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The Impact of Government Accounting Standards Implementation, Internal Control Systems, and Accounting Information Systems Utilization on Financial Report Quality at the Investment and Integrated One-Stop Services Office of West Java Province

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Abstract: This research examines the impact of three elements - Government Accounting Standards (GAS), Internal Control Systems (ICS), and the utilization of Accounting Information Systems (AIS) on the accuracy of financial reporting at the Investment and Integrated One-Stop Services Office (DPMPTSP) in West Java Province. The researchers employed a quantitative methodology, selecting 30 participants from 194 total staff members through purposive sampling. The researchers analyzed the data using a technique known as Partial Least Squares-Structural Equation Modeling (PLS-SEM) with the assistance of SmartPLS software. The outcomes indicate that out of the three factors examined, only the use of Accounting Information Systems has a significant influence on the quality of financial reports (with statistical significance at p-value < 0.05). Government Accounting Standards implementation and Internal Control Systems did not show any significant impacts. The R^2 value of 0.906 in the research indicates that 90.6% of the variation in financial report quality is explained by these three variables working together. The results suggest that enhancing accounting information system usage is the primary driver for improving financial reporting quality within government organizations. The implementation of government accounting standards and internal control systems need to be reviewed and strengthened so that their contribution to the quality of financial reporting becomes more significant.

Keywords: Government Accounting Standards, Internal Control Systems, Accounting Information Systems, Financial Report Quality, Regional Government.

INTRODUCTION

The government showcases responsibility and openness in handling finances by providing financial reports as a means of accountability documentation. Referring to Government Regulation Number 71 of 2010 regarding Government Accounting Standards, high-quality financial reports should adhere to principles of timeliness and possess

characteristics such as relevance, reliability, comparability, and comprehensibility. In practice, these characteristics serve not only as technical benchmarks but also as instruments for strengthening public trust in government financial management. The auditing work of the Indonesian Supreme Audit Institution (BPK RI) serves as an indicator of financial report quality. The viewpoint demonstrates the accuracy of the financial information disclosed in the financial reports of governmental organizations. As per the regulations outlined in Law Number 15 of 2004, BPK viewpoints are determined by various factors such as adherence to government accounting standards, thoroughness of information provided, following laws and regulations, and efficiency of internal control mechanisms. These factors together form a holistic evaluation framework that not only examines numerical accuracy but also assesses procedural compliance and governance quality.

West Java Provincial Government is an institution that often receives consecutive Unqualified Opinions from BPK. From data obtained from 2019–2022, financial reports have been prepared accurately, following government accounting standards, containing adequate information disclosure, and complying with applicable legal provisions. In 2023, West Java Provincial Government again achieved an Unqualified Opinion from BPK. However, this opinion was given with notes emphasizing certain matters, indicating that even high-achieving institutions still face operational and procedural challenges that require continuous improvement. This Unqualified Opinion achievement results from maximum efforts by financial managers in each regional apparatus organization (OPD) within West Java Provincial Government based on applicable accounting principles. BPK Chairman Rizal Djalil mentioned in a recent interview that having an Unqualified Opinion rating in a region does not necessarily mean the region is corruption-free (BPK, 2014), underscoring the distinction between compliance in reporting and integrity in practice.

The West Java Province Investment and Integrated One-Stop Services Office (PMPTSP) is mandated to share information with the public, particularly financial reports, to ensure transparency in state/regional financial management (APBN/APBD). These reports are designed to offer valuable information to users for evaluating accountability and informing decision-making, as outlined in Regulation No. 71 of 2010. Based on the Supreme Audit Institution (BPK) results in the Compliance Audit Report on Infrastructure Spending for Fiscal Year (FY) 2019 and FY 2020 (up to November) Number 47/LHP/XVIII.BDG/12/2020 at West Java Provincial Government, overpayment was found in construction maintenance spending on building work packages at the Investment and Integrated One-Stop Services Office (PMPTSP) of West Java Province. This finding was caused by inconsistency between contract agreements and work acquisition results, leading to state losses.

One factor affecting financial report quality is Government Accounting Standards (GAS). This serves as a guideline aimed at making financial report preparation more accurate, transparent, and accountable. Thus, GAS reflects good financial management in accordance with legal provisions. According to Rahayu & Hartikayanti (2023), regional financial reports must be prepared and presented according to applicable government accounting standards. Subsequently, these reports will be examined by BPK, which provides assessment in the form of opinions. According to Dawu et al. (2024) state that ensuring financial reports adhere to accounting principles and meet the needs of different stakeholders is crucial for improving accuracy and usefulness through government accounting standards. Additionally, Supriono et al. (2015) financial statement accuracy is shaped by government accounting standards. Financial reports are of higher quality when accounting standards are implemented optimally.

Internal Control Systems is another important factor to consider. The evaluation of government internal control system effectiveness occurs when auditors conduct financial or performance audits (Wijayanti & Setyawan, 2022). According to the stipulations outlined in the Government Regulation No. 60 of 2008 in the Republic of Indonesia, Internal Control

Systems are procedures that are essential to ongoing actions and tasks performed by leaders and staff in order to instill adequate trust in reaching the objectives of the organization via efficient operations, accurate financial reporting, safeguarding public assets, and conformity with legal standards. The core intention of introducing Internal Control Systems is to improve the overall performance and productivity of audits conducted by BPK and local governments, aiming to boost the overall performance of internal controls and audits (Nasution, 2007). Herawati (2022) states that internal control systems, when functioning effectively, improve the standard of financial statements in local municipalities. The advancement stems from the unified impact of essential factors like control environment, risk analysis, control mechanisms, information flow, and monitoring functions. Specifically, managing environmental factors substantially contributes to better financial statement standards in local government, evaluating potential risks, and efficiently sharing information. This corresponds with Mulyati et al. (2019) show that internal control systems and financial report quality have strong relationships with positive direction. Meanwhile, hypothesis test results show that internal control systems significantly influence financial report quality. This statement is also supported by Satirah et al. (2022) and Sari & Nurlaila (2022) who mention that internal supervision/control has positive influence on regional financial report quality. On the other hand, according to Gustina (2021) and Mokoginta et al. (2017), internal controls lack a substantial or beneficial impact on financial statement accuracy within government institutions.

Another element to consider along with GAS and ICS is the accounting information systems (AIS). AIS plays a crucial part in overseeing, documenting, and transforming financial data into significant and dependable information. With good accounting information systems, data collection and presentation processes become more structured and accurate, minimizing error risks. Additionally, this system helps provide timely financial reports, which is one important indicator in assessing report quality. In an interview with financial report preparers at West Java Province PMPTSP Office, accounting information systems use has been implemented since 2012 and supported by manual data processing as financial management and reporting control. West Java Province PMPTSP Office operates using the Regional Financial Management Information System (SIPKD) and Regional Government Information System (SIPD). The system currently used is SIPD, whose implementation still faces many constraints in the form of bugs and slow site access when many users access it. Lestari & Dewi (2020) state that accounting information systems utilization positively influences financial report quality. This aligns with research conducted by Hitawasana & Dewi (2023), which opined that the optimization of accounting information systems results in elevated financial report quality. On the other hand, according to Atharrizka et al. (2021), research results related to accounting information systems variables in Bogor City Regional Government do not significantly influence because respondent achievements obtained are in good category, so they do not yet support work effectiveness. This is due to lack of training and understanding of accounting information systems.

As outlined above, the researcher's primary focus is directed toward analyzing the extent to which financial reporting standards at the Investment and Integrated One-Stop Services Office in West Java Province are impacted by government accounting standards, internal control systems, and accounting information system utilization.

Conceptual Framework

Based on this background, the conceptual framework of this study assumes that the quality of financial reports at the West Java Province Investment and Integrated One-Stop Services Office (PMPTSP) is influenced by the interaction of three main factors, namely Government Accounting Standards (GAS), Internal Control Systems (ICS), and Accounting Information Systems (AIS) utilization. GAS serves as the normative foundation that ensures

reporting remains relevant, reliable, comparable, and understandable. ICS functions as a safeguard that guarantees processes are executed effectively, risks are mitigated, and data integrity is maintained. AIS operates as the technological infrastructure that enables the accurate and timely collection, processing, and reporting of financial data.

When GAS is consistently applied, ICS operates effectively, and AIS is utilized optimally, the resulting financial reports are expected to comply with regulatory standards while also meeting stakeholder expectations. These three variables do not function in isolation; rather, they work synergistically. GAS establishes the guiding principles, ICS enforces process discipline and internal monitoring, and AIS supports operational efficiency and timeliness in data delivery. The integration of these elements is expected to produce high-quality financial statements, thereby reinforcing transparency, enhancing accountability, and strengthening public trust in the financial management practices of PMPTSP.

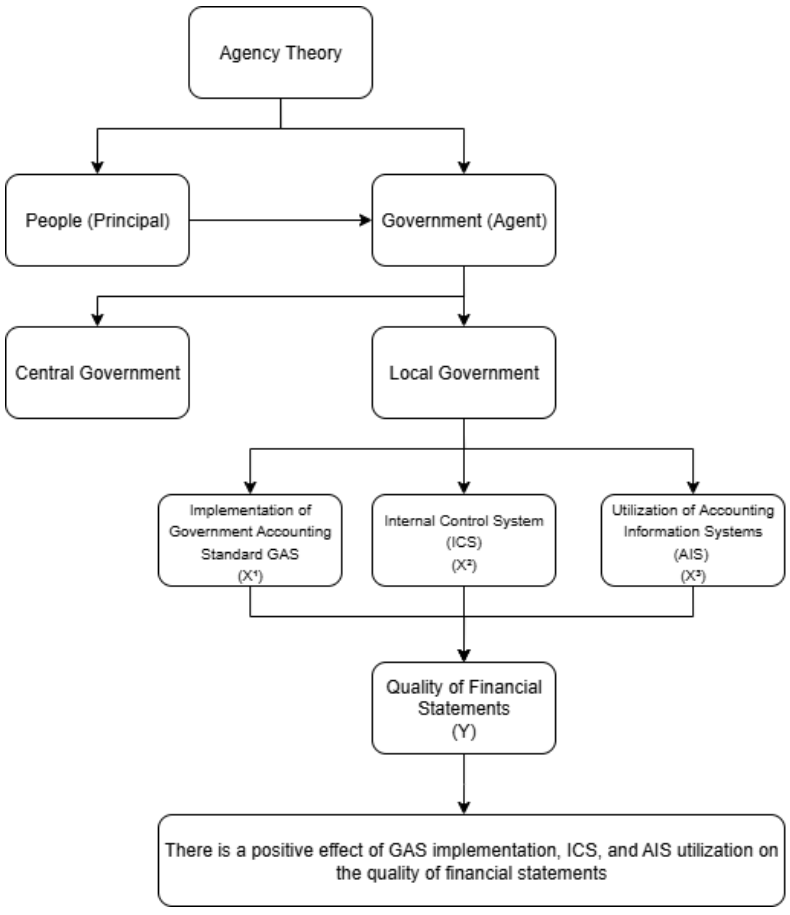


Figure 1. Conceptual Framework Structure

This relationship is also supported by agency theory, which provides a theoretical lens to explain the importance of AIS and ICS in ensuring high-quality financial reporting. For governments to build effective governance structures with high-quality financial reporting, accounting information systems and internal control systems are indispensable. Based on agency theory, this theory relates to the relationship between principals and agents in an organization, where agents are responsible for managing resources owned by principals. This concept is frequently employed to examine possible clashes of interest that may arise between those in charge and those representing them, and how certain mechanisms, such as incentives or supervision, can be used to mitigate these problems.

Principals (shareholders or owners) rely on agents to produce accurate financial reports. There is potential information asymmetry, where agents have more information than principals,

which can cause conflicts of interest. In agency theory, there is moral hazard risk, where agents might act for their own interests rather than principals' interests, for example by manipulating financial reports to obtain bonuses or incentives.

Effective Accounting Information Systems (AIS) help reduce information asymmetry by ensuring financial data is collected, processed, and reported accurately and timely. Thus, good AIS supports transparency and accuracy of financial reports, enabling principals to make decisions based on more complete and trustworthy information.

Meanwhile, Internal Control Systems (ICS) function as mechanisms to supervise and control agent actions, ensuring all operations and financial reporting are conducted according to established policies and procedures. A robust Internal Control System (ICS) minimizes the risk of moral hazard by implementing more rigorous oversight of agent activities. This helps to ensure that financial reports adhere to relevant accounting standards and can be trusted by those in charge. The integrated functioning of effective Accounting Information Systems (AIS) and strong Internal Control Systems (ICS) is essential for advancing good governance through improved financial reporting standards.

The Impact of Government Accounting Standards Implementation on Financial Report Quality

Government Accounting Standards (GAS) are governed by Law Number 71 of 2010. These standards govern the accounting rules that are followed when creating and sharing government financial reports. Assessing the quality of financial reports involves looking at key indicators such as their significance, dependability, ability to be compared, and how easily they can be understood. One important measure implemented by the government to improve transparency and responsibility in handling state finances was the introduction of Law Number 17 of 2003 regarding State Finance. As per Article 32 of this regulation, the APBN or APBD implementation accountability reports must adhere to the Government Accounting Standards outlined in official government directives. The aim of this initiative is to ensure that both the state and regional financial management is conducted in a manner that is both transparent and accountabl, in accordance with the relevant accounting principles.

According to research by Dawu et al. (2024), government accounting standards significantly influence regional government financial report quality. Therefore, regional financial statements need to be created and showcased in accordance with relevant government accounting regulations. These will be reviewed by the Supreme Audit Institution (BPK), which will give evaluations in the form of judgments. This is backed by findings from Supriono et al. (2015) stating that government accounting standards serve as a significant factor in financial report quality. Therefore, one way to improve financial report quality is preparing financial reports guided by government accounting standards.

The Impact of Internal Control Systems on Financial Report Quality

Arens et al. (2017) notes that internal control systems contain policies or procedures for management to achieve organizational objectives. One objective of internal control systems implementation by management is to present reliable financial reports. In preparing financial reports, good internal control systems are certainly needed. Careful planning is essential in ensuring that government internal control systems maintain the reliability, accuracy, and completeness of financial statements. Implementing these systems will lower the chances of fraud and non-adherence to rules. Moreover, having internal control systems helps in minimizing errors in financial reports in order to generate high-quality financial statements.

Internal control systems indicators are mentioned in COSO (2012) consisting of five components. In line with this, Government Regulation Number 60 of 2008 outlines the components of government internal control systems which encompass factors like control

environment, risk evaluation, control measures, data exchange, and internal control supervision. This point is further emphasized in a study carried out by Lestari & Dewi (2020) stating that well-functioning internal control systems lead to higher quality financial reports. According to this study, strong internal control systems lead to high-quality financial reports.

The Impact of Accounting Information Systems Utilization on Financial Report Quality

Financial report quality and existence depend on well-functioning accounting information systems. These systems are necessary to process financial data into usable reports. Good information systems will certainly encourage transparency of financial information in government institutions. This is strengthened by research results from Rahayu & Hartikayanti (2023) showing that good accounting information systems design greatly influences financial report quality improvement, because it can present more relevant, accurate financial information that complies with applicable accounting standards.

Government Regulation Number 71 of 2010 stipulates guidelines to evaluate the quality of financial statements. Normative standards in financial reporting encompass attributes like pertinence, dependability, consistency, and comprehensibility for the benefit of those accessing the reports. Chairina & Wehartaty (2019) in their journal state that accounting information systems aim to support financial report preparation that complies with applicable regulations. Susanto (2017) mentions accounting information systems have seven components that can be used as research basis. These components are hardware, software, brainware, procedures, databases, communication networks, and controls.

The Impact of Government Accounting Standards Implementation, Internal Control Systems, and Accounting Information Systems Utilization on Financial Report Quality

Based on research conducted by Lestari and Dewi (2020), they provide positive and simultaneous influence on financial report quality. This shows that good accounting understanding, effective information systems use, supported by good internal control systems implementation, can improve accuracy, relevance, and reliability of regional government financial reports.

Putra & Windiarti (2021) in their research show that sales and cash receipt accounting information systems implementation significantly has positive influence on internal control implementation. According to them, good accounting information systems implementation helps improve transaction data reliability and supervision effectiveness, so manipulation risks and reporting errors can be minimized. This finding supports the thinking framework in this research, that good accounting information systems contribute greatly to improving financial report quality through the important role of internal control systems.

Research conducted by Putra & Romli (2020) shows that Regional Financial Accounting Systems (SAKD) implementation and good governance principles implementation significantly influence regional government financial report information quality. Both components have a crucial part in improving the transparency, accountability, and dependability of financial data issued by local governments.

Additionally, these results further corroborate the conclusions drawn by Saputra (2020) stating that company financial reporting accuracy is impacted by government accounting standards adoption, internal control effectiveness, and workforce competency. Higher standards of financial reporting are achieved through improved government accounting standards compliance. This indicates that appropriate standards implementation, supported by effective internal control systems and adequate HR competence, contributes significantly to financial report quality improvement. Based on the above thinking framework, the following scheme can be illustrated.

METHODS

This study employs quantitative data as its primary data type. The research was carried out at a regional government organization (OPD) within the West Java Provincial Government, specifically the West Java Province PMPTSP Office, situated at Jalan Windu Number 26, South Ring Village, Lengkong District, Bandung City, West Java. The study population encompasses all staff members at the West Java Province PMPTSP Office, including both civil servants and non-civil servant employees, totaling 194 individuals. For sample selection, the researchers utilized a nonprobability sampling method through a purposive sampling strategy. Consequently, 30 individuals were chosen from the total workforce of 194 employees, deemed to be representative and appropriate for achieving the research objectives.

The use of purposive sampling in this study is based on both theoretical and practical considerations. According to Sugiyono (2020), purposive sampling is a sampling technique in which respondents are deliberately selected based on specific characteristics relevant to the research objectives. This method is particularly useful when the researcher needs participants who possess certain knowledge, experience, or roles directly related to the variables under study. Sekaran and Bougie (2016) further explain that purposive sampling is often used in social research to obtain key informants who can provide accurate and in-depth information about the phenomenon being examined. In this study, the sample was focused on employees who carry out financial and accounting functions, as they are considered to have the most direct understanding of the Government Internal Control System and Regional Financial Management. This approach was chosen to ensure efficiency by considering time, budget, and resource limitations while maintaining the relevance and quality of the data collected.

In this research, there are two variables, namely government internal control systems and regional financial management, which require instruments for both measurements. Instruments used for measurement will produce accurate quantitative data, so each instrument must be equipped with measurement scales. With measurement scales, measured variable values can be expressed in numbers, making measurement results more precise, efficient, and clear and comprehensible. The type of scale used in this study is Likert scale. Likert scale is an instrument used to measure subjects with equal interval scales, both in 5 points and 7 points (Jogiyanto, 2014). This study utilizes the Structural Equation Model (SEM) technique in combination with Partial Least Squares (PLS). To identify relationships between variables through hypothesis testing, the Structural Equation Modeling (SEM) method is chosen as the analysis tool to answer research questions and test hypotheses. The Partial Least Squares (PLS) approach is used because the developed measurement model involves a combination of formative and reflective measurement models.

RESULTS AND DISCUSSION

Measurement Model (Outer Model)

Evaluating discriminant validity has emerged as a standard requirement before examining relationships among latent variables. In methods of structural equation modeling that focus on variance, such as partial least squares, evaluating discriminant validity is primarily done through the use of the Fornell-Larcker criterion and cross-loading analysis. Distinguishing validity evaluates how well a measurement tool can separate between different constructs. This is identified via cross-loading analysis, where an instrument's correlation with its assigned construct is measured against its correlations with remaining constructs. The relationship between an indicator and the construct it represents must be stronger than its relationship with other constructs. When this requirement is fulfilled, it indicates that the indicator is better suited for elucidating its designated construct as opposed to other constructs in the model (Hair et al., 2014)

Table 1. Fornell-Larcker Criterion Discriminant Validity

	Financial Report Quality (Y)	AIS Utilization (X3)	GAS Implementation (X1)	ICS (X2)
Financial Report Quality (Y)	0.746			
AIS Utilization (X3)	0.654	0.754		
GAS Implementation (X1)	0.692	0.745	0.775	
ICS (X2)	0.651	0.670	0.722	0.764

Source: Data processed with SMARTPLS 4.1.1.4

From Table 1 results show that the values loaded from each indicator item onto its construct exceed the cross-loading values. This suggests that all constructs or latent variables exhibit strong discriminant validity, with the indicator blocks of these constructs outperforming other indicator blocks.

Average Variance Extracted

To assess Discriminant Validity, researchers may use the AVE method for each latent variable. When the square root of the average exceeds the correlation between constructs in the model, it indicates a more pronounced model identification. The AVE values for each construct are displayed in Table 2.

Table 2. Average Variance Extracted (AVE) Values

Variable	AVE
Financial Report Quality	0.557
Accounting Information Systems Utilization (X3)	0.569
Government Accounting Standards Implementation (X1)	0.600
Internal Control Systems (X2)	0.584

Source: Data processed with SMARTPLS 4.1.1.4

The AVE values for each construct in Table 2 exceed the threshold of 0.50. Therefore, there are no problems with convergent validity in the tested model, and the discriminant validity of this research model is strong.

Composite Reliability

Following the assessment of construct validity, the subsequent evaluation involves testing the reliability of the construct using the Composite Reliability (CR) metric derived from indicator blocks that assess construct CR to ensure solid reliability. A construct is considered reliable if the total score for reliability exceeds 0.6. Hair et al. (2014) suggest that the composite reliability coefficient should ideally be greater than 0.7, although a value of 0.6 is still deemed acceptable.

Table 3. Composite Reliability Values

Variable	Composite Reliability
Financial Report Quality	0.929
Accounting Information Systems Utilization (X3)	0.962
Government Accounting Standards Implementation (X1)	0.944
Internal Control Systems (X2)	0.950

Source: Data processed with SMARTPLS 4.1.1.4

The composite reliability values in the table all surpass 0.70, confirming that this research satisfies reliability requirements and is deemed reliable.

Cronbach's Alpha

Table 4. Cronbach's Alpha Values

Variable	Cronbach's Alpha
Financial Report Quality	0.928
Accounting Information Systems Utilization (X3)	0.962
Government Accounting Standards Implementation (X1)	0.940
Internal Control Systems (X2)	0.949

Source: Data processed with SMARTPLS 4.1.1.4

Based on the above table, each latent variable demonstrates a Cronbach's Alpha coefficient above 0.70. Reliability is confirmed when Cronbach's Alpha values are above 0.60, reflecting that the measurement items consistently represent the intended constructs. Table 4 outlines the results showing that the reliability of all constructs meets the necessary minimum criteria.

Coefficient of Determination Test (R^2)

Table 5. R-Square Values

Variable	R-Square
Financial Report Quality	0.906

Source: Data processed with SMARTPLS 4.1.1.4

The R Square value of 0.906 in Table 5 signifies that most alterations in financial report quality are connected to government accounting standards implementation, internal control efficiency, and accounting information system deployment. The remaining 9.4% can be attributed to other factors. Therefore, the financial report quality variable's R Square value suggests a moderate degree.

Goodness of Fit

Table 6. Goodness of Fit Test

	Saturated Model	Estimated Model
SRMR	0.101	0.101

Source: Data processed with SMARTPLS 4.1.1.4

The Goodness of Fit assessment results in Table 6 establish that both models (saturated and estimated) have SRMR values of 0.101. This value surpasses the cutoff of 0.10, indicating that the research model does not adequately align with the gathered data.

F Square (Effect Size)

The following are path coefficient results based on SMARTPLS processed data.

Table 7. F Square Test

Variable	F Square
Financial Report Quality (Y)	
Accounting Information Systems Utilization (X3)	2.261
Government Accounting Standards Implementation (X1)	0.044
Internal Control Systems (X2)	0.058

Source: Data processed with SMARTPLS 4.1.1.4

According to the findings in Table 7, the F Square test indicates that AIS Utilization (X3) has a value of 2.261, indicating very large effect on Financial Report Quality (Y) variable. Conversely, GAS Implementation (X1) and Internal Control Systems (X2) only have the values

of F Square are 0.044 and 0.058, meaning both only provide small effects on financial report quality.

Path Coefficient (Direct Effect)

The purpose of this test is to reduce issues with research data. Significant relationships between variables are present when P-values drop below the accepted significance level (P < 0.05). The outcomes of the test conducted using the bootstrap approach in PLS SEM analysis are outlined below:

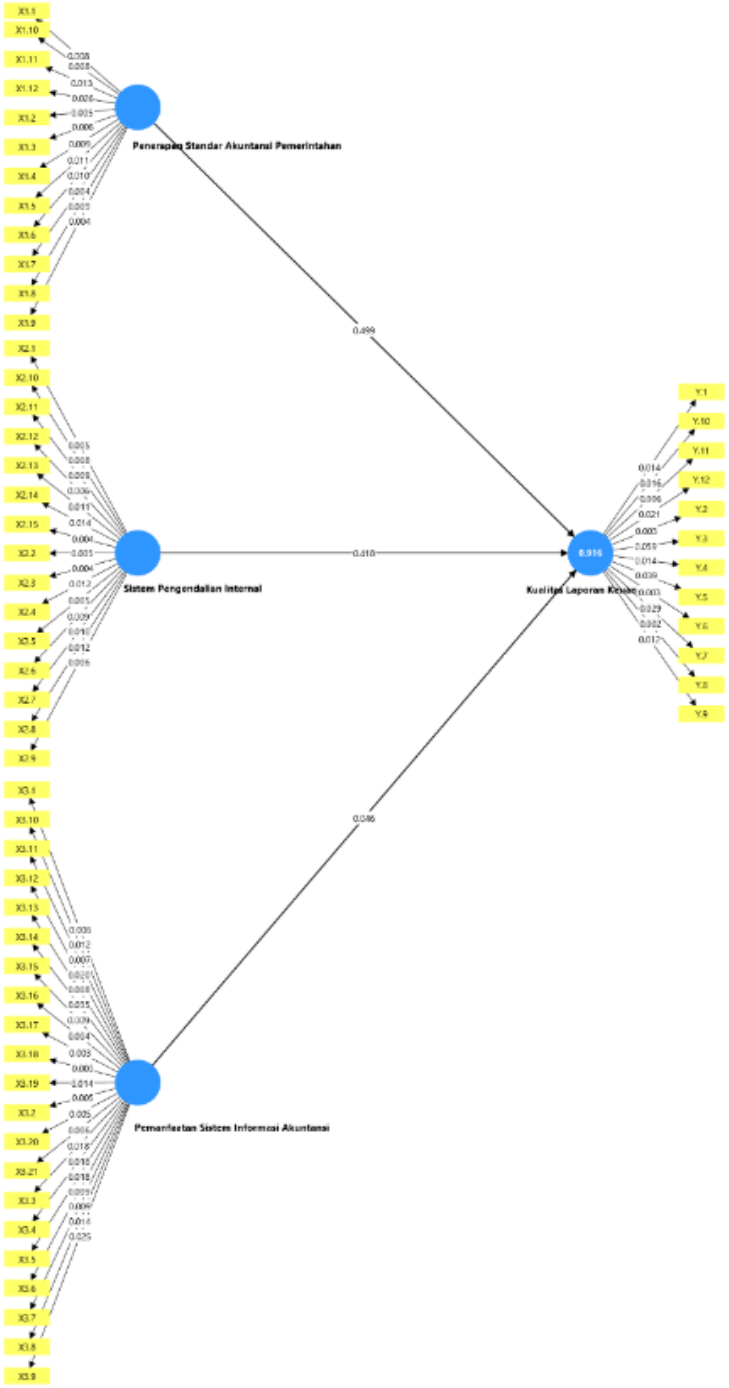


Figure 2. Direct Effect

The results of the estimation are shown in the table below using direct effect analysis.

Table 8. Direct Effect Values

	T Statistic	P Values
GAS Implementation -> Financial Report Quality	0.675	0.499
Internal Control Systems -> Financial Report Quality	0.809	0.418
AIS Utilization -> Financial Report Quality	1.995	0.046

Source: Data processed with SMARTPLS 4.1.1.4

Referring to Table 8, the following can be asserted:

1. The quality of financial reports does not exhibit any significant changes when government accounting standards are put into place, as indicated by the p-value of 0.499 exceeding the threshold of 0.05.
2. Internal control systems show no statistically significant impact on financial report quality, given that the p-value of 0.418 is above the 0.05 significance criterion.
3. The employment of accounting information systems significantly impacts financial report accuracy, shown by a p-value of 0.046 which is under the 0.05 significance level.

Discussion

The Impact of Government Accounting Standards Implementation on Financial Report Quality

Table 8 direct effect test results show that Government Accounting Standards Implementation has a t-statistic of 0.675 and p-value of 0.499 regarding Financial Report Quality. Since the p-value is above 0.05, government accounting standards implementation appears to have little effect on financial report quality.

These results indicate that although government entities have implemented Government Accounting Standards (GAS), directly enhancing the quality of financial reports has not been achievable. In agency theory context, this phenomenon can be explained through the relationship between principal (central government or public) and agent (financial managers in regional government institutions) (Jensen & Meckling, 1976). Interest misalignment between principal and agent potentially creates information asymmetry, where formal Government Accounting Standards implementation is not necessarily followed by implementation commitment and substance understanding by agents.

Additionally, these results align with several previous research findings such as Pratama et al. (2024), Tegor et al. (2021), and Riani & Nurabiah (2025) showing that following government accounting standards shows a limited contribution to financial report quality. if not accompanied by supervision, adequate understanding, and organizational culture supporting transparency and accountability. However, this contradicts research by Lantu et al. (2023) stating that financial report quality is subject to the influence of government accounting standards adherence.

The Impact of Internal Control Systems on Financial Report Quality

The statistical data reveals that Internal Control Systems have an insignificant impact on Financial Report accuracy, as the p-value of 0.418 is higher than the 0.05 significance level. This finding shows that internal control systems existence in DPMPTSP West Java Province environment has not been fully able to provide real contribution to financial report quality improvement. This can occur if internal control systems are only administrative or formalities without strong implementation and consistent supervision.

In agency theory perspective, weak Internal Control Systems influence on financial report quality reflects potential moral hazard from agents who do not fully comply with control mechanisms established by principals (Wahtan et al., 2025). This control ineffectiveness causes principals to be unable to ensure that produced financial reports truly reflect real conditions, thus reducing financial information reliability.

The findings are consistent with several studies conducted in the past, including Atharrizka et al. (2021), Mayasari (2022), and Gustina (2021) showing that internal control systems do not significantly influence financial report quality. These three studies indicate that internal control systems existence is not necessarily effective if not accompanied by strong implementation and compliance from all organizational elements. However, this contradicts research by Lesmana (2021) stating that internal control systems significantly influence financial report quality.

Accounting Information Systems Utilization on Financial Report Quality

The direct effects analysis shows AIS Utilization achieved a t-statistic of 1.995 and p-value of 0.046 for financial report quality. With the p-value under 0.05, accounting information systems utilization significantly impacts financial report quality. The results demonstrate that enhanced use of effective accounting information systems improves financial report quality. AIS serves a crucial function in systematically and promptly recording, categorizing, and reporting financial data. This system efficiency and accuracy support presenting relevant, reliable, and accountable financial reports (Situmeang et al., 2024).

From agency theory perspective, accounting information systems utilization can reduce information asymmetry between principal and agent (Jensen & Meckling, 1976). With integrated information systems, financial data and information can be easily accessed by interested parties, thus strengthening transparency and reducing possibilities of deviations. This makes principals have greater trust in reports prepared by agents, because processes are documented digitally and monitored systematically.

These results align with several previous research findings such as Lesmana (2021), Widiastuti et al. (2023), and Taufiqurrohman et al. (2021) showing that information systems utilization significantly influences financial report quality. Information technology utilization is proven to improve accuracy, efficiency, and timeliness in reporting, thus producing more reliable and informative reports. However, this contradicts research by Nur et al. (2023) stating that information systems utilization does not significantly influence financial report quality.

CONCLUSION

This research explored the influence of Government Accounting Standards (GAS), Internal Control Systems (ICS), and the application of Accounting Information Systems (AIS) on the quality of financial reporting at the Investment and Integrated One-Stop Services Office of West Java Province. The findings indicate that the adoption of GAS, while present in the reporting process, has not yet resulted in a meaningful improvement in financial report quality. This appears to be linked to limited understanding of the standards' substantive provisions and to less than optimal internal oversight during their implementation. Similarly, ICS have not provided a tangible contribution to improving report quality, suggesting that they may be applied inconsistently or primarily serve as procedural formalities without robust operational enforcement and monitoring.

In contrast, AIS utilization has shown a strong and positive role in enhancing the accuracy, timeliness, and credibility of financial reports, while also fostering greater transparency and accountability. When considered together, the three factors do influence reporting quality, but AIS emerges as the most influential driver, with GAS and ICS contributing to a lesser extent. Strengthening the integration of AIS into daily operations, alongside deepening the understanding and consistent application of GAS and ICS, holds the potential to significantly improve the overall quality of financial reporting in the institution.

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