THE IMPACT OF HUMAN RESOURCE COMPETENCY, IMPLEMENTATION OF GOVERNMENT ACCOUNTING STANDARDS, IMPLEMENTATION OF LOCAL FINANCIAL ACCOUNTING SYSTEM, AND NEW PUBLIC MANAGEMENT ON THE QUALITY OF THE FINANCIAL REPORTS OF THE BANDAR LAMPUNG CITY GOVERNMENT

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Abstract

The policy change from centralization to decentralization strengthens regional autonomy in financial management, regulated to be transparent and accountable in accordance with Law no. 17 of 2003. Regional financial reports, which are audited by the BPK and submitted to the DPRD, are essential for policy making and evaluating the effectiveness of the use of funds. However, the quality of reports is often inadequate, a reflection of competency gaps in financial management. The objective of this study is to examine the impact of human resource competency, the application of government accounting standards, the adoption of local financial accounting systems, and New Public Management on the quality of financial reporting by the Bandar Lampung municipal government. The study employs a quantitative methodology, utilizing comparative causal analysis techniques. Findings from the study reveal that human resource skills, the application of governmental accounting norms, and local financial accounting systems positively influence the quality of the financial statements of the Bandar Lampung City Government, suggesting that effective implementation enhances report quality. However, New Public Management did not show significant influence, which may be caused by a lack of understanding of this concept in Bandar Lampung City.

Keywords: *Human Resource Competency, Government Accounting Standards, Financial Accounting System, New Public Management, Quality of Financial Reports, Bandar Lampung City.*

A. INTRODUCTION

The transition of the local government system from centralization to decentralization has driven the enactment of regional autonomy. Regional autonomy refers to the privilege, power, and responsibility bestowed upon local governments to administer and manage their own affairs, in alignment with legal statutes (Cahya Supena & Pramulya, 2022). With the enactment of regional autonomy, financial management is fully in the hands of the local government. The management of local finances requires organization, transparency, and accountability to establish a government that is corruption-free. A key step towards achieving such governance is the mandate for local governments to compile Local Government Financial Reports (Zebua et al., 2020).

According to Law No. 17 of 2003, specifically articles 31 and 32, on State Finance, it is required that the Governor/Regent/Mayor present the Regional Budget (APBD) execution accountability to the Regional People's Representative Council (DPRD). This is to be done through financial statements that have been reviewed by the Audit Board of the Republic of Indonesia (BPK), and must be submitted no later than six months following the end of the fiscal year (by June of the current year). These financial statements must include, at a minimum, the

Budget Realization Report, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements. Additionally, these documents should be prepared in accordance with Government Accounting Standards (SAP) (Mubarak & Trisna, 2021).

The purpose of local government financial reports is to present information related to the financial position, budget realization, and financial performance that will be useful for local governments in formulating and evaluating policies in managing funding sources. Based on this purpose, local government financial reports are expected to be of high quality. The quality of financial reports refers to the level of goodness or adequacy of a report on financial management (A'la Alrahim & Wibowo, 2022).

The quality of Local Government Financial Reports is crucial because it represents one form of good governance. High-quality financial reports can provide benefits in the effort to make policy decisions for future governance (Leunupun et al., 2022). If the financial reports can provide benefits in making decisions, it will encourage the acceleration of development and poverty alleviation. The quality of financial reports can be seen from the opinion of the Audit Board of the Republic of Indonesia. There are different levels of financial report assessments from the audits conducted by the Audit Board of the Republic of Indonesia (Wahab & Mahdiya, 2023).

The Audit Board of the Republic of Indonesia issues audit outcomes in the form of various opinions, with the Unqualified Opinion (Wajar Tanpa Pengecualian - WTP) being the most favorable, followed by Qualified Opinion (Wajar Dengan Pengecualian - WDP), Adverse Opinion (Tidak Wajar - TW), and lastly, Disclaimer of Opinion (Tidak Menyatakan Pendapat - TMP). Beyond the opinions issued by the Audit Board, the integrity of Local Government Financial Reports is also assessed based on their adherence to Government Accounting Standards (SAP), their compilation via the local government accounting system, their compliance with legislative requirements, and their timely presentation as mandated by law (Sarwono & Munari, 2022).

In the first half of 2016, the Audit Board of the Republic of Indonesia (BPK) highlighted on its website that a significant number of local government financial reports (LKPD) for the 2015 reporting year had not achieved the preferred Unqualified Opinion (WTP) status. Specifically, out of the LKPDs assessed, only 58 percent or 312 reports were awarded a WTP opinion. The remaining LKPDs were categorized under other types of opinions, including Qualified Opinion (WDP), Disclaimer of Opinion (TMP), and Adverse Opinion (TW), with 187 LKPDs receiving a Qualified Opinion, 30 a Disclaimer of Opinion, and four an Adverse Opinion.

The encountered phenomenon still finds a gap between the competency as a requirement for the primary task and the competency possessed by the employees. It must be acknowledged that there are still issues where the financial management staff and those involved in financial reporting lack skills in the field of accounting (Altonie et al., 2022). Based on the description above, the researcher chose the title "The Impact of Human Resource Competency, Implementation of Government Accounting Standards, Implementation of Local Financial Accounting System, and New Public Management on the Quality of the Financial Reports of the Bandar Lampung City Government".

B. LITERATURE REVIEW

1. The Quality of Local Government Financial Reports

Government Regulation No. 71 of 2010 on Government Accounting Standards states: "Financial statements are structured reports concerning the financial position and transactions conducted by a reporting entity" (Slamet & Irmadiani, 2022). According to Bastian, the definition of financial statements is as follows: "Public sector financial statements are representations of the financial position from transactions conducted by a public sector entity" (Eman et al., 2022).

According to Ministry of Home Affairs Regulation No. 4 of 2008 concerning the Guidelines for Reviewing Local Government Financial Reports, financial statements fundamentally serve as declarations by government management. They are intended to provide stakeholders and other interested parties with insights into the financial status of the government (Maulana & Lubis, 2020).

Government Regulation No. 8 of 2006 of the Republic of Indonesia, specifically Article 5, mandates that the Central/Local Government Financial Reports must include, at a minimum, the Budget Realization Report, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements. These financial statements are crucial for assessing the economic resources utilized in operational activities, evaluating the financial health, and determining the effectiveness and efficiency of an entity (Amal & Wibowo, 2022).

In accordance with Government Regulation No. 71 of 2010 on Government Accounting Standards, the qualitative attributes of financial statements represent normative benchmarks that must be attained in accounting information to fulfill its intended purpose (Rosmalita & Nadirsyah, 2020).

The research study on the determinants of the quality of local government financial reports shows that there are factors that affect the quality of these financial reports. These factors include the following:

a. Human Resource Competence
   Human resources are a crucial element in achieving the goals of an organization. The competence of financial administration staff in applying accounting knowledge and skills will contribute to producing quality financial reports (Akob & Jamali, 2024). According to Wati, Nyoman, and Ni, if the competence of human resources is good, then the quality of local government financial reports will also be good, thus meeting the qualitative characteristics of financial statements (Rahman & Permatasari, 2021).
b. Adoption of Government Accounting Standards
   The Government Accounting Standards utilized in crafting and showcasing financial statements reflect actual transactions. The enforcement of these accounting standards is designed to bring order and compliance to government activities, thereby producing high-quality financial reports (Putra & Vatina, 2021). Lasoma suggests that the fidelity of financial reports is enhanced through stricter compliance with Government Accounting Standards (Harun et al., 2022).
c. Implementation of the Local Financial Accounting System
   The preparation of the information provided necessitates a systematic approach. The local financial accounting system involves a sequence of processes such as gathering data, documenting, and compiling summaries to facilitate the preparation and presentation of financial statements. According to Permadi, the quality of financial reports is directly linked to the efficiency and effectiveness of the accounting system's application (Gustina, 2021).

2. New Public Management

New Public Management (NPM) embodies a management philosophy that decentralizes administrative functions and incorporates management techniques like control and benchmarking, which are inspired by private sector practices, into public sector operations. This approach aims to enhance efficiency and effectiveness in local government performance (Good Governance), ultimately fostering public welfare. The primary objectives of NPM theory are to heighten efficiency, effectiveness, and accountability in performance. Unlike traditional models, New Public Management prioritizes performance-based management over a focus on policy in the public sector (Sofia et al., 2023).

Adopting the New Public Management (NPM) paradigm brings significant implications for the government, such as the need for increased efficiency, reduction of costs, and enhanced competitiveness in procurement processes. NPM marks a profound shift in the management of the public sector, moving away from the conventional, rigid, bureaucratic, and hierarchical systems to a more flexible, market-oriented model of public sector management. These transformations are substantial and complex, altering the government's role, particularly in its interactions with the community (Fikri & Aminullah, 2024).

The adoption of New Public Management (NPM) has initiated drastic shifts from the traditional, hierarchical, rigid, and bureaucratic management system to a more flexible model of public sector management that better accommodates market principles. NPM is often viewed as a modernization or reform effort in public management and administration, advocating for the depoliticization of power and the decentralization of authority, thereby fostering democratic principles (Jultri & Made, 2021).

Therefore, New Public Management is used in order to improve the effectiveness and efficiency of public services so that it can address the negative perceptions towards public sector services, especially public accountability and transparency in Indonesia (Tanaamah et al., 2021). The indicators of the New Public Management variable in this study refer to the research instruments of Yogivaria, which are:

a. Performance-Oriented Environment,
b. Controlling System
c. Accounting System and Methods
d. Output-Oriented Resources,
e. Financial Audit System,
f. Reward and Punishment System (Amran, 2020).

C. METHOD

This research is a causal-comparative (causal-comparative research) study using a survey method. Causal-comparative research is characterized by the problem of a cause-and-effect relationship between two or more variables. Researchers can identify facts or events as the influenced (dependent) variable and investigate the influencing (independent) variables. This research is a survey type that collects information about the opinions of a representative group of respondents. The type of data in this study is quantitative, meaning data in the form of numbers, or data that is quantified. This data is then analyzed and processed into statistical analysis form. The data source in this research is primary data sources. Primary data in this study include responses from respondents obtained through the direct distribution of questionnaires regarding Human Resource Competence, Implementation of Government Accounting Standards, Implementation of Regional Financial Accounting Systems, New Public Management, and the Quality of Regional Financial Reports (Priadana & Sunarsi, 2021).

D. RESULT AND DISCUSSION

1. Characteristics of Respondents

The descriptive statistical analysis of the demographic characteristics of the respondents in this study outlines the participants' attributes, such as gender, age, and status, which will be delineated through a frequency distribution table.

Table 1. Characteristics of Respondents

Characteristics	Description	Frequency	Percentage
Gender	Male	19	59%
	Female	13	41%
Total		**32**	**100%**
Age	23-40 Years	10	31%
	41-58 Years	22	69%
Total		**32**	**100%**
Education	Diploma	8	25%
	Bachelor's Degree	20	62%
	Magister	4	13%
Total		**32**	**100%**

Table 1 depicts the demographic characteristics of the finance department employees in the local government of Bandar Lampung City, where the majority of the questionnaire respondents were finance staff and a few finance managers, categorized by gender, age, and education. The gender of respondents was predominantly male at 59%, with females constituting only 41%. The largest age group among the respondents was 23-40 years old, making up 31%, indicating that the finance department of the local government of Bandar Lampung City mostly consists of young and productive employees. The educational background of the respondents is dominated by bachelor's degree holders, accounting for 20%.

2. Test of Validity and Reliability

The validity test technique in this study was conducted using SPSS software. If the results of the factor analysis and Measure of Sampling Adequacy (MSA) are at least 0.5, then the sample can be further analyzed.

A questionnaire is considered reliable if an individual respondent's answers to the questionnaire questions are consistent and stable over time. The dependability of elements within the research tool is evaluated through the Cronbach’s Alpha method, requiring a Cronbach’s Alpha score greater than 0.6. The outcomes of the reliability assessment are presented in the subsequent table:

Table 2. Reliability Test

Variable	***Cronbach Alpha***	Description
Human Resource Competence (X1)	0.835	**Reliable**
Implementation of Government Accounting Standards (X2)	0.684	**Reliable**
Implementation of Regional Financial Accounting System (X3)	0.609	**Reliable**
New Public Management (X_4)	0.623	**Reliable**
Quality of Financial Report (Y)	0.634	**Reliable**

Table 2 describes that, according to the reliability test, all questionnaire items in Table 2 can be declared reliable and are suitable for further analysis.

3. Normality Test

The normality test evaluates if the residual values of the independent and dependent variables in the regression model adhere to a normal distribution. In this research, the

Kolmogorov-Smirnov method is utilized for the normality test. The outcomes of the test are detailed below:

Table 3. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		33
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.24523153
Most Extreme Differences	Absolute	.113
	Positive	.095
	Negative	-.113
Test Statistic		.113
Asymp. Sig. (2-tailed)		.200[c,d]

Based on table 3, it can be observed from the Kolmogorov-Smirnov normality test results, where the Sig. value is 0.200. This value is greater than 0.5, or > 0.5, hence it can be concluded that the data used in this study are normally distributed.

4. **Descriptive Statistical Analysis**

In this study, the variables are described using descriptive statistical analysis, covering the count of observations, the range of minimum and maximum values, mean values, and standard deviations. The results of the descriptive analysis are presented as follows:

Table 4. Descriptive Statistical Analysis

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Human Resources Competency (X1)	33	20.00	44.00	38,00	6.42262
Implementation of Government Accounting Standards (X2)	33	37.00	49.00	41.66	2.89036
Implementation of the Regional Financial Accounting System (X3)	33	29.00	42.00	36.54	2.41209
New Public Management (X_4)	33	20.00	35.00	26.78	3.62937
Quality of Financial Reports (Y)	33	34.00	45.00	41.69	2.21479
Valid N (listwise)	33				

In this study, Human Resource Competency serves as an independent variable. The data for this variable were collected via questionnaires distributed to 32 participants. Table 4 illustrates that, from the total of 32 participants surveyed, the minimum score was 20, the maximum score was 44, with an average (mean) score of 38.00, and the standard deviation was 6.42.

Regarding the Implementation of Government Accounting Standards, data were gathered through questionnaires distributed to 32 participants, indicating that from the 32 participants surveyed, the minimum score was 37, the maximum score was 49, the average (mean) score was 41.66, and the standard deviation was 2.89.

For the Implementation of Regional Financial Accounting System variable, data were collected from 32 participants through questionnaires, showing that from the 32 surveyed, the minimum score was 29, the maximum score was 42, the average (mean) score was 36.54, and the standard deviation was 2.41.

The New Public Management variable data were collected through questionnaires distributed to 32 participants, revealing that from the 32 surveyed, the minimum score was 20, the maximum score was 35, the average (mean) score was 26.78, and the standard deviation was 3.62.

Lastly, for the Financial Report Quality variable, data were obtained from questionnaires distributed to 32 participants, indicating that from the 32 surveyed, the minimum score was 34, the maximum score was 45, the average (mean) score was 41.69, and the standard deviation was 2.21.

5. Multiple Linear Regression Analysis

The calculation results using the multiple linear regression analysis formula using the SPSS calculation tool are as follows:

Table 5. Simple Linear Regression Analysis

Model	*Unstandardized Coefficients*		*Standardized Coefficients*	*t*	*Sig.*
	B	*Std. Error*	*Beta*		
1 (Constant)	11.103	4.395		2,526	0.017
HR Competency (X_1)	0.110	0.039	0.320	2.857	0.008
SAP Implementation (X_2)	0.186	0.088	0.243	2.119	0.043
Implementation of the AKP System (X_3)	0.502	0.112	0.547	4.493	0.000
New Public Management (X_4)	0.011	0.066	0.018	0.165	0.870

Based on the SPSS output results above, the regression equation is as follows: $Y = 11.103 + 0.110X_1 + 0.186X_2 + 0.502X_3 + 0.011X_4$. With the following explanation: A constant of 11.103 means that if the independent variables Human Resource Competence (X1), Implementation of Government Accounting Standards (X2), Implementation of Regional Financial Accounting System (X3), and New Public Management (X4) remain constant, then the dependent variable, the quality of financial reporting, is 11.103.

The regression coefficient for the Human Resource Competence variable (X1) is 0.110, meaning if other independent variables remain constant and the content influence increases by 1 unit, the quality of financial reporting will increase by 0.110. The regression coefficient for the Implementation of Government Accounting Standards variable (X2) is 0.186, meaning if other independent variables remain constant and the content influence increases by 1 unit, the quality of financial reporting will increase by 0.186.

The regression coefficient for the Implementation of Regional Financial Accounting System variable (X3) is 0.502, meaning if other independent variables remain constant and the content influence increases by 1 unit, the quality of financial reporting will increase by 0.502. The regression coefficient for the New Public Management variable (X4) is 0.011, meaning if other independent variables remain constant and the content influence increases by 1 unit, the quality of financial reporting will increase by 0.011.

6. R^2 Test

The coefficient of determination test is conducted to assess the extent to which the model can explain the variance in the dependent variable. The coefficient of determination values range from zero to one. Below are the findings from the coefficient of determination test:

Table 6. R^2 test

Model Summary				
Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	0.827	0.684	0.639	1.33121

a. Predictors: (Constant), Credibility

From the table above, it is known that the R square value or the coefficient of determination is 0.684, which can also be interpreted that the coefficient of determination is equal to 68.4%. This means that the variables Human Resource Competency (X1), Implementation of Government Accounting Standards (X2), Implementation of Regional

Financial Accounting System (X3), and New Public Management (X4) are capable of explaining the influence on the quality of government financial reporting (Y) by 68.4%, and 31.6% are other variables outside of this research.

7. F Test

The F statistical test also shows whether all independent or free variables included in the model have a joint effect on the dependent variable. Here are the results of the F test:

Table 7. F test

Model		*Mean Square*	*F*	*Sig.*
1	Regression	26.838	15.144	0.000[b]
	Residual	1.772		
	Total			

Based on the results of the F test in Table 7, it can be seen that the F test results show a Sig. value of 0.000 < 0.05, which leads to the conclusion that there is a simultaneous effect of the variables Human Resource Competency (X1), Implementation of Government Accounting Standards (X2), Implementation of Regional Financial Accounting System (X3), and New Public Management (X4) on the quality of government financial reporting (Y).

8. T Test

Hypothesis testing is used to determine the significant effect of each independent variable on the dependent variable by using a t-test at a 95% confidence level and using degrees of freedom (df).

$df = n - k - 1$

$df = 32 - 4 - 1$

$df = 27$

The t-table value obtained (0.05;27) = 1.70329

The Hypothesis Testing results can be seen in the following Table 8:

Table 8. Hypothesis Test Results

Model	*t*	*Sig.*
1 (Constant)	2,526	0.017
HR Competency (X1)	2.857	0.008
SAP Implementation (X2)	2.119	0.043
Implementation of AKP System (X3)	4.493	0.000
New Public Management (X_4)	0.165	0.870

Table 8 shows that for the Human Resource Competence variable (X1) with a 5% significance level of 0.008 < 0.05 and t-count (2.857) > t-table (1.7032), therefore H0 is not supported and Ha is supported, meaning the Human Resource Competence variable (X1) has a positive and significant effect on the quality of local government financial reports.

For the variable Application of Government Accounting Standards (SAP) (X2) with a 5% significance level of 0.043 < 0.05 and t-count (2.119) > t-table (1.7032), thus H0 is not supported and Ha is supported, meaning the Application of Government Accounting Standards (SAP) (X2) has a positive and significant effect on the quality of local government financial reports.

Next, the variable Application of Financial Accounting System (AKP) (X3) with a 5% significance level of 0.000 < 0.05 and t-count (4.493) > t-table (1.7032), therefore H0 is not supported and Ha is supported, implying that the Application of Financial Accounting System (AKP) (X3) has a positive and significant effect on the quality of local government financial reports.

Lastly, the New Public Management variable (X4) with a 5% significance level of 0.870 > 0.05 and t-count (0.165) < t-table (1.7032), thus H0 is supported and Ha is not supported, meaning the New Public Management variable (X4) does not have a positive and significant effect on the quality of local government financial reports.

9. There is a Positive Influence of Human Resource Competency on the Quality of Bandar Lampung City Government Financial Reports

This study affirms the initial hypothesis that Human Resource Competence significantly contributes to enhancing the Quality of Local Government Financial Reports in the city of Bandar Lampung. The analysis of the first hypothesis reveals a beta value of 0.110 for the human resource competence variable, signifying its positive impact on the Quality of Local Government Financial Reports in Bandar Lampung City. Essentially, superior Human Resource Competence is associated with improved Quality of Local Government Financial Reports. This correlation is substantiated by a t-value of 2.857, surpassing the critical t-value of 1.7032.

Human Resource Competence encompasses the range of abilities related to knowledge, skills, and attitudes that an employee brings to their role, aimed at fulfilling their responsibilities to meet set goals efficiently and effectively. Competent human resources are crucial for the timely preparation of financial reports. Consequently, this research corroborates the findings of Kadek Desiana Wati, Nyoman Trisna Herawati, and Ni Kadek Sinarwati in their study "The Influence of HR Competence, Implementation of SAP, and Regional Financial Accounting System on the Quality of Financial Reports," which highlighted that human resource competence positively influences the quality of local government financial reports. Therefore, the enhancement in Human Resource Competence is directly linked to the betterment of the Quality of Local Government Financial Reports, ensuring that the financial reports adhere to the qualitative characteristics required in financial reporting.

10. There is a Positive Influence of Implementing Government Accounting Standards on the Quality of Bandar Lampung City Government Financial Reports

This study corroborates the second hypothesis, suggesting that the Application of Government Accounting Standards exerts a positive effect on the Quality of Local Government Financial Reports in Bandar Lampung City. Analysis of the second hypothesis demonstrates that the variable concerning the Application of Government Accounting Standards possesses a beta value of 0.186. This outcome indicates a beneficial impact of the Application of Government Accounting Standards on the Quality of Local Government Financial Reports in Bandar Lampung City, implying that an improvement in the Application of Government Accounting Standards leads to an enhancement in the Quality of Local Government Financial Reports. This assertion is supported by a t-value of 2.119, which exceeds the threshold t-value of 1.7032.

The positive influence of the Application of Government Accounting Standards is further validated by a notable t-value of 6.071, surpassing the critical t-value of 1.667. This underscores the notion that enhanced Application of Government Accounting Standards is associated with improved financial report quality. Government Accounting Standards provide the framework for financial report presentation, mandating local governments to prepare financial reports as an accountability measure for financial stewardship.

Such financial reports must encapsulate components stipulated by government accounting standards. As outlined in Government Regulation No. 71 of 2010, the Government Accounting Standards in Indonesia are constructed on the basis of actual transactions, underscoring the commitment to transparency and accuracy in financial reporting. An actual basis means recognizing and recording economic events and reporting them at the time the transaction or economic event occurs. The application of the actual basis is expected to demonstrate the accountability of the use of economic resources (Kusuma et al., 2020).

This research also supports the study conducted by Vicky Agustiawan Lasoma titled "The Effect of Government Accounting Standards on the Quality of Local Government Financial Reports in the Department of Revenue and Financial and Asset Management of North Gorontalo Regency" which states that the Government Accounting Standards variable positively affects the Quality of Local Government Financial Reports.

This means that the better the implementation of Government Accounting Standards, the automatically higher the quality of the financial reports presented. Financial reports can be of high quality because the transactions reported are in accordance with the applicable accounting standards. Financial reports are also presented honestly and completely. Thus, the Implementation of Government Accounting Standards can reduce the potential for fraud in the management of local finances.

11. There is a positive influence of the implementation of the regional financial accounting system on the quality of the financial reports of the Bandar Lampung City Government

This research supports the third hypothesis, which states that the implementation of the local financial accounting system positively affects the quality of financial reports. Based on the results of testing the third hypothesis, it can be seen that the variable of the implementation of the local financial accounting system has a beta value of 0.186. This indicates that the Implementation of the Local Financial Accounting System variable positively affects the Quality of Local Government Financial Reports in Bandar Lampung City. This shows that the better the Implementation of the Local Financial Accounting System, the better the Quality of Local Government Financial Reports. This can be proven with a t-count of 4.493, which is greater than the t-table value of 1.7032.

The presentation of information necessitates a structured approach. The Local Financial Accounting System encompasses a sequence of steps including the collection, recording, classification, summarization, and reporting of transactions. Effective implementation of this accounting system is crucial for generating local government financial reports that are both accurate and precise. Accurate local financial reports are the basis for decision-making. Therefore, local government financial reports must be of high quality.

Thus, to obtain the quality of local financial reports in accordance with Government Accounting Standards, it must go through the Implementation of the Local Financial Accounting System. Therefore, this research supports the study conducted by Angga Dwi Permadi titled "The Effect of the Local Government Financial Accounting System on the Quality of Local Government Financial Reports," which states that the Local Government Financial Accounting System variable affects the Quality of Local Government Financial Reports.

This means that the better the implementation of the Local Financial Accounting System, the better the Quality of Local Government Financial Reports. Similarly, the research conducted by Devie Rovieyanti shows that the Implementation of the Local Financial Accounting System significantly affects the Quality of Local Government Financial Reports, partially. If the Implementation of the Local Financial Accounting System is carried out according to the applicable rules from the beginning, it will produce fair financial reports free from material misstatement, thereby not misleading its users.

12. There is a Positive Influence of New Public Management on the Quality of the Financial Reports of the Bandar Lampung City Government

This research does not support the fourth hypothesis, which states that new public management does not have a positive effect on the quality of financial reports. Based on the results of testing the fourth hypothesis, it can be seen that the new public management variable has a beta value of 0.011. This indicates that the new public management variable has a positive value towards the Quality of Local Government Financial Reports in Bandar Lampung City but does not have a significant influence. This can be proven with a t-count of 0.165, which is smaller than the t-table value of 1.7032.

New public management represents a general concept of state budgeting, as it transitions from traditional budget models and systems to a performance-oriented budget concept. Both the central and local governments have their own revenue and expenditure budgets to use in carrying out central and local development (Pasaribu & Syaputra, 2023).

However, the government of Bandar Lampung City is not yet familiar with the concept of new public management. It can be seen that the Bandar Lampung City government has not consistently conducted socialization of government regulations, as well as public sector accounting education and training for financial report management staff. Therefore, employees have a limited understanding of the new public management concept.

The findings of this study diverge from those reported by Jultri regarding the impact of human resource competency, the adoption of government accounting standards, the utilization of the local financial accounting system, and new public management on the quality of government financial reports, wherein Jultri observed that new public management significantly enhances the quality of local government financial reports.

E. CONCLUSION

Based on the analysis and discussion results related to "The Influence of Human Resource Competence, Application of Government Accounting Standards, Application of Regional Financial Accounting System, and New Public Management on the Quality of Financial Statements of the Bandar Lampung City Government," it was found that Human Resource Competence has a positive effect on the Quality of Financial Statements of the Bandar Lampung City Government. This indicates that the higher the Human Resource Competence, the better the Quality of the Financial Statements of the Bandar Lampung City Government will be. Furthermore, the Application of Government Accounting Standards positively affects the Quality of Financial Statements of the Bandar Lampung City Government. This shows that the application of government accounting standards in Bandar Lampung City has been well implemented, resulting in good quality financial statements. Next, the Application of the Regional Financial Accounting System positively affects the Quality of Financial Statements of the Bandar Lampung City Government. This indicates that the better Application of the Regional Financial Accounting System can improve the Quality of Financial Statements of the Bandar Lampung City Government. Lastly, New Public Management does not affect the Quality of Financial Statements of the Bandar Lampung City Government. This lack of understanding is related to the concept of New Public Management in the Bandar Lampung city government.

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