

The Influence of Competence, IT Utilization, and SAP Implementation on Financial Report Quality in Kendari

Siti Mahisa Putri Amalia¹, Mulyati Akib¹, Erwin Hadisantoso¹

¹ Halu Oleo University, Indonesia

Received: 13/05/2026

Revised: 31/08/2026

Accepted: 05/10/2026

Abstract

The Kendari City Government has received an Unqualified Opinion (Wajar Tanpa Pengecualian or WTP) from the Audit Board of Indonesia (BPK) for more than a decade, yet a mismatch between employees' educational backgrounds and their financial management roles remains, alongside inconsistent evidence on how competence affects financial report quality. This study examines the influence of competence, information technology utilization, and government accounting standards (SAP) implementation on financial report quality among 168 respondents from a population of 172 financial managers across 44 Regional Apparatus Organizations (OPD) in Kendari City, selected through total sampling. Data were analyzed using multiple linear regression with SPSS 26. The three variables simultaneously show a positive and significant effect on financial report quality ($F=113.304$, $Sig=0.000$), explaining 66.3 percent of its variation (Adjusted R square=0.663). Partially, SAP implementation has the strongest effect ($t=6.572$, $Sig=0.000$), followed by information technology utilization ($t=3.863$, $Sig=0.000$) and competence ($t=2.761$, $Sig=0.006$). SAP implementation's dominance suggests that standardized accounting regulations can compensate for uneven competence caused by the educational mismatch, consistent with agency theory's view of formal rules as a mechanism to reduce information asymmetry. This study recommends prioritizing SAP compliance, optimizing information technology use, and continuously improving financial managers' competence.

Keywords

Competence, Information Technology Utilization; Government Accounting Standards; Financial Report Quality; Educational Mismatch; Kendari City

Corresponding Author:

Siti Mahisa Putri Amalia

Halu Oleo University, Indonesia; mahisaputri21@gmail.com

1. INTRODUCTION

Financial management at the regional level serves as a fundamental pillar in implementing good governance within the era of regional autonomy, where the quality of Local Government Financial Reports (LKPD) serves as the primary indicator reflecting accountability and transparency in public financial management (Adiputra et al., 2018). As mandated by Law Number 17 of 2003 concerning State Finance and Government Regulation Number 71 of 2010 concerning Government Accounting Standards (SAP), every regional government is required to prepare and present high-quality financial



© 2026 by the authors. This is an open access publication under the terms and conditions of the Creative Commons Attribution 4.0 International License (CC BY NC) license (<https://creativecommons.org/licenses/by-nc/4.0/>).

Published by Sunan Giri Islamic Institute (INSURI) Ponorogo; Indonesia
Accredited Sinta 3

reports based on a full accrual basis (Pemerintah Republik Indonesia, 2010). Financial report quality is measured through five main qualitative characteristics: relevance, reliability, comparability, understandability, and timeliness as stipulated in the government accounting conceptual framework.

Kendari City Government has demonstrated a remarkable commitment to achieving high-quality regional financial management. The Audit Board of Indonesia (BPK) has consistently granted an Unqualified Opinion (Wajar Tanpa Pengecualian - WTP) to Kendari City Government for more than a decade, including for the 2024 fiscal year (Badan Pemeriksa Keuangan Perwakilan Provinsi Sulawesi Tenggara, 2025). This achievement indicates that regional financial management in Kendari City is increasingly orderly, transparent, and accountable. Furthermore, Kendari City Government has implemented accrual-based accounting policies through Mayor Regulation Number 28 of 2016 (Pemerintah Kota Kendari, 2016)

Despite these positive achievements, a crucial phenomenon underlies this research, namely the mismatch between employees' educational backgrounds and their positions as financial managers. Based on initial observations, numerous employees with educational backgrounds in public health, social sciences, law, chemistry, agriculture, and various other disciplines are placed as financial managers in Regional Apparatus Organizations (OPD). Similar phenomena have been identified across various regions in Indonesia (Panggabean & Huseno, 2025). Despite this competency gap, standardized control mechanisms may reduce its impact on financial report quality. This pattern is consistent with findings in another local government context, where educational background showed no significant effect on financial report quality while information technology utilization and accounting understanding did (Wulan D. et al., 2020). Agency theory explains that when principals cannot directly monitor agents' individual ability, verifiable systems such as accounting standards and reporting procedures allow principals to assess agents' outputs rather than relying solely on their behavior or competence (Eisenhardt, 1989). In the context of local government, the Government Accounting Standards (SAP) set out uniform recording, measurement, and disclosure procedures under Government Regulation Number 71 of 2010, while the Regional Government Information System (SIPD), mandated by Regulation of the Minister of Home Affairs Number 70 of 2019, integrates planning, budgeting, and reporting data into a single platform (Kementerian Dalam Negeri Republik Indonesia, 2019). Together, these systems function as compensating controls that guide financial managers through structured procedures, so that the quality of financial reports depends less on individual educational background and more on consistent compliance with standardized rules and system based reporting.

To systematically explain these dynamics, this study integrates three complementary theoretical perspectives: Agency Theory, the Resource-Based View (RBV), and the Technology Acceptance Model (TAM). Grounded in Agency Theory (Jensen & Meckling, 1976), public financial reporting functions as

a principal-agent monitoring mechanism designed to mitigate information asymmetry between civil authorities (agents) and the public or legislative bodies (principals). Within this framework, standardized accounting frameworks like SAP operate as institutional guardrails that restrict managerial discretion and reduce reporting bias. Complementing this, the Resource-Based View (Barney, 1991) posits that internal human capital represents a primary source of organizational capabilities. However, when human resources exhibit structural educational gaps, organizational performance becomes heavily dependent on complementary strategic assets, specifically IT infrastructure and standardized operational procedures. Furthermore, the Technology Acceptance Model (Davis, 1989) clarifies how user acceptance of digital systems such as the Regional Government Information System (SIPD) enhances technical performance by substituting manual recording complexities with automated compliance controls (Winarno & Putra, 2020; Wulandari & Yuliati, 2023). Although RBV and TAM originate from different disciplines, (Dwirini, 2023) shows that information technology capability and human resource skills are interdependent, since technological infrastructure without adequate human skill remains underutilized, while human skill without supporting infrastructure cannot be fully applied. This conceptual link justifies the joint hypothesis (H4) that competence, information technology utilization, and government accounting standards implementation together, rather than separately, determine financial report quality.

Previous research by Husin et al. (2025) on financial managers in Kendari City Government found counterintuitive results. Their study revealed that understanding of Government Accounting Standards and utilization of accounting information systems positively affect financial report quality, yet surprisingly, human resource competence was found to have no effect (Husin et al., 2025). This finding constitutes a research gap because it contradicts various previous studies concluding that HR competence is a determinant factor in financial report quality (Pramudita et al., 2024; Hutabri, 2023; Sutrisna et al., 2022). A comparable pattern also emerges in a study examining the joint influence of government accounting standard implementation, regional financial accounting systems, and HR competence on financial report quality, where competence does not appear to function as the primary explanatory factor relative to systemic and procedural mechanisms (Noor and Putuhena, 2024). This discrepancy suggests that rigid institutional systems and digitalized compliance tools in Kendari City may serve an offsetting role, insulating financial report quality from individual competency deficiencies, or that other more dominant factors are at play. This aligns with a related study on financial statement review quality among local government finance officers, which found that professional skills and time pressure jointly shape reporting reliability (Hadisantoso et al., 2022). However, standardized systems alone do not guarantee full compliance. Research in Cirebon Regency found that although the regional government has obtained a WTP opinion for nine consecutive years, there are still records regarding

non-compliance with regulations and suboptimal accounting information system management (Arif, 2025; Aslamiyah et al., 2025).

Based on the theoretical foundation and research gaps described above, this study aims to analyze the influence of competence, information technology utilization, and government accounting standards implementation on financial report quality for financial managers in Kendari City Government. The novelty of this research lies in four points. First, it tests three independent variables simultaneously in Kendari City Government. Second, it develops a model that treats government accounting standards implementation as a variable separate from SAP understanding. Third, it uses more detailed measurement dimensions for competence and also treats educational background mismatch as a contextual condition, based on the field of study reported by respondents. Fourth, it offers relevance to national policies on the digital transformation of regional financial management. The research hypotheses are formulated as follows.

H1: Competence positively and significantly influences financial report quality.

H2: Information technology utilization positively and significantly influences financial report quality.

H3: Government accounting standards implementation positively and significantly influences financial report quality.

H4: Competence, information technology utilization, and government accounting standards implementation simultaneously positively and significantly influence financial report quality.

2. METHODS

This study employs a quantitative approach with a survey method. The quantitative approach was chosen because it allows for empirical and objective testing of the influence of independent variables (competence, information technology utilization, and government accounting standards implementation) on the dependent variable (financial report quality). The survey method was selected as it is appropriate for collecting data from a large number of respondents using questionnaires.

The population of this study comprises all financial managers working in each Regional Apparatus Organization (OPD) within Kendari City Government. Based on data obtained during the research period, there are 44 OPDs within Kendari City Government with a total of 172 financial managers. The respondents consist of: (1) SKPD Financial Administration Officials (PPK-SKPD), (2) Revenue Treasurers and Expenditure Treasurers, (3) Commitment Making Officials (PPK), and (4) Financial and Accounting Staff. The selection of this population is based on the consideration that they are the parties who are most knowledgeable and technically involved in the recording, administration, and financial reporting processes in each OPD, thus capable of providing accurate assessments of the variables under study.

Given the limited population size, this study employs a total sampling (census) technique, where all members of the population are used as research respondents. Total sampling was chosen for several reasons: (1) the limited population that can be precisely identified, (2) to avoid sample bias and sampling errors, and (3) to obtain a more comprehensive picture of the actual conditions in the field. The sample determination procedure involved: (1) identifying all OPDs in Kendari City Government, (2) inventorying all employees with financial functions in each OPD, (3) designating all identified financial managers as respondents, and (4) distributing questionnaires to all designated respondents.

Although this study employs a total sampling (census) technique, from a population of 172 financial managers, only 168 questionnaires were returned and complete, so four managers did not participate due to unavailability during the data collection period and incomplete filling. This results in a response rate of 97.67 percent. Although not a full 100 percent census, this response rate remains far above the average response rate typically reported in organizational survey research, which is around 52.7 percent for individual level respondents (Baruch & Holtom, 2008). Furthermore, the four non-respondents were dispersed incidentally across several OPDs rather than concentrated within one particular OPD or position, indicating that their absence was unlikely to be systematically related to competence, technology utilization, or SAP implementation. Therefore, the sample of 168 respondents is considered to still substantively represent the population and to maintain the validity of the total sampling approach used in this study.

Data collection in this study uses primary data obtained directly from respondents through questionnaire distribution. The questionnaire was developed based on indicators for each research variable and measured using a Likert scale of 1-5 (1=Strongly Disagree to 5=Strongly Agree). The measurement indicators for the study variables are structured as follows:

Table 1. Operationalization of Variables and Measurement Indicators

Variable	Operational Definition	Dimensions & Indicators	Sources / References	Scale
Financial Report Quality (Y)	The degree to which the qualitative characteristics of the Kendari City Government Financial Statements (LKPD) are met in accordance with SAP, producing useful decision-making information.	1. Relevance 2. Reliability 3. Comparability 4. Understandability 5. Timeliness	(Pemerintah Republik Indonesia, 2010; Rachmawati & Jaeni, 2026; Sutrisna et al., 2022)	Likert (1–5)
Competence (X_1)	The ability of financial management	1. Accounting Knowledge 2. Technical Skills	(Armstrong & Taylor, 2020; Kementerian	Likert (1–5)

	personnel in Kendari City, encompassing knowledge, technical skills, education/training, work experience, and job understanding.	3. Education & Training 4. Work Experience 5. Understanding of Duties & Functions	Pendayagunaan Aparatur Negara dan Reformasi Birokrasi, 2017; Noe, 2020).	
IT Utilization (X_2)	The extent of SIPD and digital infrastructure utilization by Kendari City personnel in supporting effective, integrated, and technology-driven regional financial reporting.	1. Hardware & Network Availability 2. Application Usage (SIPD) 3. Information Access Ease 4. Processing Speed 5. Information Accuracy & Security	(Davis, 1989; DeLone & McLean, 2003; Kementerian Dalam Negeri Republik Indonesia, 2019)	Likert (1–5)
SAP Implementation (X_3)	The level of compliance of Kendari City personnel in applying accrual-based Government Accounting Standards pursuant to PP No. 71/2010 during financial reporting.	1. SAP Compliance 2. Accrual Basis Application 3. Proper Presentation 4. Adequate Disclosure (CaLK) 5. Regulatory Compliance	(Pemerintah Kota Kendari, 2016; Pemerintah Republik Indonesia, 2010; Rachmawati & Jaeni, 2026)	Likert (1–5)

It is important to note that the educational background mismatch discussed in this study was not measured through a Likert scale item within the Competence instrument. Instead, the questionnaire included a respondent identity section covering demographic characteristics such as gender, age, education level, field of study, work experience, and current position. The item on field of study was used to classify each respondent's academic background as either accounting or finance related, or non-accounting or finance related, as reported in the respondent profile in the Descriptive Statistics subsection. This mismatch variable is treated as a contextual demographic condition rather than a scored competence indicator, since it reflects an objective structural fact about a respondent's field of study, while the Likert based competence items capture self assessed knowledge, skill, and work behavior that may still develop through experience or training regardless of educational background. This distinction allows the study to examine whether accumulated competence can remain significant even amid a high rate of educational mismatch.

Data analysis in this study was performed using SPSS version 26. The analysis techniques included: (1) descriptive statistical analysis, (2) classical assumption tests (normality, multicollinearity, and heteroscedasticity), (3) multiple linear regression analysis, (4) simultaneous significance test (F-test), (5) partial significance test (t-test), and (6) coefficient of determination (R^2) analysis. The empirical regression model is specified as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where Y is Financial Report Quality, α is constant, $\beta_1 - \beta_3$ are regression coefficients, X_1 is Competence, X_2 is IT Utilization, X_3 is SAP Implementation, and e is error term.

3. FINDINGS AND DISCUSSION

3.1 Descriptive Statistics

A total of 172 questionnaires were distributed to financial managers in 44 OPDs within Kendari City Government. Of these, 168 questionnaires were returned and completed, yielding a response rate of 97.67%. Four questionnaires were not returned due to respondent unavailability and incomplete filling. The respondents characteristics are as follows: the majority were male (64.3%), aged 31-40 years (41.1%), held bachelor's degrees (71.4%), had 5-10 years of work experience (38.1%), and held the position of financial administration staff (44.6%). Notably, 35.7% of respondents had educational backgrounds outside accounting or finance (public health, social sciences, law, chemistry, agriculture, and others), confirming the phenomenon of educational background mismatch identified in the introduction.

3.2 Classical Assumption Tests

Prior to hypothesis testing, classical assumption tests were conducted to ensure the regression model meets the required assumptions. The normality test using Kolmogorov-Smirnov showed a significance value of 0.082 (> 0.05), indicating that the data is normally distributed. The multicollinearity test showed Tolerance values > 0.10 (competence: 0.645, information technology: 0.421, SAP implementation: 0.342) and VIF values < 10 (competence: 1.550, information technology: 2.374, SAP implementation: 2.924), indicating no multicollinearity. The heteroscedasticity test using Glejser showed significance values > 0.05 for all variables (competence: 0.076, information technology: 0.098, SAP implementation: 0.084), indicating no heteroscedasticity. Thus, the regression model meets all classical assumptions.

3.3 Multiple Linear Regression Analysis

The multiple linear regression analysis yielded the following equation:

$$Y = 11.479 + 0.122X_1 + 0.234X_2 + 0.473X_3$$

Table 2. Results of Multiple Linear Regression Analysis

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	11.479	2.914		3.939	.000		
	Competence (X ₁)	.122	.044	.153	2.761	.006	.645	1.550
	IT Utilization (X ₂)	.234	.061	.264	3.863	.000	.421	2.374
	SAP Implementation (X ₃)	.473	.072	.499	6.572	.000	.342	2.924
a. Dependent Variable: Financial Report Quality (Y)								

Source: Primary data processed, 2026

The regression equation indicates that: (1) the constant of 11.479 shows that if all independent variables are zero, financial report quality remains at 11.479 units, (2) the competence coefficient of 0.122 indicates that each one-unit increase in competence increases financial report quality by 0.122 units, (3) the IT utilization coefficient of 0.234 indicates that each one-unit increase in IT utilization increases financial report quality by 0.234 units, and (4) the SAP implementation coefficient of 0.473 indicates that each one-unit increase in SAP implementation increases financial report quality by 0.473 units. All coefficients are positive, indicating positive influences on financial report quality.

3.4 Hypothesis Testing

3.4.1 Simultaneous Test (F-test), Partial Test (t-test), and Coefficient of Determination (R²)

The F-test was used to determine whether the independent variables simultaneously influence the dependent variable. The testing criterion is: if the significance value (Sig.) < 0.05, then the independent variables simultaneously have a significant effect on the dependent variable.

The t-test was used to determine whether each independent variable partially influences the dependent variable. The testing criterion is: if Sig. < 0.05, the variable has a significant partial effect on the dependent variable. Conversely, if Sig. > 0.05, the variable does not have a significant partial effect.

The coefficient of determination (R²) measures the extent to which the independent variables explain the variation in the dependent variable. In other words, the coefficient of determination shows the proportion or %age contribution of the independent variables collectively to the dependent variable.

The results of hypothesis testing on the influence of competence, information technology utilization, and government accounting standards implementation on financial report quality for financial managers in Kendari City Government are presented in Table 3.

Table 3. Summary of F-test, t-test, and Coefficient of Determination (R^2)

Variable	F-Test (F)	F-Test (Sig)	t-Test (t)	t-Test (Sig)	R	R Square	Adjusted R Square
Competence (X_1)	113.304	.000b	2.761	.006	.818a	.669	.663
IT Utilization (X_2)	-	-	3.863	.000	-	-	-
SAP Implementation (X_3)	-	-	6.572	.000	-	-	-

Source: Primary data processed with SPSS 26, 2026

The F-test result shows an F-value of 113.304 ($p < 0.001$), confirming that competence (X_1), IT utilization (X_2), and SAP implementation (X_3) simultaneously exerts a significant effect on financial report quality (Y). Thus, H4 is accepted.

The partial tests (t-test) confirm:

- Competence (X_1): $t = 2.761, p = 0.006 < 0.05$. H1 is accepted.
- IT Utilization (X_2): $t = 3.863, p = 0.000 < 0.05$. H2 is accepted.
- SAP Implementation (X_3): $t = 6.572, p = 0.000 < 0.05$. H3 is accepted.

The Adjusted R^2 of 0.663 indicates that 66.3% of the variance in local government financial report quality is explained by the three independent variables, while the remaining 33.7% is accounted for by unexamined external factors. The minor gap between R^2 (0.669) and Adjusted R^2 (0.663) reflects model stability without overfitting.

3.5 Discussion

3.5.1 The Influence of Competence, Information Technology Utilization, and Government Accounting Standards Implementation on Financial Report Quality

The simultaneous test results ($F = 113.304, p < 0.001$) demonstrate that competence, IT utilization, and SAP implementation collectively determine local government financial report quality in Kendari City. This empirical proof highlights that financial report quality cannot be achieved in isolation. Rather, it demands a cohesive operational synergy between human personnel, technology systems, and legal accounting frameworks. Competent personnel utilize IT tools effectively, while standardized SAP rules guide entry procedures and data verification.

This finding aligns with Agency Theory, showing that combined organizational capabilities act as an effective governance control to mitigate information asymmetry between civil agents and public principals. Joint models that combine accounting standards, information systems, and human

competence have also been tested in other local governments (Noor and Putuhena, 2024; Widodo et al., 2026).

3.5.2 The Influence of Competence on Financial Report Quality

The partial test confirms that HR competence positively and significantly affects financial report quality ($\beta = 0.122, t = 2.761, p = 0.006$), supporting H1. Grounded in the Resource-Based View (Barney, 1991), human capital remains an indispensable internal asset. Personnel equipped with functional accounting skills and analytical rigor produce cleaner financial disclosures.

This finding helps resolve the contradictions reported in earlier local studies. Anto and Yusran (2023) argued that HR competence had no effect because of background mismatches, and Noor and Putuhena (2024) also reported that competence did not give a uniform significant impact across regions. In contrast, our results are in line with Ridzal et al. (2022), who found a positive and significant effect of HR capacity among 132 heads of service, treasurers, and financial staff in South Buton Regency, another local government in Southeast Sulawesi. They are also consistent with Hutabri (2023), Sutrisna et al. (2022), Rachmawati & Jaeni (2026), who reported positive and significant effects in other regions.

A similar pattern was found by Hardiansyah and Hasanudin (2024), who reported that HR competence had a positive and significant effect on financial report quality at the Ministry of Villages, Disadvantaged Regions, and Transmigration, alongside IT utilization and SAP implementation. This pattern extends down to the village level as well, where Nashikhin et al. (2024) found that HR competence had a positive and significant partial effect on financial report quality among village officials in Sukorejo District, Ponorogo Regency, alongside a comparable effect from SAP implementation. The positive significance observed here indicates that ongoing technical assistance, work experience, and on-the-job adaptation may gradually reduce the impact of the initial educational mismatch (35.7%), so that non-accounting personnel can still carry out financial administration functions adequately.

3.5.3 The Influence of Information Technology Utilization on Financial Report Quality

IT utilization exerts a positive and significant partial effect ($\beta = 0.234, t = 3.863, p < 0.001$), supporting H2. Drawing from the Technology Acceptance Model (Davis, 1989), high system usability and perceived usefulness foster thorough technological adoption among financial officers. In Kendari City, the mandatory deployment of SIPD streamlines ledger posting, automates financial statement aggregation, and reduces manual calculation errors (Wulandari & Yuliati, 2023). This specific operational benefit of SIPD is corroborated by Fitriasari (2024) and Paat & Saleh (2023), who both demonstrated that the structured implementation of SIPD directly elevates the reliability, transparency,

and presentation quality of local government financial reports.

This finding aligns with evidence from other regions in Sulawesi. Ridzal et al. (2022) found a positive and significant effect of IT utilization in South Buton Regency, and Putri et al. (2026) reported that IT utilization strengthened financial reporting quality by moderating internal factors. Studies that focus on SIPD point in the same direction. Naida (2024) found a positive and significant effect of SIPD implementation in Tojo Una-Una Regency, and Yusina et al. (2025) reported the same result in Gorontalo City. Naida (2024) also found that HR competence strengthened the effect of SIPD on report quality, which fits our finding that both competence and IT contribute. Nevertheless, empirical findings across regions are not entirely uniform. (Hutabri, 2023) found that IT utilization did not significantly affect financial report quality among regional apparatus organizations in Malang City, and Rachmawati & Jaeni (2026) also found no substantial effect of IT application in Central Java. One plausible explanation for these divergences is that SIPD usage in Kendari is formally mandated through local government policy, which may create stronger institutional pressure toward consistent system use than in contexts where such mandates are less strictly enforced. In Kendari City, mandatory SIPD use combined with administrative supervision may therefore help technology work as an active driver of financial report quality and not only as an auxiliary platform.

3.5.4 The Influence of Government Accounting Standards Implementation on Financial Report Quality

The empirical findings reveal that Government Accounting Standards (SAP) implementation is the single most dominant variable influencing financial report quality in Kendari City Government, evidenced by the highest regression coefficient ($\beta = 0.473$, *Standardized* $\beta = 0.499$) and *t*-value ($t = 6.572$, $p < 0.001$) relative to all other predictors.

Statistically and conceptually, this dominance provides crucial insight into public sector financial management under structural constraint. Although 35.7% of financial management personnel in Kendari City come from non-accounting educational backgrounds (e.g., public health, social sciences, law, agriculture), strict enforcement of SAP serves as an institutional guardrail. The rigid, standardized accounting rules, accrual-based principles, and standardized chart of accounts embedded within SAP effectively reduce operational ambiguity and restrict discretionary recording errors made by non-specialist personnel.

Grounded in Agency Theory, SAP functions as a fundamental compliance mechanism that minimizes information asymmetry between regional executives and public stakeholders. In Kendari City, where SAP implementation is reinforced by continuous technical guidance from the Regional Financial and Asset Agency (BKAD) and embedded within the SIPD system's standardized account

structure, normative compliance compensates for individual educational gaps (Delvia & Onoyi, 2025). A comparable pattern of SAP dominance was found in Kupang City, where Dawu et al. (2024) reported that the standardized coefficient of SAP implementation (0.418) exceeded that of HR competence (0.269) in predicting financial report quality, with internal control acting as a mediating variable. Consequently, structural compliance with regulatory accounting standards proves to be a stronger predictor of financial report quality than individual academic background. This compensating dominance aligns closely with Dwirini (2023), who demonstrated that SAP implementation exerts a direct, significant impact on financial reporting quality, whereas IT modernization fails to exert a direct influence unless moderated by human resource capacity. This confirms that standardized statutory rules (SAP) provide an indispensable, fail safe operational foundation that supersedes technological apparatus when personnel competencies are uneven. This result is also consistent with Rachmawati & Jaeni (2026), who found that SAP implementation had a positive and significant effect on financial report quality in local governments in Central Java.

Furthermore, the model's Adjusted R^2 value of 0.663 indicates that 66.3% of the variance in financial report quality is explained by competence, IT utilization, and SAP implementation. The robust explanatory power of this systemic integration is reinforced by recent findings from Widodo et al. (2026), who demonstrated that the coordinated orchestration of SIPD implementation, public financial governance, HR competence, and accounting systems consistently yields superior financial report quality across local governments. While SAP implementation clearly stands out as the most dominant predictor in this model, its dominance does not imply that the model fully captures every mechanism shaping financial report quality. This limitation naturally directs attention toward the portion of variance left unexplained. The remaining variance of 33.7% points to unexamined contextual factors. Within Kendari City, which has secured Unqualified Opinions (WTP) for more than a decade, this remaining variance may be related to the internal control environment, such as the enforcement of the Government Internal Control System (SPIP) and pre-audit mentoring by BPK and the local Inspectorate. This remains a plausible interpretation because the study did not measure these factors.

4. CONCLUSION

This study aimed to analyze how competence, information technology utilization, and government accounting standards (SAP) implementation influence the quality of financial reports among financial managers in the Kendari City Government. The results show that the three variables together have a positive and significant effect on financial report quality ($F = 113.304$, $p < 0.001$) and explain 66.3 percent of its variation (Adjusted $R^2 = 0.663$). This means that good financial reports in Kendari City are not produced by one factor alone. They come from the combination of capable personnel, well-used

information systems, and consistent compliance with accounting standards. When each variable is examined separately, all of them still show a positive and significant effect. SAP implementation has the strongest effect (standardized Beta = 0.499, $t = 6.572$, $p < 0.001$), followed by IT utilization (standardized Beta = 0.264, $t = 3.863$, $p < 0.001$) and competence (standardized Beta = 0.153, $t = 2.761$, $p = 0.006$). Therefore, all four hypotheses are supported.

The dominant role of SAP implementation is important because 35.7 percent of the respondents have educational backgrounds outside accounting or finance. This pattern suggests that clear and consistently enforced accounting rules can help financial managers with different educational backgrounds produce reports of similar quality, while competence still makes a significant contribution and needs to be developed continuously. Because 33.7 percent of the variation is not explained by the model, financial report quality in Kendari City is also likely influenced by other factors that were not tested in this study.

Based on these findings, the Kendari City Government should keep SAP compliance as its main priority while strengthening the other two factors. The Regional Financial and Asset Management Agency (BKAD) can provide competency-based accounting training for financial managers with non-accounting backgrounds, delivered in stages during one fiscal year and repeated every year to follow SAP updates. The government can also strengthen the network and infrastructure that support SIPD and set a routine schedule for maintenance and data backup, so that data delays and manual workarounds can be reduced. In addition, the Inspectorate and BKAD can form a joint review team that checks SAP compliance in every OPD each quarter before the report is submitted to BPK, instead of relying only on a year-end review.

This study has several limitations. The data come from a questionnaire that reflects the perceptions of respondents, and the study covers only one city, so the results should be generalized to other regions with caution. Future studies can use a mixed-methods design that combines the survey with interviews with financial managers and Inspectorate auditors, to capture the reasons behind SAP compliance. Future models can also test the Government Internal Control System (SPIP) as a mediating or moderating variable between competence and financial report quality, because it may explain part of the unexplained variance but was not tested directly in this study.

REFERENCES

- Adiputra, I. M. P., Utama, S., & Rossieta, H. (2018). Transparency of local government in Indonesia. *Asian Journal of Accounting Research*, 3(1), 123–138. <https://doi.org/10.1108/AJAR-07-2018-0019>
- Anto, L. O., & Yusran, I. N. (2023). Determinants of the quality of financial reports. *International Journal of Professional Business Review*, 8(3), 1–40.

- <https://doi.org/10.26668/businessreview/2023.v8i3.1331>
- Arif, M. (2025). *Pengaruh pemahaman standar akuntansi pemerintah dan kualitas sistem informasi akuntansi terhadap kualitas laporan keuangan pada instansi pemerintah daerah Kabupaten Cirebon* [Skripsi, UIN Siber Syekh Nurjati Cirebon]. <https://repository.syekhnurjati.ac.id/15902/>
- Armstrong, M., & Taylor, S. (2020). *Armstrong's handbook of human resource management practice* (15th ed.). Kogan Page.
- Aslamiyah, S. T., Djuwita, D., & Setiowati, N. E. (2025). Determinan kualitas laporan keuangan Badan Pendapatan Daerah Kabupaten Cirebon. *Journal of Sharia Accounting and Tax*, 3(1), 375–385. <https://doi.org/10.70095/jsat.v3i1.392>
- Badan Pemeriksa Keuangan Perwakilan Provinsi Sulawesi Tenggara. (2025). *Penyerahan laporan hasil pemeriksaan atas laporan keuangan pemerintah daerah tahun 2024 di Provinsi Sulawesi Tenggara* [Siaran pers]. <https://sultra.bpk.go.id/wp-content/uploads/2025/05/Press-Release-Penyerahan-KabKota-2025.pdf>
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120. <https://doi.org/10.1177/014920639101700108>
- Baruch, Y., & Holtom, B. C. (2008). Survey response rate levels and trends in organizational research. *Human Relations*, 61(8), 1139–1160. <https://doi.org/10.1177/0018726708094863>
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319–340. <https://doi.org/10.2307/249008>
- Dawu, L. M. T., Moi, M. O. V., & Seran, A. M. I. (2024). Pengaruh kompetensi SDM dan penerapan standar akuntansi pemerintah terhadap kualitas laporan keuangan Pemda Kota Kupang dengan SPI sebagai variabel mediasi. *COSTING: Journal of Economic, Business and Accounting*, 7(6), 8938–8951. <https://journal.ipm2kpe.or.id/index.php/COSTING/article/download/13794/8736/123577>
- DeLone, W. H., & McLean, E. R. (2003). The DeLone and McLean model of information systems success: A ten-year update. *Journal of Management Information Systems*, 19(4), 9–30. <https://doi.org/10.1080/07421222.2003.11045748>
- Delvia, D., & Onoyi, N. (2025). Analisis Kualitas Laporan Keuangan pada Badan Perencanaan Pembangunan, Penelitian dan Pengembangan Daerah (BAPPELITBANGDA) Kabupaten Ogan Komering Ulu Periode 2022-2024. *Zona Keuangan: Program Studi Akuntansi (S1) Universitas Batam*, 15(2), 19–30. <https://doi.org/10.37776/zuang.v15i2.1902>
- Dwirini, D. (2023). Modernisasi teknologi informasi dan SAP pada laporan keuangan dimoderasi kapasitas SDM. *Owner: Riset dan Jurnal Akuntansi*, 7(2), 1259–1270. <https://doi.org/10.33395/owner.v7i2.1361>

- Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of Management Review*, 14(1), 57–74. <https://doi.org/10.5465/amr.1989.4279003>
- Fitriasari, D. (2024). Pengaruh penerapan aplikasi Sistem Informasi Pemerintah Daerah (SIPD) dan kompetensi sumber daya manusia terhadap kualitas laporan keuangan pemerintah daerah. *Jurnal Bina Akuntansi*, 11(2), 34–54. <https://doi.org/10.52859/jba.v11i2.649>
- Hadisantoso, E., Nurdin, E., & Akib, M. (2022). Quality analysis of financial statement reviews of local government: Study of the impact of variables of time pressure and professional skills. *Jurnal Penelitian Pendidikan Indonesia (JPPI)*, 8(3), 743–751.
- Hardiansyah, D., & Hasanudin, H. (2024). Pengaruh standar akuntansi pemerintah, pemanfaatan teknologi informasi, kompetensi sumber daya manusia (SDM) terhadap kualitas laporan keuangan Kementerian Desa, Pembangunan Daerah Tertinggal dan Transmigrasi melalui sistem pengendalian intern pemerintah. *COSTING: Journal of Economic, Business and Accounting*, 7(5), 4135–4169. <https://doi.org/10.31539/costing.v7i5.12236>
- Husin, Saparuddin, S. Y., & Purnaman, S. M. N. (2025). Pengaruh pemahaman standar akuntansi pemerintahan, pemanfaatan sistem informasi akuntansi dan kompetensi sumber daya manusia terhadap kualitas laporan keuangan pada pemerintah daerah Kota Kendari. *Jurnal Akuntansi Universitas Halu Oleo*, 10(1), 48–52. <https://doi.org/10.33772/jakuho.v10i1.240>
- Hutabri, M. S. (2023). Kompetensi sumber daya manusia, sistem pengendalian internal dan pemanfaatan teknologi terhadap kualitas laporan keuangan pemerintah daerah. *AFRE Accounting and Financial Review*, 6(3), 330–336. <https://doi.org/10.26905/afr.v6i3.8401>
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360. [https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/10.1016/0304-405X(76)90026-X)
- Kementerian Dalam Negeri Republik Indonesia. (2019). *Peraturan Menteri Dalam Negeri Nomor 70 Tahun 2019 tentang Sistem Informasi Pemerintahan Daerah*.
- Kementerian Pendayagunaan Aparatur Negara dan Reformasi Birokrasi. (2017). *Peraturan Menteri Pendayagunaan Aparatur Negara dan Reformasi Birokrasi Nomor 38 Tahun 2017 tentang Standar Kompetensi Jabatan Aparatur Sipil Negara*.
- Naida, N. (2024). Optimalisasi SIPD dan SPIP dalam meningkatkan kualitas laporan keuangan: Pentingnya kompetensi SDM. *SOLUSI: Jurnal Ilmiah Bidang Ilmu Ekonomi*, 22(4), 465–479. <https://doi.org/10.26623/slsi.v22i4.10554>
- Nashikhin, S. A., Wairotin, K. Z., & Wijayanti, I. (2024). Pengaruh kompetensi sumber daya manusia dan penerapan standar akuntansi pemerintahan terhadap kualitas laporan keuangan desa sekecamatan Sukorejo Kabupaten Ponorogo. *Sustainable: Jurnal Akuntansi*, 4(2).

- <https://doi.org/10.30651/stb.v4i2.24666>
- Noe, R. A. (2020). *Employee training and development* (8th ed.). McGraw-Hill Education.
- Noor, I. H., & Putuhena, H. (2024). Pengaruh penerapan standar akuntansi pemerintah, sistem akuntansi keuangan daerah dan kompetensi SDM terhadap kualitas laporan keuangan. *Al Mikraj Jurnal Studi Islam dan Humaniora*, 5(01), 2036–2049. <https://doi.org/10.37680/almikraj.v5i01.6676>
- Paat, F., & Saleh, S. A. (2023). Pengaruh penerapan Sistem Informasi Pemerintahan Daerah (SIPD) terhadap kualitas laporan keuangan pada pemerintah Kota Cimahi. *Indonesian Accounting Research Journal*, 4(1), 1–8. <https://jurnal.polban.ac.id/iarj/article/view/5190>
- Panggabean, M., & Huseno, T. (2025). *Penerapan standar akuntansi pemerintah daerah Kabupaten Paser Provinsi Kalimantan Timur* [Diploma thesis]. Institut Pemerintahan Dalam Negeri.
- Pemerintah Kota Kendari. (2016). *Peraturan Walikota Kendari Nomor 28 Tahun 2016 tentang Perubahan Kedua atas Peraturan Walikota Kendari Nomor 21 Tahun 2014 tentang Kebijakan Akuntansi Pemerintah Kota Kendari*. Berita Daerah Kota Kendari Tahun 2016 Nomor 28.
- Pemerintah Republik Indonesia. (2003). *Undang-Undang Nomor 17 Tahun 2003 tentang Keuangan Negara*. Lembaran Negara Republik Indonesia Tahun 2003 Nomor 47.
- Pemerintah Republik Indonesia. (2010). *Peraturan Pemerintah Nomor 71 Tahun 2010 tentang Standar Akuntansi Pemerintahan*. Lembaran Negara Republik Indonesia Tahun 2010 Nomor 123.
- Pemerintah Republik Indonesia. (2019). *Peraturan Pemerintah Nomor 12 Tahun 2019 tentang Pengelolaan Keuangan Daerah*. Lembaran Negara Republik Indonesia Tahun 2019 Nomor 42.
- Pramudita, I. D., Julianti, M., Putri, R. E., Ananda, S., & Rodiah, S. (2024). Peran kompetensi sumber daya manusia terhadap peningkatan kualitas laporan keuangan pemerintah daerah di Indonesia: Literature review. *JAKP Jurnal Akuntansi, Keuangan dan Perpajakan*, 7(1), 101–115. <https://ojs.polmed.ac.id/index.php/jakp/article/view/1637>
- Putri, V. D., Anto, L. O., & Intihanah, I. (2026). Determinants of financial reporting quality: The role of information technology moderation in local government. *Indonesian Journal of Islamic Economics and Finance*, 6(1), 541–560. <https://doi.org/10.37680/ijief.v6i1.9739>
- Rachmawati, M. P., & Jaeni, J. (2026). Penguatan tata kelola keuangan daerah melalui kompetensi SDM, manajemen risiko, SPIP, teknologi informasi, dan standar akuntansi pemerintah dalam meningkatkan kualitas laporan keuangan. *EKOMA: Jurnal Ekonomi, Manajemen, Akuntansi*, 5(6), 10926–10940. <https://doi.org/10.56799/ekoma.v5i6.19767>
- Ridzal, N. A., Sujana, I. W., & Malik, E. (2022). Pengaruh kapasitas sumber daya manusia, pemanfaatan teknologi informasi dan sistem pengendalian intern pemerintah terhadap kualitas laporan keuangan pemerintah daerah Kabupaten Buton Selatan. *Owner: Riset dan Jurnal Akuntansi*, 6(3),

- 3094–3104. <https://doi.org/10.33395/owner.v6i3.882>
- Sutrisna, I. K., Yuliasuti, N. N., & Widyastuti, M. (2022). Peran faktor internal dan sistem informasi dalam meningkatkan kualitas laporan keuangan pemerintah daerah. *E-Jurnal Akuntansi Universitas Udayana*, 32(4), 1023–1040. <https://doi.org/10.24843/EJA.2022.v32.i04.p12>
- Widodo, M., Romandhon, & Susanti. (2026). Pengaruh implementasi Sistem Informasi Pemerintah Daerah (SIPD), pengelolaan keuangan daerah, kompetensi sumber daya manusia dan sistem informasi akuntansi terhadap kualitas laporan keuangan pemerintah daerah. *Permana: Jurnal Perpajakan, Manajemen dan Akuntansi*, 18(2), 605–622. <https://permana.upstegal.ac.id/index.php/permana/article/view/1320>
- Winarno, W. A., & Putra, H. S. (2020). Technology acceptance model of the Indonesian government financial reporting information systems. *International Journal of Public Sector Performance Management*, 6(1), 68–84. <https://doi.org/10.1504/IJPSPM.2020.105089>
- Wulan D., A., Yudi, & Friyani, R. (2020). Pengaruh latar belakang pendidikan, pemanfaatan teknologi informasi dan pemahaman akuntansi terhadap kualitas laporan keuangan pemerintah daerah, studi pada OPD di Pemerintah Kabupaten Muara Bungo. *Jambi Accounting Review*, 1(1), 1–19. <https://doi.org/10.22437/jar.v1i1.10941>
- Wulandari, A. D., & Yuliati, A. (2023). Pengaruh penerapan Sistem Informasi Pemerintahan Daerah, pengendalian internal dan pemanfaatan teknologi informasi terhadap kualitas laporan keuangan (studi pada Badan Pengelolaan Keuangan dan Aset Daerah Kabupaten Jember). *Journal of Economic, Business and Accounting (COSTING)*, 7(1), 637–649.
- Yusina, N., Gaffar, & Naholo, S. (2025). Pengaruh penerapan Sistem Informasi Pemerintahan Daerah dan Sistem Pengendalian Internal terhadap kualitas laporan keuangan Kota Gorontalo. *Jambura Accounting Review*, 6(2), 840–854. <https://jar.fe.ung.ac.id/index.php/jar/article/download/244/160>

