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Improvement Quality of Financial Report Model by Good Governance, Utilization of Information Technology and Internal Control

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Abstract: *This study aims to examine the effect of good governance, utilization of information technology, and internal control on the quality of financial statements. the sample consist of 282 officer of district / city in central java, Indonesia. The sample size was determined based on the slovin formula and the sampling was done simple random sampling, while the delivery of the questionnaire was done by post. As for testing the hypothesis used Ordinary Lest Square (OLS) multiple regression.This study found that good governance, utilization of information technology, internal control has a significant positive effect on the quality of financial statements and utilization of information technology and internal control has a significant positive effect on good governance. This study also found the role of good governance as mediating variable of information technology utilization and internal control on the quality of financial report. Local government must increase internal control to achieve a good quality of financial report.*

Keywords: *good governance, utilization of information technology, internal control, quality of financial statements.*

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I. Introduction

Improving the quality of financial statements is strongly influenced by system factors and control over human resources. Information technology and internal control are devices that are considered to have an important role in achieving improved financial report quality (Agung&Gayatri, 2018; Kusuma, et al., 2017). Quality financial reports are also inseparable from information technology that helps process transaction data processing, so that financial statements are free from material errors caused by human errors. Advanced technology, especially information technology, will cause radical and sustainable changes to the organization. With the application of technology, organizations will experience changes in management systems, from traditional systems to contemporary systems (Mulyadi, 1997). Information technology is a very useful tool for assessing the functionality of a system and the level of conformity with the organizational environment (Kusuma et al., 2017).

In an effort to strengthen public accountability, every official who presents financial statements must clearly state that the financial statements have been prepared based on an adequate Internal Control System, and the information contained has been presented in accordance with Government Accounting Standards (SAP), so that the financial statements have quality adequate. Internal control becomes a very important thing to consider in order to achieve efficiency, effectiveness, and prevent the loss of state finances for the benefit of the community and the region

However, in some previous studies, there were still differences in research results (reseach gap) between the influence of the use of information technology and internal control on the quality of financial statements. Several studies have shown that the use of information technology has a significant positive effect on the quality of local government financial reports (Agung&Gayatri, 2018; Harlinda, 2017; Yuliani&Agustini, 2016; Yusup, 2016). While several other studies state that information technology is not influential on the quality of financial statements, among others (Setyowati&Isthika, 2014; Wardani&Marlinawati, 2018). The Internal Control System has a significant positive effect on the Quality of Financial Statements (Kusuma, et al., 2017; Faishol, 2016; Herawati, 2014; Moha et al., 2017). However, several other studies found evidence that the Inter Control System did not significantly affect the quality of financial statements (Yuliani&Agustini, 2016; Yendrawati, 2013; Septarini&Papiliya, 2016). Quality local government financial reports cannot be separated from good governance, which is able to produce complete and accurate transaction evidence. In some previous studies Good governance has a mediating role between factor systems and human resources with the quality of financial statements. Several studies have found evidence that the internal control system has a significant positive effect on good governance (Kristiana et al., 2017; Soleman, 2013; Yusniyaret. Al., 2016). Information technology has a significant positive effect on good governance (Kusuma, et al., 2017; Fatmaningrum, 2016). Yusniyar, et al., (2016) found evidence that internal control and good governance influence the quality of financial statements. In the scope of the company, the mechanism of good corporate governance has a significant positive effect on the integrity of financial statements (Gayatri&Saputra, 2013).

Previous studies with different results were generally carried out only in certain Districts / Cities, this study tried to find evidence using the Regional Work Unit (SKPD) of regencies / cities in the Central Java Province. This study aims to find empirical evidence of the effect of the influence of Information Technology Utilization, and Internal Control on the quality of Local Government Financial Reports with the role of mediating Good Governance.

Hypotheses Development

Good governance is good management in a solid, responsible, efficient and effective government while maintaining the synergy of constructive interactions between domains. To realize good governance, participation, transparency and accountability are needed that are accurate, clear and tangible, so that the implementation of local government can take place in an efficient, clean and responsible manner. With good governance, complete and accurate transaction evidence can be produced so that financial reports are of quality. Research results of Yusniyaret. al. (2016); Wardani&Marlinawati, (2018) states that good governance has a significant positive effect on the quality of financial statement information, so the hypothesis can be formulated as follows:

H1: Good governance has a positive and significant effect on the quality of financial statements.

Information technology, especially computers, is used as a supporter of the preparation of financial statements, so that it is more effective and efficient. The use of information technology will greatly assist the transaction data processing, so that the financial statements produced are free from material errors caused by human error. Research result of Warih (2016) ;Karmila, et. al. (2015); Yusup, (2016); Harlinda, (2017) states that the use of information technology has a positive and significant effect on the reliability of financial reporting, so the hypothesis can be formulated as follows:

H2: Use of Information Technology has a positive and significant effect on the quality of financial statements.

The internal control system is an integral process in actions and activities carried out continuously to provide adequate confidence in achieving organizational goals through effective and efficient activities, reliability of financial reporting, security of assets, and compliance with regulations and policies. Internal control is used to provide clues about how things are done and encourage compliance with established policies. Internal control cannot be used to eliminate opportunities for errors and fraud, but with good internal control it will reduce the risk of this happening, so that it can be immediately known and dealt with quickly so as not to cause harm.

Local governments are required to have a reliable accounting information system. If there is no reliable accounting system causing weak internal control, the accounting recording and reporting system becomes less reliable. Based on the description indicated there is a positive influence of internal control over the quality of financial statements. The results of the Fadila (2013) and Warih (2016) study state that internal accounting controls have a positive and significant effect on the quality of local government financial reports, so the following hypotheses can be formulated:

H3: Internal control has a positive and significant effect on the quality of financial statements.

According to Jurnali and Supomo (2002), the use of information technology is information technology integration in the implementation of accounting tasks. The use of information technology includes (a) data processing, information processing, management systems and work processes electronically and (b) the utilization of information technology advances so that public services can be accessed easily and cheaply by the public throughout the country. The use of information technology greatly helps the transaction data processing so that the financial statements produced are free from material errors caused by human errors.Fatmaningrum (2015) which examines the effect of Information Technology Utilization on the Implementation of Good Governance at the Amil Zakat Institution proves that information technology has a positive and significant effect on good governance. The results of this study are in accordance with the opinion of Mulyadi (1997) that advanced technology, especially information technology, will cause radical and sustainable changes to the organization. With the application of technology, organizations will experience changes in management systems, from traditional systems to contemporary management systems (Kusuma et al., 2017). Young et al. (2007) prove that the system / information technology owned by local governments in Greek municipalities is a very useful tool for assessing a system's functionality and level of conformity with the organizational environment (Kusuma et al., 2017). Fatmaninrum, (2015) also states that the better the utilization of information technology by the Amil Zakat Institution, the better implementation of good governance because it will be more

effective and efficient in all matters related to activities carried out in LAZ. Based on theoretical studies and previous research, the following hypotheses can be proposed :
H4: The use of information technology has a positive and significant effect on good governance.

Internal control is a way to direct, supervise, and measure the resources of an organization. Fadila (2013) argues that there are three internal control functions, namely: (a) reliability of financial reporting; (b) efficiency and effectiveness of operations; and (c) compliance with applicable rules and regulations. Internal control is used to provide guidance on how things are done and encourage compliance with the policies that have been established. Internal control is not used to eliminate the opportunity for errors and fraud, but with good internal control it will reduce the risk of this happening, so that it can be immediately known and dealt with quickly so as not to cause harm. The elements of the internal control system consist of the control environment, risk assessment, control activities, information and communication, and internal control monitoring (Warih, 2016). Ristantiet. al. (2014) found evidence that the internal control system has a significant positive effect on good governance. This research is in line with research (Kristianaet. Al., 2017; Soleman, 2013; Yusniyaret. Al., 2016; Ristantiet. Al, 2014). Based on theoretical studies and previous research, the following hypotheses can be proposed.
H5: Internal control has a positive and significant effect on good governance.

Information Technology (IT) plays an important role in the internal control system in various organizations in terms of maintaining records and other internal services. Internal control systems are defined as efficient control procedures, which are designed to protect resources and to ensure the reliability and accuracy of financial and non-financial records in line with applicable governance and procedures to obtain defined goals and objectives (Falasilat A. & Hassan, 2015). Information Technology (IT) has a positive relationship with effective internal control activities. Utilization of IT will significantly improve the effectiveness of the operation of the internal control system in terms of providing quality services. Chen et al., (2014) who examined the role of the company's IT capabilities in contributing to internal control found that IT capabilities have benefits to support the functioning of internal controls and the efficiency of the audit process. From theoretical studies and previous research, the following hypotheses can be proposed.
H6: Utilization of information technology has a positive and significant effect on internal control.
Based on this explanation, it is summarized in the model as follows:

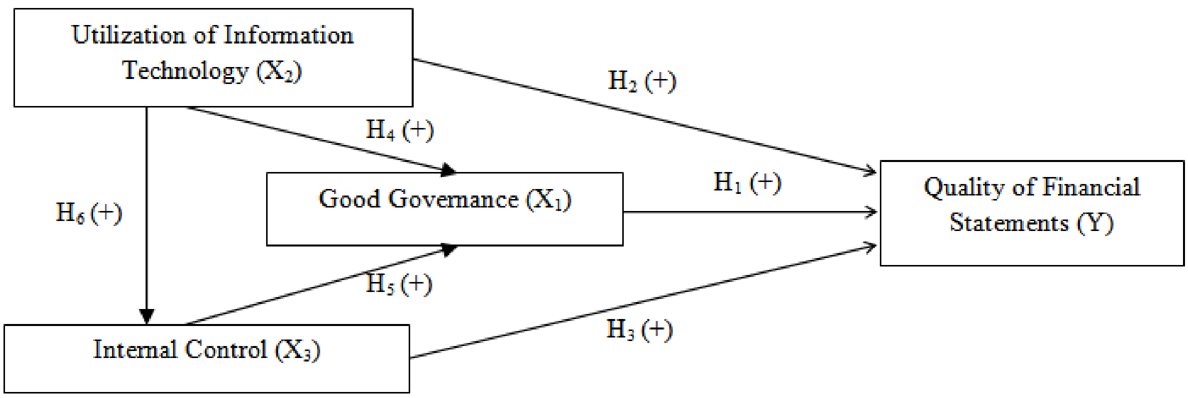

Figure 1. Research Model

II. Research Methods

The population of this study is all the accounting department Regional Work Unit in 35 districts / cities in Central Java as many as 1050. Whereas the sample is the accounting department that is responsible for the preparation of financial statements as many as 282 people who are determined based on Slovin formula. The sampling technique used is simple random sampling, this technique is done because members of the population are considered homogeneous.

The research data was collected through a survey with the help of a questionnaire. A total of 1050 questionnaires were sent by post, respondents were given two weeks to return the questionnaire. A total of 196 questionnaires were returned on time, while those that were not on time were 93, of which seven questionnaires were filled in incomplete. From the results of the non-response bias test, there were no differences in responses between respondents who returned the questionnaire on time and those that were not on time, so that the questionnaire that could be analyzed was 282.

Based on result of validity and reliability, 282 returned questionnaires were declared valid and reliable, so that they could be analyzed to test the hypothesis. The analysis tool used for hypothesis testing is ordinary least square (OLS) multiple regression with $\alpha = 0.05$ The regression model used to test H1, H2, H3 is as follows.

$Y = \alpha_1+\beta_1X_1+ \beta_2X_2 + \beta_3X_3 + e_1$(Model 1).

To test H4 and H5 a regression model is used:

$X_1 = \alpha_2+ \alpha_4X_2+ \alpha_5X_3+ e_2$ (Model 2)

To test H6 a regression model is used:

$X_3 = \alpha_3+ \alpha_6X_2+e_3$ (Model 2)

The measurement of the Financial Report Quality variable uses a five-point Likert scale, where the higher the score indicates the financial report the more qualified. The Quality of Financial Statements is operationalized using elements of the Financial Accounting Standards, namely (1) Relevant; (2) Reliable; (3) Can be compared; (4) Can be understood.

Good governance variable measurement uses a five-point Likert scale, where the higher the score indicates the better the implementation of Good Governance. Good governance is operated using three elements, namely (1) Transparency, with indicators of financial openness, operational openness, open decision-making; (2) Participation, with indicators of democratic decision making, press freedom, freedom of expression, community involvement; (3) Accountability, with indicators of providing financial information to the public and other users, assessing accountability, reporting (Zeyn, 2011).

Information Technology Utilization is measured using a five-point Likert scale, where the higher the score indicates the more intense use of information technology in the preparation of financial statements. Utilization of Information Technology is operationalized using an instrument adopted from Thompson et al., (2006) which consists of three questions relating to: (1) intensity of use (intensity of use), (2) frequency of use (frequency of use), and (3) the number of types of software used (diversity of software package used).

Internal control is measured using a five-point Likert scale, where high scores indicate a very strong internal control. Internal control is operationalized using nine indicators adopted from Indriasari & Nahartyo (2008), which consist of nine questions relating to: (1) The existence of an accounting system, (2) The existence of supporting documents, (3) The authorization of the authorities, (4) The existence of valid transaction evidence, (5) Accounting records, (6) Accounting records are up to date, (7) There are reviews and approval of financial statements, (8) Accounting systems that allow audits, (9) The existence of segregation of duties.

III. Result

Testing the hypotheses H1, H2, and H3 is done using the Regression Model 1 obtained from table 1:

$Y = \alpha_1+ \alpha_1X_1+ \alpha_2X_2 + \alpha_3X_3 + e_1$.

$Y = 0{,}608+0{,}351X_1+ 0{,}331X_2 +0{,}206X_3 + e_1$.

Testing the hypotheses H4 and H5 used the regression model 2 obtained from table 2:

$X_1 = \alpha_2+ \alpha_4X_2+ \alpha_5X_3+ e_2$.

$X_1 = \alpha\ X_2 +0{,}078X_3 + e_2$.

Testing the H6 hypothesis used Regression Model 3 obtained from table 3:

$X_3 = \alpha_3+ \alpha_6X_2+e_3$.

$X_3 = \alpha_3+1{,}103X_2+e_3$.

From the results of testing classical assumptions, regression model 1, regression model 2 and regression model 3 are declared free of violations of classical assumptions and fit, so that they can be used as analysis tools.

For more details, testing these hypotheses is presented in Table 1.

Table 1. Model 1 Regression Coefficient

Model		Unstandardized Coefficients	Std. Error	t	Sig.
1	(Constant)	0.608	0.676	0.900	0.369
	Good Governance (X1)	0.351	0.021	17.034	0.000
	Utilization of Information Technology (X2)	0.331	0.023	14.671	0.000
	Internal Control (X3)	0.206	0.021	9.814	0.000

a. Dependent Variable: Quality of Financial Statements (Y)

Table 2. CoefficientRegression Model 2

Model		Unstandardized Coefficients	Std. Error	t	Sig.
2	(Constant)	18.451	0.647	28.506	0.000
	Utilization of Information Technology (X2)	0.373	0.023	16.378	0.000
	Internal Control (X3)	0.078	0.020	3.953	0.000

a. Dependent Variable: Good Governance (X1)

Table 3. Coefficient Regression Model 3

Model		Unstandardized Coefficients	Std. Error	t	Sig.
3	(Constant)	2.010	3.234	0.621	0.535
	Utilization of Information Technology (X2)	1.103	0.098	11.231	0.000

a. Dependent Variable: Internal Control (X3)

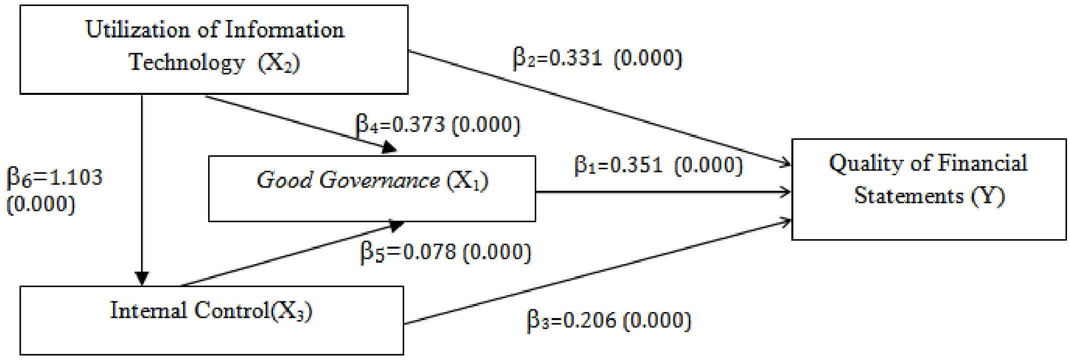

Figure 2. Analysis Model

Testing the H1 hypothesis which states that Good Governance (X1) has a significant positive effect on the Quality of Financial Statements (Y) based on table 1. Based on table 1, it can be seen that the coefficient of Good Governance variable (X1) is β1 = 0.351 with significance = 0.000. This significance value is less than 0.05 and the value of β1 shows a positive sign, then the hypothesis H1 which states that Good Governance (X1) has a significant positive effect on the Quality of Financial Statements (Y) is accepted.

Testing the H2 hypothesis which states that the Utilization of Information Technology (X2) has a significant positive effect on the Quality of Financial Statements (Y) based on table 1. Based on table 1, it can be seen that the variable coefficient of Information Technology Utilization (X2) is β2 = 0.331 with a significance of 0,000. This significance value is less than 0.05 and the value of β2 shows a positive sign, then the H2 hypothesis which states that the Utilization of Information Technology (X2) has a significant positive effect on the Quality of Financial Statements (Y) received.

Testing the H3 hypothesis which states that Internal Control (X3) has a significant positive influence on the Quality of Financial Statements (Y) based on table 1. Based on table 1, it can be seen that the coefficient of the Internal Control variable (X3) is β3 = 0.206 with a significance of 0.000. This significance value is less than 0.05 and the value of β3 shows a positive sign, then the H3 hypothesis which states that Internal Control (X3) has a significant positive effect on Quality of Report (Y) is accepted.

Testing the H4 hypothesis which states that the Utilization of Information Technology (X2) has a significant positive effect on Good Governance (X1) based on table 2. Based on table 2, it can be seen that the variable coefficient of Information Technology Utilization (X2) is β4 = 0.373 with a significance of 0.000. This significance value is less than 0.05 and the value of β4 shows a positive sign, then the H4 hypothesis which states that the Utilization of Information Technology (X2) has a significant positive effect on Good Governance (X1) is accepted.

Testing the hypothesis H5 which states that Internal Control (X3) has a significant positive effect on Good Governance (X1) based on table 2. Based on table 2, it can be seen that the variable coefficient of Internal Control (X3) is β5 = 0.078 with a significance of 0.000. This significance value is smaller than 0.05 and the value of β5 shows a positive sign, then hypothesis H5 which states that Internal Control (X3) has a significant positive effect on Good Governance (X1) is accepted.

Testing the H6 hypothesis which states that the Utilization of Information Technology (X2) has a significant positive effect on Internal Control (X3) is based on table 3. Based on table 3, it can be seen that the variable coefficient of Information Technology Utilization (X2) is β6 = 1.103 with a significance of 0.000. This significance value is smaller than 0.05 and the value of β6 shows a positive sign, then the hypothesis H6 which states that the Utilization of Information Technology (X2) has a significant positive effect on Internal Control (X3) is accepted.

IV. Discussion

The results of the H1 hypothesis testing prove that there is a significant positive effect of Good Governance on the Quality of Financial Statements. This means that the better the implementation of Good Governance, the more the Quality of Financial Reports produced will increase.

The results of this study support the research conducted by Yusniyar et al., (2016) which states that Good Governance has a significant effect on the Quality of Financial Statements. The influence of Good Governance on the Quality of Financial Statements also occurs in the scope of the company. Some studies prove that Good Corporate Governance will produce quality financial reports, including research conducted by Aziz (2014)who found evidence that managerial ownership factors, as one element of Good Corporate Governance, have a significant effect on the quality of Sustainability Report disclosures in Indonesia. Likewise, the research conducted by Gayatri & Saputra (2013) found evidence that the mechanism of Good Corporate Governance has a positive and significant effect on the Integrity of Financial Statements.

The results of the H2 hypothesis testing prove that Information Technology Utilization has a significant positive effect on the Quality of Financial Statements. This shows that an increase in the intensity of the use of information technology can significantly improve the quality of financial statements. Information technology, especially computers, is used as a supporter of making financial statements to be free from material errors caused by human error, so that the information presented in financial statements becomes more qualified. The results of this study support the research conducted by Nadir & Hasyim, (2018) which states that Information Technology Utilization has a significant effect on the Quality of the Financial Statements of North Halmahera Regency. The results of this study also support research (Rifandi, 2018; Harlinda, 2017;Yuliani & Agustini, 2016).

The results of the H3 test prove that Internal Control has a significant positive effect on the Quality of Financial Statements. This shows that the higher the compliance of District / City Regional Work Unit in Central Java to internal control, the quality of the financial statements produced will increase. This is because the internal control component will maintain the information system from intentional or unintentional errors. Strong controls will produce a valid recording system and reliable accounting reporting. The results of this study support the research of Aditya & Surjono (2018), Herawati (2014), Kusuma et al., (2017), Moha et al., (2017), Susilawati & Riana (2014) who have proven that the Internal Control System has a positive effect significant to the Quality of Financial Statements.

The results of testing the H4 hypothesis prove that Information Technology Utilization has a significant positive effect on Good Governance, this shows that the higher intensity in the utilization of information technology can significantly improve good governance. This is because advanced technology, especially information technology, will cause radical and sustainable changes to the organization. With the use of information technology applications, organizations will experience changes in management systems, from traditional systems to contemporary systems (Mulyadi, 1997). The results of this study support research (Fatmaningrum, 2016;Kusuma et al., 2017).

Based on Figure 2 it can be seen that the Utilization of Information Technology, in addition to a significant positive effect on Good Governance, also has a significant positive effect on the Quality of Financial Statements. On the other hand, Good Governance has a significant positive effect on the Quality of Financial Reports, it can be concluded that Good Governance is a semi intervening variable that mediates the positive influence of Information Technology Utilization on the Quality of Financial Statements. The direct effect of Information Technology Utilization on the Quality of Financial Reports can be seen from the magnitude of the coefficient $\beta 2 = 0.331$, while the indirect effect through Good Governance can be known through $\beta 4 = 0.373$ x $\beta 1 = 0.351$, which is equal to 0.131. So, the direct effect of the Use of Information Technology on the Quality of Financial Reports is more effective than the indirect effect of the Use of Information Technology on the Quality of Financial Statements through Good Governance.

The results of testing the H5 hypothesis prove that Internal Control has a significant positive effect on Good Governance, this shows that the higher the compliance of District / City Regional Work Unit in Central Java to internal control, it can significantly improve good governance. This is because internal control is a way to direct, supervise, and measure the resources of an organization. Internal control is an indication of how something is done and encourages compliance with the policies that have been established. The results of this study support the research (Kusuma et al., 2017;Faishol, 2016;Herawati, 2014;Susilawati & Riana, 2014; Moha et al., 2017).

Based Figure 2 it can be seen that Internal Control, in addition to a significant positive effect on Good Governance, also has a significant positive effect on the Quality of Financial Statements. On the other hand, Good Governance has a significant positive effect on the Quality of Financial Reports, it can be concluded that Good Governance is a semi intervening variable that mediates the positive influence of Internal Control on the Quality of Financial Statements. The direct effect of Internal Control on the Quality of Financial Reports can be seen from the magnitude of the coefficient $\beta 3 = 0.206$, while the influence indirectly through Good Governance can be known through $\beta 5 = 0.078$ x $\beta 1 = 0.351$, which is equal to 0.027. So, the direct influence of Internal Control on the Quality of Financial Reports is more effective than the indirect effect of Internal Control on the Quality of Financial Statements through Good Governance.

The results of testing the H6 hypothesis prove that Information Technology Utilization has a significant positive effect on Internal Control, this shows that the higher intensity in the utilization of information technology can increase the operating effectiveness of the internal control system. Information technology helps process transaction data so that financial statements are free from material errors caused by human errors. Information technology is able to process data with large capacity and high complexity quickly and precisely. Unlike manual internal control, where humans easily violate compliance with policies that have been determined due to human error factors, by utilizing information technology human error factors can be minimized. Information technology does not have the characteristics of human error such as experiencing fatigue, saturation and forgetfulness, so that the use of information technology can improve compliance with established policies, which in the end internal control becomes more effective. The results of this study support the research of Falasilat A. & Hassan, (2015);Chen et al., (2014) who found evidence that information technology has a significant positive effect on internal control.

From Figure 2 it can be seen that the Utilization of Information Technology, in addition to a significant positive effect on Internal Control, also has a significant positive effect on the Quality of Financial Statements. On the other hand, internal control has a significant positive effect on the Quality of Financial Reports, it can be concluded that Internal Control is a semi intervening variable that mediates the positive influence of Information Technology Utilization on the Quality of Financial Statements. The direct effect of Information Technology Utilization on the Quality of Financial Reports can be seen from the magnitude of the coefficient $\beta 2 = 0.331$, while the indirect effect through Internal Control can be known through $\beta 6 = 1.103$ x$\beta 3 = 0.206$, which is equal to 0.227. So, the direct effect of Information Technology Utilization on the Quality of Financial Reports is more effective than the indirect effect of Information Technology Utilization on the Quality of Financial Statements through Internal Control.

From Figure 2 it can also be seen that the Utilization of Information Technology, besides having a significant positive effect on Internal Control, also has a significant positive effect on Good Governance. On the other hand, internal control has a significant positive effect on good governance, it can be concluded that Internal Control is a semi intervening variable that mediates the positive influence of Information Technology Utilization on Good Governance. The direct influence of Information Technology Utilization on Good Governance can be seen from the magnitude of the coefficient $\beta 4 = 0.373$, while the indirect effect through Internal Control can be known through $\beta 6 = 1.103$ x $\beta 5 = 0.078$, which is equal to 0.086. So, the direct influence of the Use of Information Technology on Good Governance is more effective than the indirect influence of the Use of Information Technology on Good Governance through Internal Control.

V. Conclusion

Good Governance, Utilization of Information Technology and Internal Control have a significant positive effect on the Quality of Local Government Financial Reports in District / City SKPD in Central Java. However, of the three variables that have the strongest influence is Good Governance, while those with the weakest influence are Internal Control, this can be seen from the magnitude of the statistical coefficient t, which is a comparison between Unstandardized Coefficients and Standard Error of each variable. The large t statistics show a stronger influence, so that to improve the quality of the most efficient financial statements is through increasing good governance.

Utilization of Information Technology and Internal Control has a significant positive effect on Good Governance, but Information Technology Utilization has a stronger influence than Internal Control, therefore to improve Good Governance more efficiently through Information Technology Utilization more intensely. The utilization of Information Technology also has a significant positive effect on Internal Control.

Good governance is a semi intervening variable that mediates the positive influence of the use of information technology on the quality of financial statements. The direct effect of Information Technology Utilization on the Quality of Financial Statements is more effective than the indirect effect of Information Technology Utilization on the Quality of Financial Statements through Good Governance.

Good governance is a semi intervening variable that mediates the positive influence of internal control on the quality of financial statements. The direct effect of Internal Control on the Quality of Financial Reports is more effective than the indirect effect of Internal Control on the Quality of Financial Statements through Good Governance.

Information Technology Utilization has a significant positive effect on Internal Control. Internal Control is a semi intervening variable that mediates the positive influence of Information Technology Utilization on the Quality of Financial Statements and Good Governance. The direct effect of Information Technology Utilization on the Quality of Financial Statements and Good Governance is more effective than the indirect effect of Information Technology Utilization on the Quality of Financial Statements and Good Governance through Internal Control.

Future research in distributing questionnaires should be carried out directly and accompanied by in-depth interviews, so that better quality data can be obtained. Future research should also add other variables that are considered to improve the quality of financial statements.

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