ABSTRACT

THE EFFECT OF GOVERNMENT ACCOUNTING STANDARDS APPLICATION AND INTERNAL CONTROL SYSTEM ON THE QUALITY OF LOCAL GOVERNMENT FINANCIAL STATEMENTS

by

FERINDO SAPUTRA

This study aimed to examine the effect of government accounting standards application and internal control system on the quality of local government financial statements. The independent variables in this research are government accounting standards application and internal control system, then for the variable dependent is the quality of local government financial statements.

Sampling method used Stratified Random Sampling and obtained 170 respondents drawn from the 204 employees who were field in the management of financial statements in the regional secretariat, 16 office, and 11 agency at Tulang Bawang. Multiple linear regression was used to test the hypothesis and data was tasted by SPSS version 17 for windows.

The results show that the government accounting standards application and internal control system are positively affect the quality of local government financial statements especially at Tulang Bawang regency.

Key words: Government Accounting Standards, Internal Control System, The Quality of Local Government Financial Statements.