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Moderation of Good Corporate Governance on Competence and Accounting Systems on Quality of Financial Statements

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Abstract

This study examines the effect of human resource competence and accounting systems on the quality of financial statements with good corporate governance as moderation at PT Sarana Bandar Nasional. This study's population was all accounting staff at branch offices and head offices, with 80 people using probability sampling techniques. The data analysis used multiple linear regression analysis and moderating regression analysis with the Moderated Regression Analysis approach. The results showed that the competence of human resources and the accounting system had a positive and significant effect on the quality of financial reports. Analysis of moderating variables with the MRA approach, namely good corporate governance, can moderate the relationship between human resource competence and the quality of financial reports positively. Meanwhile, good corporate governance can moderate the relationship between the accounting system and the quality of financial reports negatively.

1 Introduction

The quality of financial statements is an accurate and honest presentation of an entity's financial information (Muslim et al., 2020). Ihsanti's research (2014) states that the quality of financial statements can be said to be useful when the information presented in the financial statements is understandable, honest, correct and meets the needs of the user in making decisions, is free from material errors and is reliable so that the financial statements can be compared with periods the previous period. The quality of financial statements, with their various measurements, is generally used in investment decisions, compensation agreements, and debt requirements.

The current phenomenon shows that financial reports in both government and companies still show inconsistencies in accounting principles' financial data. This is indicated by the irregularities that have been found by the Supreme Audit Agency (BPK) in the implementation of financial statement audits. The Supreme

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Audit Agency (BPK) reported problematic findings from fourteen State-Owned Enterprises (BUMN) out of thirty-five companies proposed to receive State Capital Participation (PMN). One of the fourteen companies is PT Pelayaran Nasional Indonesia (Persero). The document that the Indonesian National Shipping company (Persero) has not completed nine recommendations with a finding value of Rp 501 billion. This state-owned company is suspected of reporting as if the profit received is greater than the actual gain. BUMN still finds many government companies doing accounting engineering so that their earnings appear large to get rewards. This finding cannot be denied that there is interference from the subsidiary, helping the parent company carry out its activities.

To produce quality financial reports, the competence of human resources possessed by a company. Pelu et al. (2020) explain that human resource competence is a characteristic that underlies a person related to the effectiveness of individuals who have casual or causal relationships with criteria that are used as useful references for specific sites. Edi Sutrisno (2009) explains that adequate human resources can affect the quality of company financial reports. This statement illustrates that administrators or accounting staff are essential factors for achieving quality financial reports (Wati et al., 2014)

Yusrawati & Andini (2015) explain that no matter how good the resources they have, but the accounting system used is inadequate, the results will not be as expected Therefore, the financial accounting system used must be under the needs of the company. Companies need systems that build the flow and processing of accounting data to produce the information they need. The implementation of a reliable system, of course, must be supported by qualified human resources so that the system can run as it should. PT. Sarana Bandar Nasional currently uses the GL Oracle financial accounting system in collaboration with PT. The leading Integration Solution that was put into use in 2010 until now. Oracle GL financial accounting system still applies an accounting system that is not fully accrual-based.

The financial accounting system used in the company is said to be useful when it can provide, manage and report finances easily, quickly, and accurately and the results will be used as a basis for decision making by the users of financial statements. The financial report is a structured presentation of the financial position and financial performance of a company whose purpose is to provide information related to the economic situation, financial performance, and cash flow of the entity and is useful for most users of financial statements in terms of decision making (PSAK No.1 of 2015).

A system used in the company dramatically affects the quality of financial reports. When the system used in the company is still simple, it will be risky and result in a lack of quality financial reports. Of course, the resulting financial reports will be less relevant, less reliable, and not on time. Hanifa et al. (2016) must have a sound accounting system to explain to produce relevant, reliable, and trustworthy financial reports. A weak financial accounting system causes the resulting financial statements to be less reliable and less relevant for decision making.

Implementing Good Corporate Governance (GCG) in a company is another form of upholding business ethics and work ethics the company commits and improving its image (Sayuti et al., 2018). GCG is one of the key elements in increasing economic efficiency, including a series of relationships between company management, the board of commissioners, shareholders, and other stakeholders (Mulyati, 2011). Companies that practice GCG will experience improved image and increased corporate value. Novatiani & Fatimmah (2013) explain that company managers have the potential and have a significant influence on corporate governance and impact the quality of financial statements (Mulyawan, 2017). It is hoped that Good Corporate Governance (GCG) can strengthen the relationship between human resource competencies and the accounting system on the quality of financial reports. Thus, we are testing the truth whether the strength of the implementation of Good Corporate Governance (GCG) can strengthen or weaken the relationship between human resource competence and the accounting system on the quality of information generated in financial reports.

Agency theory explains the relationship between agent and principal was first introduced by Jensen & Meckling (1976). This theory explains that an organization or an agent that must provide accountability, present, report, and disclose all activities and activities that are its responsibility in the form of financial reports to the party that gives the mandate (principal) who has the right and authority to hold this accountable (Haryanto, 2011).

Goal-setting theory is the primary basis for linking competence with the quality of accountability in financial

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reports. The quality of the information in accountability for financial statements is highly relied on by existing accounting standard controls and is supported by a reliable accounting system. Competent knowledge and experience possessed by accounting staff are urgent so that the output produced in preparing financial reports can be of high quality (Arniati et al., 2019; Wati et al., 2014). Hardyansyah's research (2016) states that human resource competence influences the quality of accountability for financial statements.

H1: Competence of human resources has a positive and significant effect on the quality of financial statements.

The difficulty that stakeholders still experience is their inability to analyze the reliability of the information that has been presented by the company (Muslim et al., 2020). This statement explains that an accounting system that is not well understood will hinder financial statements' preparation. The accounting system is a system that provides information about financial reports in an institution. Research by Wati et al. (2014) states that the accounting system affects financial reports' quality. An understanding of the accounting system is needed in preparing financial reports so that the resulting financial statements are by the qualitative characteristics of financial statements and do not contain material misstatements. A weak accounting system causes the resulting financial statements to be less reliable and relevant for decision making. So the application of an accounting system is necessary because it will improve the quality of financial reports.

H2 : The accounting system has a positive and significant effect on the quality of financial statements.

The application of Good Corporate Governance as a moderator in strengthening competence for quality. Accountability of financial statements here is supported by the goal-setting theory developed by Locke & Gary (1990), which states that when faced with clear and precise objectives, resources or, in this case, accounting staff will use skills to achieve its goals in producing accountable financial statements. Jensen & Mecling (1976) states that the relationship between the manager (agent) and the investor (principal). In essence, it is challenging to create because of conflicting interests. To minimize this problem or one of the ways that can be used to monitor agent performance is by implementing Good Corporate Governance (GCG). According to Hamdani (2016), Good Corporate Governance (GCG) assures shareholders that the funds invested have been well managed. The agent works following the functions, responsibilities, and, of course, for the company's benefit. Acceptable corporate governance practices can reduce risk, investors are increasingly interested in investing in companies, and company performance has also increased.

H3 : The implementation of GCG positively and significantly moderates human resources' competence in the quality of financial reports

Good Corporate Governance is expected to minimize problems caused by managers whose performance is not under the principal's wishes through supervision or monitoring. Monitoring by investors will minimize the opportunistic actions taken by management. Monitoring investors will have costs; these fees are known as agency fees. Many parties are interested in the financial statements of a company to be of acceptable quality to function and benefit users and stakeholders. Financial reports that have good quality indeed cannot be separated from the company's accounting system, starting from the data collection process to financial reporting. If it is poorly understood, the accounting system that runs within the company will hamper the preparation of financial reports. Financial reports that have good quality indeed cannot be separated from the company's accounting system, starting from the data collection process to financial reporting. If it is poorly understood, the accounting system that runs within the company will hamper the preparation of financial reports. Financial reports that have good quality indeed cannot be separated from the company's accounting system, starting from the data collection process to financial reporting. If it is poorly understood, the accounting system that runs within the company will hamper the preparation of financial reports..

H4 : The implementation of GCG positively and significantly moderates the accounting system on the quality of financial reports

2 Research Method

This research will be conducted in the work area of the branch offices, and head offices of PT Sarana Bandar

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Nasional spread all over Indonesia. This study's population amounted to 95 people who are accounting staff at the branch office and head office of PT Sarana Bandar Nasional. Determination of the research sample using the census method makes the entire population as the research sample because the population is relatively small. The type of data used in this study is primary data.

Table 1. Details of Sample Criteria

No	Research Sample Criteria	Total
A.	The number of head offices and class A, B, C, and national sub-branches PT Sarana Bandar.	65
B.	The number of national accounting staff at PT Sarana Bandar Headquarters.	10
C.	The number of accounting staff at the class A branch office of PT Sarana Bandar Nasional.	20
D.	The number of accounting staff for class B branch offices of PT Sarana Bandar Nasional.	17
E.	The number of accounting staff at the class C branch office of PT Sarana Bandar Nasional.	23
F.	The number of accounting staff for class D branch offices of PT Sarana Bandar Nasional.	10
G.	Number of accounting staff at PT Sarana Bandar national Sub Branch office	15
	The total population of head office accounting staff and branches A, B, C and Sub branch PT Sarana Bandar Nasional	95

The data collection method in this research is by giving questionnaires to respondents. The questionnaire is arranged on a Likert scale designed to examine how strongly the subject agrees or disagrees with the statement on a scale of 5 (five) points.

3 Result and Discussion

Result

The staff level at each branch and head office has filled out the questionnaire that has been given. It looks quite enthusiastic given the respondents to this study.

Table 2 shows that the validity test results of all items obtained by the r-count value are more significant than the r-table value.

Table 2. Validity Test.

Variable	Item	r-count	r- tabel	Information
Human Resources Competence (X1)	X1.1	0,727	0,244	Valid
	X1.2	0,729	0,244	Valid
	X1.3	0,674	0,244	Valid
	X1.4	0,744	0,244	Valid
	X1.5	0,699	0,244	Valid
	X1.6	0,717	0,244	Valid
Accounting System (X2)	X2.1	0,853	0,244	Valid
	X2.2	0,833	0,244	Valid
	X2.3	0,772	0,244	Valid
	X2.4	0,885	0,244	Valid
	X2.5	0,753	0,244	Valid
	X2.6	0,680	0,244	Valid
Financial Statement Quality (Y1)	Y1.1	0,655	0,244	Valid
	Y1.2	0,750	0,244	Valid
	Y1.3	0,618	0,244	Valid
	Y1.4	0,685	0,244	Valid
	Y1.5	0,748	0,244	Valid
	Y1.6	0,696	0,244	Valid
	Y1.7	0,768	0,244	Valid
	Y1.8	0,731	0,244	Valid
Implementation of Good Corporate Governance (Y1)	Z1	0,734	0,244	Valid
	Z2	0,670	0,244	Valid
	Z3	0,769	0,244	Valid
	Z4	0,725	0,244	Valid
	Z5	0,810	0,244	Valid
	Z6	0,859	0,244	Valid
	Z7	0,764	0,244	Valid

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	Z8	0,676	0,244	Valid
	Z9	0,838	0,244	Valid
	Z10	0,751	0,244	Valid

A reliability test is used to measure a questionnaire, an indicator of a variable or construct. Table 3 shows that all variables' Cronbach alpha value is greater than the standard alpha coefficient value, namely, 0.60. This means that the instrument from the questionnaire used to explain all variables is declared reliable or trustworthy.

Tabel 3. Hasil Pengujian Reliabilitas

Variable	Alpha coefficient standard	*Cronbach Alpha*	Information
Human Resources Competence	0,60	0,776	Reliable
Accounting System	0,60	0,797	Reliable
Financial Statement Quality	0,60	0,772	Reliable
Implementation of GCG	0,60	0,777	Reliable

The normality test is carried out to see whether the residual value is normally distributed or not. Then the statistical test carried out is the One-Sample Kolmogorov Smirnov test. The results of the normality test conducted in this study indicate that it is typically distributed. This is indicated by a significant value> 0.05. The test results can be seen in the table below.

Table 4. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		65
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,27294291
Most Extreme Differences	Absolute	,090
	Positive	,090
	Negative	-,058
Kolmogrov-Smirnov Z		,090
Asymp. Sig. (2-tailed)		,200

Table 4 shows that the data is typically distributed. The Kolmogorov-Smirnov statistical test evidences this. The value is 0.90, with a significance level of 0.200. So it can be concluded that the data is typically distributed because it has a significance value of more than 0.05.

The heteroscedasticity test aims to test whether, in the regression model, there is an inequality of variance and residual residuals from one observation to another. As shown below, the plot results show that the dots are scattered randomly and do not form a pattern. This indicates that there is no heteroscedasticity in the tested model.

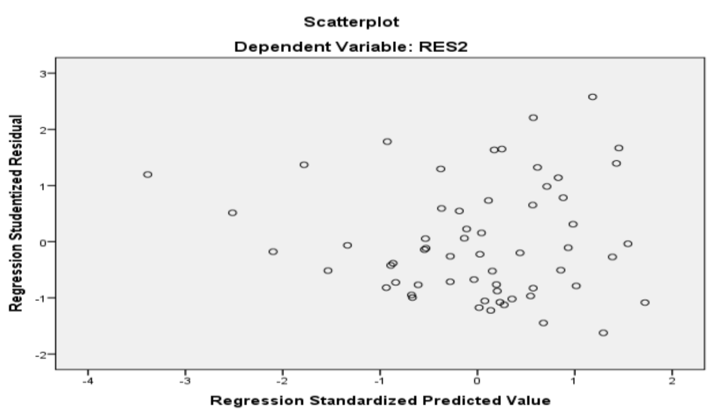

Figure 1. Heteroscedasticity Test Results - Scatterplot Graph

Testing only through images is subjective. Therefore, to detect heteroscedasticity's presence can be seen using the Glejser test, which can also detect the presence or absence of heteroscedasticity problems. If the

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significance value is more significant than 0.05, heteroscedasticity does not occur, and if the significance value is smaller than 0.05, heteroscedasticity occurs.

Table 5. Heteroscedasticity Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,397	,242		-1,639	,107
	Human Resources Competence	,013	,007	,247	1,873	,066
	Accounting System	,009	,005	,205	1,633	,108
	Good Corporate Governance	,001	,004	,041	,314	,755

Table 6. Multicollinearity Test Results

Coefficientsa

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Human Resources Competence	,906	1,103
	Accounting System	,995	1,005
	Good Corporate Governance	,910	1,099

The Glejser test in table 5 shows that all independent variables have a significant level above the 5% confidence level. It can be concluded that the regression model does not contain heteroscedasticity. Multicollinearity testing can be seen from the tolerance value and variance inflating factor (VIF). If the tolerance value is> 0.10 and VIF <10, there is no multicollinearity in the study. If the tolerance value <0.10, and VIF> 10, there is multicollinearity in the study.

Table 6 shows that the VIF value for all variables has a value of less than 10. For the HR competency variable of 1.103, the accounting system of 1.005, and the application of GCG of 1.099. This indicates that there is no multicollinearity symptom between the independent variables because all variables have a value smaller than 10. This result is also reinforced by the tolerance value, which shows a value greater than 0.10, where the HR competency variable has a tolerance value of 0.906, the accounting system of 0.995, and the application of GCG of 0.910.

The analytical method used to test the hypothesis in this study uses Moderated Regression Analysis (MRA). This regression analysis was carried out in two stages of testing. The first stage is the regression that is carried out before interacting with the moderating variable. The second stage is the regression, which is carried out after interacting with the moderating variable.

Table 7. The results of the determination coefficient test (R)

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,389[a]	,151	,130	2,025

Table 8. T test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,157	5,768		,201	,842
	Human Resources Competence	2,286	,842	,280	2,714	,008
	Accounting System	2,594	,936	,286	2,772	,007

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Table 7 shows that the coefficient of determination R square is 0.151 or 15.1%. These results indicate that the variable quality of financial reports is influenced by 15.1% by the HR competency variable (X1) and the Accounting System (X2). Other variables outside the independent variables influence the remaining 84.9% studied in this study.

The t-test is used to test the hypothesis partially to show the effect of each independent variable individually on the independent variable.

Based on table 8 shows the regression model analysis as follows:

Y = 1.157 + 2.286X1 + 2.594X2

Y = Quality of Financial Statements

X1 = HR Competence

X2 = Accounting System

Hypothesis testing in this study was carried out partially using the t-test, which can be seen as follows.

The Human Resources competence variable obtained a probability value of 0.008. Because the probability value is less than 5% (0.008), partially, the competency variable significantly affects the quality variable of financial statements. The coefficient value (2.286) is positive; identifying the effect is positive. This means that the higher the competence of human resources, the higher the quality of financial reports. Conversely, the lower the competence of human resources, the lower the quality of financial reports.

In the accounting system variable, a probability value is obtained of 0.007. The probability value is less than 5% (0.007), so partially the accounting system variables significantly affect the quality of financial statements. The coefficient value (2.594) is positive; identifying the effect is positive. The higher the accounting system, the higher the quality of the financial statements—conversely, the lower the accounting system, the lower the quality of financial reports.

Table 9. The results of the determination coefficient test (R2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,816[a]	,666	,643	2,639

Table 10 shows the value of Adjusted R Square in the test results above shows a value of 0.643 or 64.3%. These results indicate that the variable quality of financial reports is influenced by 64.3% by the HR competency variable (X1) and the Accounting System (X2). Other variables outside the independent variables influence the remaining 35.7% studied in this study.

Table 10. Partial Regression Moderation Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	25,651	3,441		7,454	,000
	Zscore: Human Resources Competence	-3,947	,890	-2,852	-4,437	,000
	Zscore: Accounting System	3,672	,837	3,196	4,386	,000
	Zscore: Good Corporate Governance	2,680	1,062	2,839	2,523	,014
	X1_M	,088	,019	4,407	4,579	,000
	X2_M	-,074	,019	-3,965	-3,804	,000

Based on table 10, it can be described by the regression equation as follows:

Y = 25,651 - 3,947X1 + 3,672X2 + 2,680Z + 0,088X1.Z - 0,074X2.Z

Hypothesis testing in this research is done partially by using the t test which can be seen as follows .

Table 10, it is known that after the independent variable, namely HR competence, interacting with the implementation of Good Corporate Governance (moderation) has a probability value of 0,000, which of course, has a value below the expected significance value of 0.05. This shows that the variable implementation of Good Corporate Governance can moderate the relationship between the HR competency variable on the quality of

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financial reports. The coefficient for the interaction of the HR competency variable and the implementation of Good Corporate Governance is 0.088, which is positive. This explains that the variable implementation of Good Corporate Governance strengthens the competence of HR on the quality of financial reports. The accounting system variable with the application of Good Corporate Governance has a probability value of 0,000, which, of course, has a value below the standard significance value of 0.05. This shows that the variable implementation of Good Corporate Governance can moderate the relationship between accounting system variables on the quality of financial reports. The coefficient for the interaction of accounting system variables and the implementation of Good Corporate Governance is -0.074, which is negative. This explains that the variable Good Corporate Governance weakens the accounting system on the quality of financial reports.

Table 11. Summary of Research Results

hypothesis	Statement	Result
H1	Human Resources Competence has a positive and significant effect on the quality of financial reports	Received
H2	The accounting system has a positive and significant effect on the quality of financial reports	Received
H3	The implementation of GCG moderates the relationship between HR competencies and the quality of financial reports in a positive direction	Received
H4	The implementation of GCG moderates the relationship between the accounting system and the quality of financial reports in a negative direction	Received

Discussion

The first hypothesis (H1) proposed in this study is that HR competencies positively and significantly affect the quality of financial reports. This means that the HR competency variable has a significant effect on the quality of financial reports positively. These results prove that the accounting staff or employees at PT Sarana Bandar Nasional have optimized their competence very well in terms of knowledge, experience, expertise, and behavior to improve financial reports' quality. The higher the competence possessed by employees in a company, the more quality the resulting financial reports will be. Competence is a characteristic of a person, which can be seen from the skills, knowledge, and abilities they have in completing the assigned tasks. The existence of competencies possessed by staff or employees can be saved so that financial reports can be completed and presented on time (Wati et al., 2014).

The result of testing the second hypothesis (H2) proposed in this study is that the accounting system has a positive and significant effect on financial reports' quality. This means that the accounting system variables have a significant influence on the quality of PT's financial statements. National Bandar Sarana in a positive direction. In line with the research of Wati et al. (2014) states that the accounting system has a positive effect on the quality of financial reports. The accounting system is a system that provides information about financial reports in an institution. The absence of an adequate system will have an impact on the quality of financial reports. The financial accounting system can be useful when it can provide, manage, and report finances easily, quickly, and accurately, and the results will be used as a basis for decision-making by the users of financial statements. This is supported by Rahman et al. (2012) 's research, Yunita (2013), that the accounting system's application partially affects the quality of financial reports. However, it is not in line with Pramudiarta & Juliarto's (2015) research, which states that the accounting system hurts financial reports' quality. This is because many employees do not understand the system used. Companies in producing relevant, reliable, and trustworthy financial reports must have a reliable financial application system. An understanding of the accounting system is needed to prepare financial reports so that the resulting financial statements are by the qualitative characteristics of financial statements and do not contain material misstatements. This study's results are in line with agency theory, which explains the responsibility of managers as agents to provide information on the condition of the company in the form of financial reports to principals. Based on the results of this analysis, it can be concluded that the accounting system affects the quality of the financial statements of PT Arana Bandar Nasional. Thus, the second hypothesis, which states that the accounting system affects financial

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statements' accountability, is accepted. This means that the better the company's accounting system, the more quality its financial reports will be.

The third hypothesis testing (H3) shows that the implementation of Good Corporate Governance can moderate the relationship between HR competencies and PT's quality. National Airport Facilities. These results prove that the implementation of good Good Corporate Governance will optimize the competencies possessed by the staff of PT. National Bandar Sarana to improve the quality of its financial reports. The implementation of Good Corporate Governance as moderation in strengthening competence towards the quality of financial reports is proven, supported by research by Sukmadiansya (2015), which states that the implementation of Good Corporate Governance has a significant relationship with the quality of financial statements. Financial reports' reliability is affected by the implementation of Good Corporate Governance (Novianti & Fatimmah, 2013). Reinforced in research by Novatiani & Aprillia (2014), it shows that Good Corporate Governance can improve financial reports' quality. To produce a quality financial report, it is undoubtedly supported by human resources' competence in carrying out the reporting process that supports the creation of good corporate governance that has been determined and will produce quality financial reports. The application of Good Corporate Governance as a moderator in strengthening the competence of human resources on the quality of financial statements here is supported by the goal-setting theory developed by Locke & Gary (1990), which states that when faced with clear and precise goals, resources or in this case accounting staff will use skills to achieve its goals in producing financial reports. Agency theory, which was first put forward by Jensen & Mecling (1976), states a relationship between agent and principal. According to this theory, the relationship between agent and principal is inherently challenging to create because of conflicting interests. To minimize these matters or problems, one of the ways that can be used to monitor agent performance is by implementing Good Corporate Governance.

Testing the fourth hypothesis (H4) shows that the implementation of Good Corporate Governance moderates the accounting system's effect on the quality of financial reports. These results indicate that the implementation of Good Corporate Governance can moderate the relationship between the accounting system and the quality of PT Sarana Nasional's financial reports. When PT owns an excellent financial accounting system. Sarana Nasional will undoubtedly support the creation of corporate governance and also produce higher quality financial reports. In line with this, the research conducted by Hanifa et al. (2016) regarding the accounting system on financial statements has a significant effect. The implementation of Good Corporate Governance in the company is undoubtedly used to manage relationships and prevent significant mistakes in PT's strategy. Means of Bandar Nasional and to ensure that any mistakes that occur can be corrected immediately. The implementation of Good Corporate Governance is undoubtedly reflected by transparent, responsible, and accountable companies in terms of financial reports, which will undoubtedly improve the quality of financial reports. Many parties are interested in a company's financial statements to have good quality to function and be useful for users and stakeholders. Financial reports that have good quality cannot be separated from the company's accounting system, starting from the data collection process to financial reporting. If it is poorly understood, the accounting system that runs within the company will hamper the preparation of financial reports (Suhadi, 2016). This indicates that if PT. Sarana Bandar Nasional has staff or employees who do not understand or understand the company's systems, which will undoubtedly hinder financial reports preparation. The financial reports that will be presented are not on time, which will undoubtedly affect the quality of financial reports. Even though the company has an exemplary implementation of Good Corporate Governance, its human resources do not understand the accounting system used; of course, it will impact the quality of financial reports because financial statements will be hampered not completed on time. The application of Good Corporate Governance in strengthening the accounting system in this study can be strengthened by the agency theory proposed by Jensen and Meckling (1976). This agency theory encourages the emergence of the concept of Good Corporate Governance in the scope of company management business. Good Corporate Governance is expected to minimize problems that arise in the company. Performance that is not by the wishes of the leadership will certainly cause problems in the company. Based on the results of this analysis, it can be concluded that the implementation of Good Corporate Governance can moderate the effect of the accounting system on the quality of financial reports in a negative direction. Thus, the fourth hypothesis, which states that the application of

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Good Corporate Governance can moderate the accounting system's effect on the quality of financial reports in a negative direction, is accepted. This means that the implementation of good Good Corporate Governance does not necessarily positively influence the application of the accounting system to the quality of financial reports because it depends on the human resources owned by PT Sarana Bandar Nasional.

4 Conclusions

The results showed that the competence of human resources and the accounting system had a positive and significant effect on the quality of financial reports. Analysis of moderating variables with the MRA approach, namely good corporate governance, can moderate the relationship between human resource competence and the quality of financial reports positively. Meanwhile, good corporate governance can moderate the relationship between the accounting system and the quality of financial reports negatively. This study suggests that the application of an accounting system can be implemented by providing supervision and control over human resources so that there are no more staff or employees who do not understand the system used so that it does not hamper the presentation of financial statements which have an impact on the quality of financial statement.

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