reduce information asymmetry through monitoring costs—specifically, leadership style. To ensure everything runs smoothly, staff members' performance is monitored to produce high-quality and accurate financial statements. Furthermore, leadership style also influences subordinates' performance and behavior, which in turn affects the quality of their work. Research conducted by Tran *et al.,* (2021) and Rachmawati *et al.,* (2025) indicates that leadership style has a positive influence on the quality of financial statements. Based on the research and theory outlined above, the following hypothesis can be proposed.

H5: *Leadership style has a positive effect on the quality of financial statements*.

3. Research Method

This study employs a quantitative descriptive research design. The data used in this study are primary. Primary data are data obtained directly from sources provided to the data collector. The primary data source in this study is a questionnaire that includes response options ranging from "strongly disagree," "disagree," "neutral," "agree," and "strongly agree." Since the data used is qualitative, quantitative analysis was conducted by quantifying the research data into numerical values using a 5-point Likert scale, and the analysis method employed was multiple linear regression.

The population consists of 46 Regional Government Agencies (OPDs) within the West Papua Regional Government. Sampling in this study employed purposive sampling, also known as criteria-based sampling. Purposive sampling was used because the information was collected from informants deemed capable of meeting the study's criteria. The criteria for this study were the heads of finance

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subdivisions, payroll treasurers, expenditure treasurers, and inventory treasurers working at these Regional Apparatus Organizations (OPDs). A sample of 4 respondents was selected from each OPD in West Papua Province, resulting in a total of 184 respondents (4 respondents × 46 OPDs).

The objective of this study is to examine the influence of human resource competencies, the utilization of information technology, internal control systems, the application of accounting standards, and leadership styles on the quality of financial reports.

The research model is as follows:

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + e$$

X1= Human Resources
X2=The Use of Information Technology
X3= Internal Control System
X4= Application of Accounting Standards

4. Results and Discussion

4.1 Analysis Results

4.1.1 *Respondent Description*

The questionnaire response rate was 176, or 96% of the total 184 questionnaires distributed. Based on the respondents' job titles, the largest groups to return questionnaires were the inventory clerks and disbursement clerks, with 50 respondents each (28%), followed by payroll treasurers and finance section heads, with 39 and 37 respondents, respectively.

Table 1. Questionnaire Response Rate

Description	Total	Percentage
Returned questionnaires	176	96%
Unreturned questionnaires	8	4%
Total number of questionnaires distributed	184	100%

Table 2. Characteristics of Respondents by Position

Position	Number of Respondents	Percentage
Deputy Head of the Finance Section	37	21%
Expenditure Treasurer	50	28%
Purchasing Clerk	50	28%
Payroll Clerk	39	23%
Total	**176**	**100%**

4.1.2 *Validity Test*

A validity test is used to determine whether a questionnaire is valid. Significance testing is performed by comparing the calculated r value with the table r value for df = n – 2, where the questionnaire is considered valid if the calculated r value is greater than the table r value and has a significance level of less than 0.05. Based on the validity test results, all items in each variable have a significance level of less than 0.05, which means the data from the validity test are deemed valid and suitable for use in the study.

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4.1.3 Reliability Test

A questionnaire is considered reliable if respondents' answers to the questions or statements are consistent or stable over time (Ghozali, 2016). A decision-making criterion is considered reliable if Cronbach's alpha is greater than 0.60; conversely, if the Cronbach's alpha is less than 0.60, the variable is considered unreliable.

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Description
Human Resources Competencies (X1)	0.847	Reliable
The Use of Information Technology (X2)	0.766	Reliable
Internal Control System (X3)	0.625	Reliable
Implementation of Government Accounting Standards (X4)	0.917	Reliable
Leadership Styles (X5)	0.882	Reliable
Quality of Financial Statements (Y)	0.891	Reliable

Source: *Data processed using SPSS 27 (2025)*

Based on the reliability test results in Table 3, the Cronbach's alpha values for the variables of human resource competence (X1), information technology utilization (X2), internal control system (X3), application of government accounting standards (X4), leadership style (X5), and financial statement quality (Y) are all greater than 0.60.

4.1.4 Normality Test

A normality test is conducted to determine whether the dependent and independent variables follow a normal distribution. In this study, the one-sample Kolmogorov-Smirnov test was used; if the p-value is > 0.05, the data are normally distributed; conversely, if the p-value is < 0.05, the data are not normally distributed. Based on the results of the normality test using the one-sample Kolmogorov-Smirnov test in Table 4, the data are normally distributed. The Asymp. Sig. (2-tailed) value of 0.200 is greater than 0.05, so it can be concluded that the data are normally distributed.

Table 4. Results of the Normality Test

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			176
Normal Parameters[a,b]	Mean		.0000000
	Std. Deviation		1.50799024
Most Extreme Differences	Absolute		.041
	Positive		.041
	Negative		-.026
Test Statistic			.041
Asymp. Sig. (2-tailed)[c]			.200[d]
Monte Carlo Sig. (2-tailed)[e]	Sig.		.653
	99% Confidence Interval	Lower Bound	.641
		Upper Bound	.665

Source: *Data processed using SPSS 27 (2025)*

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4.1.5 Multicollinearity Test

A multicollinearity test was conducted to determine whether there was any correlation among the independent variables in the regression model. Decisions were based on the tolerance value and the Variance Inflation Factor (VIF). If the VIF value is < 10 or the tolerance value is > 0.10, then there are no signs of multicollinearity in the regression model. Conversely, if the VIF value is greater than 10 or the tolerance value is less than 0.10, it can be concluded that multicollinearity is present in the regression model (Ghozali, 2016).

Table 5. Results of the Multicollinearity Test

Coefficients[a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
(Constant)	1.328	2.580		.515	.607		
Human Resource Competencies X1	.534	.055	.444	9.746	.000	.874	1.145
The Use of Information Technology X2	-1.099	.129	-.665	-8.491	.000	.296	3.380
Internal control system X3	.266	.095	.171	2.813	.005	.490	2.040
Implementation of government accounting standards X4	.607	.045	1.107	13.431	.000	.267	3.745
Leadership Styles X5	-.831	.092	-.560	-9.009	.000	.470	2.128

a. Dependent Variable: Kualitas Laporan Keuangan

***Source:** Data processed using SPSS 27 (2025)*

Based on the results of the multicollinearity test, the VIF values for the variables were as follows: human resource competence (X1) was 1.145, information technology utilization (X2) was 3.380, internal control system (X3) was 2.040, the implementation of government accounting standards (X4) was 3.745, and leadership style (X5) was 2.128. The tolerance values for the Human Resource Competency variable (X1) are 0.874, for Information Technology Utilization (X2) are 0.296, for internal control systems (X3) are 0.490, for government accounting standards (X4) are 0.267, and for leadership style (X5) are 0.470. Thus, it can be concluded that in this study, there is no multicollinearity among the independent variables, as they have tolerance values > 0.10 and VIF values < 10.

4.1.6 Heteroscedasticity Test

The heteroscedasticity test aims to determine whether there are differences in the variance of the residuals in the regression model. The test used in this study is the Glejser test, which involves regressing the independent variables against the absolute values of the residuals. Decision-making in the Glejser test: if there are no signs of heteroscedasticity, then the significance level is > 0.05; however, if the significance level is < 0.05, then there are signs of heteroscedasticity. The results of the heteroscedasticity test in Table 6 show that the heteroscedasticity value for the human resource competency variable is 0.768, for the information technology utilization variable is 0.503, for the internal control system variable is 0.899, for the government accounting standards implementation variable is 0.183, and for the leadership style variable is 0.470. From these results, it can be seen that each variable

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has a significance value > 0.05. These results confirm that none of the variables in this study exhibit heteroscedasticity.

Table 6. Results of the Heteroscedasticity Test

Coefficients[a]

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
(Constant)	2.429	1.532		1.586	.115
Human Resource Competencies X1	.010	.033	.024	.295	.768
The Use of Information Technology X2	.052	.077	.094	.671	.503
Internal control system X3	-.007	.056	-.014	-.127	.899
Implementation of government accounting standards X4	-.036	.027	-.197	-1.336	.183
Leadership Styles X5	.040	.055	.081	.724	.470

a. Dependent Variable: Abs-Res

***Source:** Data processed using SPSS 27 (2025)*

***4.1.7** Simultaneous Test*

The Simultaneous Test (F-Test) is used to determine whether the independent variables collectively influence the dependent variable. The simultaneous test (F-test) is conducted by comparing the calculated F-value with the table F-value and examining the significance level.

Table 7. Results of the Simultaneous Test (F-Test)

ANOVA[a]

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	891.589	5	178.318	76.174	.000
Residual	397.956	170	2.341		
Total	1289.545	175			

***Source:** Data processed using SPSS 27 (2025)*

Based on the results of the simultaneous test (F-test) in Table 7, the F-value is 76.174, with a significance level of 0.000. Thus, it can be seen that the calculated F-value is greater than the critical F-value—that is, 76.174 > 2.31—and the significance level is less than 0.05. It can therefore be concluded that the variables of human resource competence (X1), information technology utilization (X2), internal control systems (X3), the application of government accounting standards (X4), and leadership style (X5) have a simultaneous effect on the financial statement quality variable (Y). Thus, it can be concluded that the simultaneous test (F-test) is appropriate for use in this study.

***4.1.8** Test of the Coefficient of Determination (R2)*

The coefficient of determination (R^2) is used to predict the extent to which an independent variable can explain a dependent variable. Coefficient values: if R^2 = 0, then the independent variable cannot explain

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the dependent variable. Conversely, if $R^2 = 1$, then the independent variable is said to explain the dependent variable fully.

Table 8. Results of the Coefficient of Determination (R^2) Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832[a]	.691	.682	1.530

Source: *Data processed using SPSS 27 (2025)*

Based on the results of the coefficient of determination (R^2) test in Table 8, the R-squared value is 0.691, or 69.1%. The results indicate that the independent variables in this study—namely, human resource competence (X1), information technology utilization (X2), internal control systems (X3), government accounting standards (X4), and leadership style (X5)—can influence the dependent variable, which is the quality of financial statements (Y). Meanwhile, the remaining 30.9% is influenced by other variables outside the scope of this study.

4.1.9 *Partial Test*

We used SPSS software to test the hypotheses in this research model. The complete test results are presented in Table 9, which shows descriptive statistics for the research variables based on 176 respondents from the West Papua Provincial Government. Based on the t-test results, the analysis is as follows: Partial tests (t-tests) were used to examine the effect of each independent variable individually on the dependent variable. Decision criterion: if the significance level is < 0.05, the hypothesis is accepted, meaning there is a significant effect of each independent variable on the dependent variable. Conversely, if the significance value is > 0.05, the null hypothesis is accepted, meaning there is no significant effect of each independent variable on the dependent variable. Based on the results of the t-test in Table 9, the following analysis can be made:

The human resource competency variable (X1) has a calculated t-value of 9.746, with a significance level of 0.000. Since the significance level of 0.000 is less than 0.05, H1 is accepted; therefore, it is concluded that the human resource competency variable (X1) has a positive and significant effect on the quality of financial statements (Y). The information technology utilization variable (X2) has a calculated t-value of -8.491 and a significance level of 0.000 < 0.05; this indicates that the information technology utilization variable does not have a positive effect but rather has a significant negative effect on financial statement quality (Y); therefore, H2 is rejected. The internal control system variable (X3) has a calculated t-value of 2.813 and a significance value of 0.005. Since the significance value of 0.005 is less than 0.05, H3 is accepted; thus, it can be concluded that the internal control system variable (X3) has a significant effect on financial statement quality (Y).

The government accounting standards variable (X4) has a calculated t-value of 13.431 and a significance level of 0.000. Since the significance level of 0.000 is less than 0.05, H4 is accepted; thus, it can be concluded that the government accounting standards variable (X4) has a positive and significant effect on financial statement quality (Y). The leadership style variable (X5) has a t-value of -9.009 and a significance level of 0.000 < 0.05. It can be concluded that the leadership style variable does not have a

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positive effect but does have a significant negative effect on financial statement quality (Y), indicating that H5 is rejected.

Table 9. T-Test Results

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
(Constant)	1.328	2.580		.515	.607
Human Resource Competencies X1	.534	.055	.444	9.746	.000
The Use of Information Technology X2	-1.099	.129	-.665	-8.491	.000
Internal control system X3	.266	.095	.171	2.813	.005
Implementation of government accounting standards X4	.607	.045	1.107	13.431	.000
Leadership Styles X5	-.831	.092	-.560	-9.009	.000

Source: *Data processed using SPSS 27 (2025)*

4.2 Discussion

The application of government accounting standards has the greatest influence on the quality of financial statements compared to other independent variables; this can be explained by the coefficient value of 0.607, which is the highest among the variables. The human resource competency variable (X1) has a positive and significant effect on the quality of financial statements (Y). It can be concluded that human resource competency in the financial sector of regional government work units in West Papua Province is competent in preparing financial statements, thereby producing high-quality financial statements. The variable of information technology utilization does not have a positive effect but has a significant negative effect on the quality of financial statements (Y). This means that the results of the tests in this study indicate that the utilization of information technology in the regional government agencies of West Papua Province has not maximally influenced the quality of the financial statements produced. This is due to a lack of internet connectivity, which can hinder employees' ability to access and transfer data, as well as a lack of regular maintenance and updates to IT systems, and the fact that many employees still do not fully utilize the benefits of this information technology. The internal control variable has a positive and significant effect on the quality of financial reports (Y). This means that internal controls have successfully fulfilled their functions of improving the accuracy of financial information, preventing and detecting fraud, ensuring compliance with government accounting standards, and enhancing the effectiveness of the reporting process. Government Accounting Standards have a positive and significant effect on the quality of financial reports (Y). This indicates that regional government agencies in West Papua Province have maximized the use of government accounting standards to improve the quality of financial reports. The objective of implementing government accounting standards is to produce financial reports that are relevant, reliable, comparable, and understandable. Proper implementation of government accounting standards will minimize errors and recording mistakes. The leadership style variable (X5) has a negative effect on the quality of financial statements; it can be concluded that the leadership style variable has a significant negative effect on the quality of financial statements (Y). Regional Government Agencies (OPDs) in West Papua Province have not yet implemented leadership styles appropriately, so they do not influence the quality of

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financial statements. This may be because leaders have not been able to manage or influence their subordinates to motivate them to continue developing in the performance of their duties. Furthermore, leadership style may not influence the quality of financial reports because leaders cannot communicate clearly and effectively with their employees; the absence of discussion leads to miscommunication between superiors and subordinates.

5. Concluding Remarks and Recommendation

This study aims to determine the effect of human resource competence, the use of information technology, internal control systems, the implementation of Government Accounting Standards, and leadership style on the quality of financial reports at regional government agencies (OPDs) in West Papua Province. The results show that human resource competence (X1) has a positive and significant effect on the quality of financial reports at OPDs in West Papua Province. The use of information technology (X2) does not affect the quality of financial reports of OPDs in West Papua Province. The internal control system (X3) has a positive and significant effect on the quality of financial reports of OPDs in West Papua Province. The implementation of Government Accounting Standards (SAP) (X4) has a positive and significant effect on the quality of financial reports of OPDs in West Papua Province. Leadership style (X5) has a negative effect on the quality of financial reports of regional government agencies in West Papua Province.

For future researchers, it is recommended to expand the scope of the study by adding other independent variables not included in this study, such as Good Corporate Governance, Organizational Commitment, Internal Oversight, community culture, and other variables.

Statement of Use of Generative AI

During the preparation of this work, the author used generative artificial intelligence tools to support the scientific writing process. Grammarly was used to check grammar, refine writing style, and improve clarity in scientific writing. All interpretations, analyses, and conclusions presented in this study are the sole responsibility of the author.

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