

The Effect of Internal Control Systems and Accounting Information Systems on the Quality of Financial Statements PT. Gudang Garam, Tbk and PT. Wilmar Group

Yusuf Faisal¹, Annisa Rahayu Yulivianti², Suci Dwi Rindiani³

^{1,2,3} Sekolah Tinggi Ilmu Ekonomi Tri Bhakti, Bekasi, Indonesia

¹yusuf.faisal@stietribhakti.ac.id, ²annisary18@gmail.com, ³sucidwirindiani@gmail.com

ABSTRACT

This research aims to explain how the influence of Internal Control Systems and Accounting Information Systems on the Quality of Financial Statements. Quantitative method used in this research. The population in this study is PT Gudang Garam Tbk and PT Wilmar Group. The sampling technique using a purposive sampling technique was taken based on the criteria for obtaining it, meaning that the information obtained was based on predetermined criteria, namely the finance and accounting departments. The sample of this research is 37 respondents. Methods of data collection using the survey method, namely the authors disseminate directly to the respondents. Data analysis techniques in this study used descriptive statistical tests, data quality tests, classical assumption tests, multiple linear regression tests, and hypothesis testing. this study found that there is a positive insignificant effect between the Internal Control System on the Quality of Financial Statements There is a significant positive impact between accounting information systems and the quality of financial statements.

Keywords: internal control system, accounting information system, quality of financial statements

INTRODUCTION

A company is required to be able to display and produce good performance in order to compete fairly with other companies. In this activity the company must improve the Internal Control System and Accounting Information System for good Quality Financial Reports in order to achieve company goals. To achieve this goal, every company is required to manage resources, namely corporate finance. According to (Firmansyah & Sinambela, 2021) Financial reporting is a form of accountability for implementation relating to a company's performance in the form of financial records for a particular period of time, where the financial information presented must be of high quality and can be used as a basis for evaluation for financial examiners in giving opinions or making decisions. decision.

Financial statements are reports of accounting activities that have been carried out by companies in the form of financial records and transaction evidence. Submission of financial reports must meet the qualitative characteristics that are reliable, relevant, easy to understand and comparable. If the financial statements meet these four characteristics, it can be said that the quality of the financial statements is very good. (Nurmalasari & Maradesa, 2021). Financial report information is useful for decision making which essentially presents information or a description of the state of a company.

Financial reports according to Financial Accounting Standards (SAK), namely balance sheets, income statements, reports on changes in equity, cash flow statements and notes on financial statements (Suryani, 2018). If too much information is presented, it will be dangerous in presenting details, it can cause information that is not significant and difficult to understand. The internal control system is an activity carried out by management to provide assurance about the achievement of goals, such as the reliability of financial reports, the effectiveness and efficiency of operations, and compliance with applicable laws and regulations (Aditya & Surjono, 2017). Where an internal control system is needed in supervisory activities that provide guarantees within reasonable limits, not absolute, because of the possibility of human error, collusion,

The development of a company depends on the professionalism of management in promoting and increasing the productivity of business activities. Therefore, financial reports used for decision making must be accurate and timely. The implementation of an internal control system that is not good will greatly affect the quality of a company's financial reports, (Suryani, 2018). Internal control is a fundamental internal control that is directed at achieving goals in one or more categories (operations, reporting and compliance), internal control is a process consisting of tasks and activities.

In addition to internal control systems, accounting information systems also have a significant impact on the quality of financial reporting. According to (Accounting et al., 2020). At this time, our economic activities are facilitated by the existence of a computerized system. It is undeniable that in every economic activity we will encounter and interact with the system. Often in our business activities we will find an accounting information system. To support business activities so that they can compete with other competitors, support that cannot be separated is needed, namely the need for data, information and developments in information technology. Therefore the use of accounting information systems is necessary to process the data and information that has been obtained. This information relates to what activities have occurred,

To create a form of financial reporting that is in accordance with the standards of responsibility and openness, it is necessary to present financial reports in a formal form. An accounting information system is designed by an organization or institution so that it can fulfill its

function, namely to produce accounting information that is relevant, reliable, comparable, and understandable, with a proper accounting information system, a report can be produced that is able to provide various useful information for parties. decision maker. Accounting information system activities are needed to support company activities so that they can compete with other companies with data, information that has been obtained, developments in information technology and the use of accounting information systems. In the preparation of financial reports there are important indicators that give their respective roles in improving the quality of financial reports, namely the internal control system and the accounting information system. Both have functions and objectives that can have an impact on the preparation of financial reports.

THEORETICAL BASIS

Agency Theory

Agency theory (agency theory) explains the relationship between agent and principal. Which is where the agent is the management of the company while the principal is the owner (shareholder). Agency theory explains that there is a separation of company property rights and responsibility for decision making, this agency relationship between owners and management always creates different mindsets and interests of one another which can cause problems that always arise. (Ratih & Damayanthi, 2016) In this theory where the agent has a responsibility for achieving these goals and the agent can receive a reward from the principal. The higher the achievement of a principal goal, the higher the remuneration that will be received by the agent.

Behavior Theory

The theory of planned behavior is the theoretical basis for looking at the influence of attitudes towards behavior, perceived behavioral control and subjective norms on the intentions of the younger generation. Within subjective norms and perceived behavioral control, intentions to make ethical decisions are unpredictable. In this way, organizations can reinforce individual intent to make ethical decisions, by providing an understanding of ethical decision making so that the individual's attitude becomes more positive towards ethical decision making.

Quality of Financial Statements

The quality of financial reports is about the statement of financial position and transactions carried out and accounted for by a reporting entity (Accounting et al., 2020). The definition put forward by (Tawaqal & Suparno, 2019) is that the quality of financial reports is normative measures that need to be realized in accounting information so that it can fulfill its objectives. The quality of financial reports is a report that can be prepared based on applicable accounting standards where the financial statements can be compared with the previous period or can be compared with other companies. The preparation of financial statements must be presented transparently in order to produce informative decisions and there is no fraud in the preparation of the company's financial statements. The quality of financial reports becomes an accountability, if the quality of financial reports is carried out properly then it will also provide good accountability for explanations regarding the money made, this will affect the preparation of conclusions on the fairness of the displayed budget data. To make good financial data for users, then Financial reports must be prepared by staff with capacity in the area of territorial monetary administration and the accounting framework.

Internal Control System

Meanwhile, according to (Suryani, 2018) The internal control system is the processes, policies and procedures developed by management to ensure reliable financial reporting and preparation of financial reports in accordance with the applicable accounting framework. The Internal Control System is very much needed for monitoring activities on the accounting system so that in the end it will produce the information needed by the company in making decisions and support the function of providing management and supporting the company's daily operations. The internal control system is a process, policy and procedure that is influenced by the board of directors, management and employees that is made to ensure reliable financial reporting, operational efficiency and effectiveness, and compliance with applicable laws in order to achieve organizational goals. According to the Minister of Home Affairs No. 4 of 2008 Guidelines for the Implementation of the Review of Regional Financial Reports Article 1 (10) is: "The internal control system is a process that is influenced by management that is created to provide adequate assurance in creating effectiveness, efficiency, compliance with applicable laws and regulations and reliability of financial presentation".

Accounting information system

An accounting information system is a system used to collect, process, and report information related to the financial aspects of a business (Faisal & Sari, 2020). Where the purpose of SIA is to prepare data and bookkeeping and submit budget reports that can be used by organizations or other people, including in making choices (Nur et al., 2016). An accounting information system is an interconnected system and must produce information that is relevant, reliable, comparable and understandable. Accounting information systems are able to provide useful information for organizations or companies to be used in channeling information by making decisions and controlling within the organization. The purpose of creating an accounting information system is to prepare government and bookkeeping data and submit budget reports that can be utilized by other organizations or people, including in making choices. This system combines information related to salaries, costs, client data, employee data, and expense data from the organization. The ability of an accounting information system is to be able to collect all information about financial data by storing that information correctly and proficiently.

Hypothesis Development

The Effect of Internal Control Systems on the Quality of Financial Statements

Based on (Suryani, 2018) The internal control system is the processes, policies and procedures developed by management to ensure reliable financial reporting and the preparation of financial reports in accordance with the applicable accounting framework. Internal control is a way to direct, evaluate, and measure the resources of an organization, and plays an important role in preventing and detecting embezzlement and fraud (Lestari & Dewi, 2020). The results of research (Firmansyah & Sinambela, 2021) on the Regional Financial and Asset Management Agency of West Java Province show that the internal control system has a positive effect on the quality of financial reports. Research according to (Alminanda & Marfuah, 2018) says that the internal control system has a positive effect on the quality of local government financial reports. Internal control for a company is a must along with the obligation to audit financial statements, directors are required to provide a statement regarding the adequacy of the company's control system that they manage. The control system that is structured includes all organizational processes that manage information accurately used by the company to provide security guarantees in protecting company assets, especially in cash receipts. It can be concluded that the internal control system

plays an important role in the process of preparing financial reports to comply with applicable accounting standards and to minimize the risk of fraud. So the better the internal control, the higher the quality of the financial reports produced. Based on the explanation and analysis of the hypothesis development above, the hypotheses in this study are:

H₁: The internal control system is said to have a positive impact on the quality of financial statements

The Effect of Accounting Information Systems on the Quality of Financial Statements

An accounting information system is a system used to collect, process, and report information related to the financial aspects of a business. Application of accounting information systems supports organizations in making external reports, routine activities, decision making, planning and control. Information systems that are properly managed can support reporting and preparation of financial reports in accordance with applicable regulations (Chairina & Wehartaty, 2019). The influence of SIA on the quality of financial reports is that ideally it will provide convenience for clients to run, access, and control financial data quickly and precisely (Nur et al., 2016). In research (Lestari & Dewi, 2020) on the Badung Regency BPKAD, it shows that the use of regional financial information systems has a positive effect on the quality of financial reports at the Badung Regency BPKAD. This is reinforced by research (Nur et al., 2016) which also reveals that the accounting information system (SIA) has a positive and significant effect on the quality of financial reports. From this definition it can be concluded that the better the utilization of accounting information systems, the better the quality of the financial reports produced will be. Because the implementation of an accounting information system can support and facilitate the company's operational activities by providing accurate, relevant and timely information and data needed to support the decision-making process. In addition, the implementation of an accounting information system can also improve the quality of the company and increase accountability in the company's financial management. Based on the explanation and analysis of the hypothesis development above, the hypotheses in this study are:

H₂: Accounting information systems are believed to have a positive impact on the quality of financial statements

RESEARCH METHOD

The data used in this study is primary data. In this study, data was taken through questionnaires which were distributed directly, namely face to face from 9 November 2022 to 31 December 2022 to a number of respondents, according to the target audience and considered to represent employees of the accounting and finance department in PT Gudang Garam Tbk and PT Wilmar Group, totaling 37 people. This study uses two independent variables, namely the internal control system and accounting information system, one dependent variable, namely the quality of financial reports.

Table 1. Operational Variables

Variable	Operational definition	Indicator	Scale
Independent Variable Internal Control System	Internal control is a process influenced by management that was created to provide direction and supervision as well as provide adequate assurance and assurance in achieving effectiveness, efficiency, compliance with applicable laws and regulations, and reliability in the presentation of financial statements. (Alminanda & Marfuah, 2018)	1. Control Environment 2. Risk Assessment 3. Control Activity 4. Information and Communication 5. Monitoring	Likert scale
Independent Variable Accounting information system	An accounting information system is a set of interrelated components that collect, process, store and distribute information to support decision-making and control within an organization.	1. Front Functionality 2. Beckend Integrity 3. Technology 4. Scope 5. Punctuality 6. Integrity 7. Collection 8. Managerial Performance	Likert scale
Dependent Variable Quality of Financial Statements	Financial Report is a structured presentation of the financial position and financial performance of an entity. (Suryani, 2018)	1. Relevant 2. reliable 3. Understandable 4. can be compared	Likert scale

RESULTS AND DISCUSSION

Descriptive Statistics Test

Descriptive tests are carried out to provide an overview or description of an information, so that the information can be understood more easily.

Table 2. Descriptive Statistical Test Results

	N	Minimum	Maximum	Means	std. Deviation
	Statistics	Statistics	Statistics	Statistics	Statistics
Internal Control System	37	31	48	44.08	5,351
Accounting Information System	37	50	48	77.59	10,270
Quality of Financial Statements	37	40	48	48,46	5,810

Source: Primary Data Processed (2022)

Validity Test

Validity test is a test tool used to measure or assess whether or not a questionnaire is valid. A questionnaire can be said to be valid if the questionnaire is able to reveal something that will be measured using the questionnaire (Firmansyah & Sinambela, 2021). The assumption is that if Rcount is greater than Rtable and the value is positive, then the statement item is declared valid. All statement items in the research questionnaire are valid.

Table 3. L Quality Validity Test Results

Question Items	RCount	RTable	Information
The financial statements that I have compiled are in accordance with the Financial Accounting Standards	0.746	0.324	Valid
Financial Reports are presented in a timely manner so that they can be used as material in making current decisions.	0.648	0.324	Valid
The information in the financial reports that I produce can be used to correct past user decisions (feedback value)	0.478	0.324	Valid
The information in the financial reports that I produce can be used as a tool to predict future events (predictive value)	0.654	0.324	Valid
The information generated from the financial reports that I have prepared honestly describes the transactions and other events that should be presented in the financial statements	0.769	0.324	Valid
The information generated from the financial reports that I have prepared is free from misleading notions and material errors	0.526	0.324	Valid
The information that I present in the financial statements is verified as true	0.817	0.324	Valid
The information produced in the report that I compiled does not favor the interests of certain parties	0.728	0.324	Valid
The information contained in the financial reports that I have compiled can always be compared with the financial statements of the previous period	0.628	0.324	Valid
In preparing the financial statements, I have used accounting policies that are guided by the Financial Accounting Standards	0.631	0.324	Valid
I always use the same accounting policies year after year	0.578	0.324	Valid
The information generated from the financial reports that I have compiled is clear so that it can be understood by users	0.609	0.324	Valid
The information generated from the financial reports that I compiled, is presented in a form and terms that are adjusted to the limits of understanding of users	0.635	0.324	Valid
The Financial Reports that I make are arranged systematically so that they are easy to understand	0.620	0.324	Valid

Source: Primary Data Processed (2022)

Table 4. Results of the Internal Control System Validity Test

Question Items	RCount	RTable	Information
Leaders always set rules regarding the behavior and ethical standards of employees	0.726	0.324	Valid
Leaders continuously assess the quality of internal control	0.581	0.324	Valid
Leaders always take decisive action for violations of policies, procedures, or rules of conduct	0.603	0.324	Valid
The leadership has conducted a complete and thorough risk analysis of the possibility of a violation of the accounting system.	0.627	0.324	Valid
Leaders always have a management plan or reduce the risk of violations of accounting systems and procedures.	0.536	0.324	Valid
Employees and superiors have understood the purpose of control activities.	0.651	0.324	Valid
All transactions that are entered and processed into the computer are all transactions that have been authorized.	0.575	0.324	Valid
Policies and procedures for physical security of assets have been established and implemented properly.	0.870	0.324	Valid
Information has been provided in a timely manner and allows for appropriate corrective action to be taken.	0.732	0.324	Valid
Ongoing communication channels have been implemented openly and effectively with the public, partners, and internal supervisors in providing significant input.	0.513	0.324	Valid
Transactions are managed computerized and recorded in a ledger.	0.649	0.324	Valid
Effective monitoring activities are carried out by internal audit.	0.364	0.324	Valid
Leaders always review and evaluate findings that indicate weaknesses and need improvement	0.480	0.324	Valid

Source: Primary Data Processed (2022)

Table 5. Financial Information System Validity Test Results

Question Items	RCount	RTable	Information
The accounting/finance sub-division has enough computers to carry out tasks	0.471	0.324	Valid
The accounting process from the beginning of the transaction to the preparation of financial reports is done computerized.	0.618	0.324	Valid
Processing financial transaction data using software in accordance with laws and regulations.	0.393	0.324	Valid
Information about external factors, for example economic conditions, population growth, technological developments.	0.600	0.324	Valid
Non-economic information, such as consumer tastes, employee attitudes, work relations, government attitudes, and consumer institutions, threats from competitors.	0.535	0.324	Valid
Information about calculating the probability of an event	0.448	0.324	Valid

Question Items	RCount	RTable	Information
occurring in the future.			
The information needed is available the instant it is requested	0.521	0.324	Valid
There is no time delay between the occurrence of the event and the relevant information being reported to you.	0.587	0.324	Valid
Reports are provided often on a systematic basis, for example daily and weekly reports.	0.637	0.324	Valid
Information about the effect of your decisions on the entire department and the effect of decisions and the influence of others' decisions on your area of responsibility.	0.730	0.324	Valid
Information about the exact targets for the activities of all parts of your department.	0.751	0.324	Valid
Information relating to the influence that your decisions have on the performance of your department.	0.822	0.324	Valid
Information provided in different parts or functional areas of your organization such as marketing or sales departments, cost centers or profit centers.	0.602	0.324	Valid
Information about the impact of events over a specific time period, eg monthly/quarterly summary information, comparisons.	0.631	0.324	Valid
Information for one department/section where the information will affect other departments or sections.	0.696	0.324	Valid
Evaluate and assess work plans, performance reports from financial data and performance of interest (for example: employee assessments, financial performance and service/product assessments)	0.669	0.324	Valid
Exchanging information with people in other parts of the organization to link and adapt programs, inform other departments, liaise with other managers.	0.389	0.324	Valid
Directing leaders and developing your subordinates (such as: guiding, training, and explaining the work rules of subordinates, assigning work assignments and handling complaints)	0.515	0.324	Valid
Web address with company database office system that is integrated with suppliers related to company information systems	0.594	0.324	Valid
A web address that provides a list of employee needs such as planning and work results	0.595	0.324	Valid
A web address that supports online services for employees that provide transactions such as payments and filings	0.615	0.324	Valid
company integrated with customer information systems	0.689	0.324	Valid
Integrated company with suppliers and partners Database	0.728	0.324	Valid
The company is integrated with the internal business operating system.	0.528	0.324	Valid

Source: Primary Data Processed (2022)

Reliability Test

Table 6. Reliability Test Table

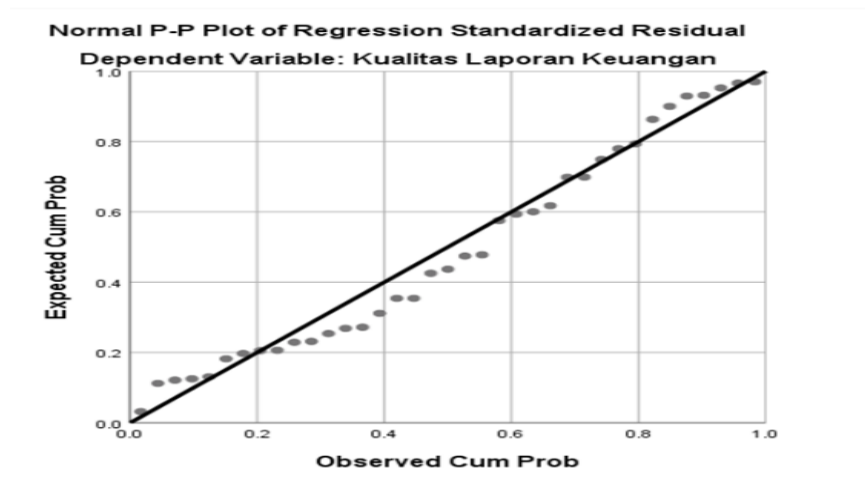
No	Variable	Condition	Cronbach's Alpha	Information
1	Internal Control System	0.7	0.896	Reliable
2	Accounting Information System	0.7	0.933	Reliable
3	Quality of Financial Statements	0.7	0.916	Reliable

Source: Primary Data Processed (2022)

Based on the results of the reliability test in table 3 it can be seen that the results of Croanbach's Alpha the internal control system variable is 0.896, the accounting information system variable is 0.933, and the financial report quality variable is 0.916. It can be concluded that the four variables in this study are declared reliable.

Normality test

Figure 1. Normality Test Results Using P-Plot Graphs



Source: Primary Data Processed (2022)

In principle, normality can be recognized by looking at the distribution of the data (points) on the diagonal axis of the graph or by looking at the histogram of the residuals. In a normal P-plot figure, we can see that the points are distributed around the diagonal and their distribution follows the direction of the diagonal. This shows that the normality assumption allows us to use the regression model.

Multicollinearity Test

Table 7. Multicollinearity Test Table

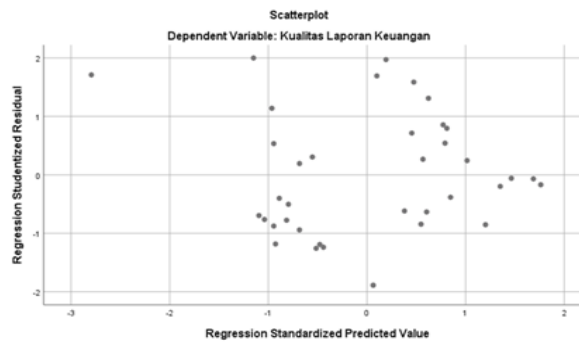
		Collinearity Statistics	
	Model	tolerance	VIF
1	Internal Control System	,510	1,959
2	Accounting Information System	,510	1,959

Source: Primary Data Processed (2022)

Multicollinearity test aims to test whether the regression model found a correlation between independent variables. The multicollinearity test is performed by detecting the VIF (Variance Influence Factor) value. If the VIF value < 10 and Tolerance > 0.1 then the data is said to be free from multicollinearity.

Heteroscedasticity Test

Figure 2. Heteroscedasticity Test Results



Source: Primary Data Processed (2022)

The Heteroscedasticity test tests the formation of a comparison of the residual variance from one monitoring period to another. The regression model can be said to be good if there is no heteroscedasticity. Analyzing the scatter-plot graph between is one way to detect the presence or absence of heteroscedasticity. If there is a certain pattern, such as the dots spreading above and below the number 0 on the Y axis, then heteroscedasticity does not occur.

Multiple Linear Regression Analysis

Table 8. Simultaneous Test Table (F Test)

Variabel	Unstandardized Coefficients	Standardized Coefficients	Uji-T	Probabilitas (Sig. A 0,05)
Constant	10.373	5,261	1,972	,057
Internal Control System	,259	,159	1,629	,113
Accounting Information System	,344	,083	4.158	,000
R Square				,629
Adjusted R Square				,607
F hitung				28,819
Probabilitas				0,000b ^p

Source: Primary Data Processed (2022)

Based on the table above, it is known that the Fcount value is greater than the Ftable value ($28.819 > 3.27$), with a significance value of $0.000 < 0.05$. Thus, H_0 is rejected, H_1 is accepted, meaning that if the Internal Control System and Accounting Information System variables are tested simultaneously or simultaneously, it will affect the variable quality of financial reports. The t test is used to determine the effect of each dependent variable on the dependent variable. The t test was used to test the significance of the relationship between the Internal Control System variable and the quality of financial reports as well as the accounting information system on the quality of financial reports, it was found that the internal control system variable had a positive but not significant effect on the quality of financial reports, while this study found that the accounting

information system has a positive and significant effect on the quality of financial reports. From the table above it can be seen that the R Square value is 0.607 or 60.7%. This figure shows that the variation of the dependent variable that can be explained by the independent variables in the study is only 39.3%, while the rest is influenced by other variables outside this study or the error value. Based on the table above from the results of the process using the SPSS software program as a calculation, the results are:

$$QFS = 10.373 + 0.259 ICS + 0.344AIS + e$$

Discussion

The Effect of Internal Control Systems on the Quality of Financial Statements

Based on the partial significance test data (t test) the result is that the first hypothesis which states "Partially there is a positive influence on the internal control system on the quality of financial reports" is accepted, with a significance value of $0.113 > 0.05$. So it can be said that the internal control system has a positive and insignificant effect on the quality of financial reports. This shows from the research findings that the majority of employees in the finance and accounting department do not have open and effective communication between employees and the public, partners, and internal control personnel in providing input. In addition, the monitoring activities carried out by internal audit are less effective. So that there is no good internal control.

The results of this study are in line with the results of previous research by (Lestari & Dewi, 2020) Internal control at PT. Pulau Sambu Kuala Enok has a positive and not significant effect on the quality of financial reports and this can be seen from the respondents' answers which indicate that in this internal control system it is seen that the highest index value is found in controlling activities within the company that have been implemented properly. Adequate implementation of internal controls will provide adequate assurance on the quality or reliability of financial reports and will increase stakeholder confidence (Agustin et al., 2022; Astari et al., 2022; Faisal et al., 2022; Ramadhan & Andini, 2022). On the other hand, the lack of internal control in the operations of a company makes the company vulnerable to a number of risks, on the contrary,

According to (Aditya & Surjono, 2017) Internal controls include all organizational plans adopted by a company to protect its assets, verify the accuracy and reliability of business accounting data to improve operational efficiency, and support compliance with established management policies; policies, and behaviors. In a company, internal control is intended so that errors and deviations caused by human factors, whether intentional or not, can be suppressed. Internal control is not only related to record keeping, but also includes the evaluation of various operational functions within a company (Faisal & Sudibyo, 2020; Fulliani et al., 2022). For this reason, good internal control is needed to assist management in controlling the company.

From the results of this study the internal control system has a positive effect because the better the implementation of the internal control system will improve the quality of financial reports. According to Government Regulation No. 60 of 2008, it is explained that the internal control system aims to provide adequate assurance for the effectiveness and efficiency of achieving the goals of state administration, reliability of financial reporting, safeguarding state assets and compliance with laws and regulations. The existence of effective internal controls can minimize the risk of errors in the preparation and presentation of financial statements so that the information generated in the financial statements can meet the qualitative characteristics of financial reports.

The Effect of Accounting Information Systems on the Quality of Financial Statements

Based on the partial significance test data (t test) the result is that the second hypothesis which states "Partially there is a positive influence between accounting information systems on the quality of financial statements" is accepted, with a significance value of $0.000 < 0.05$. So it can be said that there is a positive and significant influence between accounting information systems on the quality of financial reports. From the results of this study the accounting information system has a positive effect because the higher the level of accounting information systems, the higher the quality level of financial reports. Where the accounting information system assists in presenting financial reports that are appropriate and free from misstatements.

However, there are findings from this study that some workers in the finance and accounting division do not exchange information where companies should carry out routine socialization related to technical accounting information systems. Companies need to further improve the quality of financial reporting to improve cooperation and good communication with managers in order to minimize the risk of misstatement and decrease in the quality of financial reports arising from the lack of implementation of accounting information systems. The things that must be maintained are the use of a computerized system in accounting process activities, as well as the use of adequate accounting software.

The results of this study are in line with the results of previous research by (Ratih & Damayanthi, 2016) which showed that the accounting information system has a positive and significant effect on the quality of financial reports at the Nagan Raya District Regent's Office. This shows that the higher the application of SIA in the district government. Nagan Raya, the quality produced by the financial reports will be of higher quality according to predetermined standards, namely accountable, comparable, easy to understand and relevant. From the results of this study the accounting information system has a positive effect because the higher the level of accounting information systems, the higher the quality level of financial reports. Where the accounting information system assists in presenting financial reports that are appropriate and free from misstatements.

POLICY RECOMMENDATIONS

Recommendation

Based on the review of research results in the field, the authors intend provide suggestions that hopefully can be useful for the company and for the company the next researcher, namely as follows: 1) For the Company As it has been researchers explain, that Internal Control, accounting information systems, and the quality of financial reports have a very important role for an organization or companies in carrying out company activities, for this reason it is necessary to improve in Internal Control and Accounting Information Systems and the quality of financial reports such as impose strict sanctions if there are procedures for implementing the accounting information system that are not in accordance with the accounting information system implementation standards, make a policy involving employees, and monitor the effectiveness of internal controls that have been implemented.

Policy

1. The results of this study are expected to add insight and other variables that are not used in this study.

2. The next suggestion is for companies to pay attention to the factors that influence the quality of financial reports, namely the higher the internal control system and accounting information system of a company, the better the quality of financial reports.
3. For investors, it is advisable before making a decision to invest to pay attention to internal controls and accounting information systems within a company. This is based on research results which show that there is a positive influence between the internal control system and the accounting information system on the quality of financial reports which are considered by potential investors in making decisions.
4. Can choose a place of research in other companies that are outside the Jakarta area and increase the number of respondents.

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