REVIEW OF ACCOUNTING AND TAXATION

The Effect Of Information Technology Utilization, Audit Quality, nd Monitoring On The Quality Of Financial Statements

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Abstract

Purpose - This study aims to analyze the influence of information technology utilization, audit quality, and supervision on the quality of financial statements at the Palopo City Inspectorate Office.

Design/methodology/approach - he research method used is quantitative with multiple linear regression techniques. The research sample is 40 auditors at the Palopo City Inspectorate Office in 2022.

Finding - The results of the study show that the use of information technology and audit quality do not have a positive and significant effect on the quality of financial statements, in contrast to the quality of audit and supervision which produces a significant influence. Meanwhile, supervision does not have a significant effect on the quality of financial statements. The use of information technology can increase the efficiency and effectiveness of the audit process, thereby improving the quality of audits.

Originality - Good audit quality can increase confidence in audit findings, thereby improving the quality of financial statements. This study recommends that the Palopo City Inspectorate Office increase the use of information technology and audit quality to improve the quality of financial reports.

Keyword - *Utilization of Information Technology, Audit Quality,*
Paper Type – Research Paper

The introduction

One form of accountability in the administration of government regulated by Law No. 17 of 2003 concerning State Finance and Law No. 32 of 2004 concerning Regional Government, a real effort towards achieving transparency and accountability in government financial management, both central and regional governments, is by submitting accountability reports in the form of financial statements (Haza, 2015). Financial statements are accounting records of an agency for one accounting period that can be used to explain the performance of the agency (Khoirunisa & Khoiriawati, 2022). The accounting concept used in compiling and displaying government financial statements is known as SAP. In lieu of Government Regulation No. 24 of 2005, the financial statements of the central and regional governments must refer to government accounting standards in accordance with Government Regulation No. 71 of 2010 concerning Government Accounting Standards (Nadir & Hasyim, 2017).

The Financial Supervisory Agency (BPK) will review the local government's financial statements (LKPD) every year. When the Financial Supervisory Agency gives a reasonable opinion without exception to the Financial Statements, it means that the financial statements of the agency are presented and reported fairly and with quality. In fact, the Audit Board (BPK) found many cases of data that was prepared or presented improperly in the implementation of government financial statement audits (Kurniawan, 2016). This can be seen in the financial statements of the Palopo city government in the 2021 period, which have received a fair opinion in all material matters from the BPK. However, it is very unfortunate that in the 2022 period, even though the government's financial statements have met standards and quality, there are still records that must be improved to be perfected (Lukman, 2023).

Financial reports are said to be of high quality if the financial statements presented by a reporting agency must have four characteristics, namely relevant, reliable, comparable, and understandable (Afifah et al., 2021). Quality financial reports can be influenced by several factors, including the use of information technology, audit and mointoring quality. The use of information technology in question is the use of accounting computer applications in regional financial management. The optimal use of accounting computer applications will have an impact on faster transaction processing and calculations with a high level of accuracy so that it will improve the quality of timely financial reporting because the use of technology will reduce material errors (Shofa et al., 2022).

The use of information technology can be very helpful in accelerating the process of data transactions and the preparation of financial reports. It can also identify problems when posting from documents, journals, ledgers to financial statements, so that those financial statements do not lose the value of financial statement information. Increasingly developing technology causes the drying of data through electronic devices such as computers to be very advantageous (Khoirunisa & Khoiriawati, 2022). Government Regulation No. 56 of 2005 concerning financial information systems states that the government is obliged to develop and utilize advances in information technology in improving financial management capabilities, and distributing financial information to public services. Therefore, the government is obliged to develop and utilize advances in information technology in improving financial management capabilities, and distributing financial information to public services (Hadith, 2022). This study refers to previous research related to the quality of financial reports, namely: research (Binawati & Nindyaningsih, 2022) which shows that the use of information technology has a positive effect on the quality of regional financial reports. However, this study is contrary to research (Wardani et al., 2018) which says that the use of information technology does not have a significant effect on the quality of financial statements.

Audit quality is an opportunity to find and detect problems in a company's financial statements, be it material problems (Wawo, 2022). The Inspectorate has an active role as an internal auditor in conducting quality audits in the government. An audit is said to be qualified if the auditor meets the requirements of auditing standards, in accordance with the regulations of the Public Accountant Professional Standards (SPAP). (Djanegara, 2017) argues that the better the audit quality, the higher the quality of the financial statements, the more credible the financial statements will be because the audit quality is better. This study refers to research (Sarhan et al., 2019) which states that audit quality has a positive and significant influence on the quality of a company's financial reporting. However, contrary to research (Andriani et al., 2020) said that audit quality has no effect on the quality of financial statements.

In order for the government to ensure that the government's work programs are implemented in accordance with accounting standards, mointoring of financial statements is important. The supervisory function is becoming increasingly important to prevent misappropriation and irregularities and direct the use of the budget more optimally in quality programs due to the increase in regional financial management activities with a larger budget value for various work programs. dream and allocate funds to high-quality programs in a more efficient way. Through mointoring, it is possible to find out whether a government agency has carried out its operations in accordance with its responsibilities and functions, used the public budget effectively and efficiently, and complied with the guidelines that have been set (Supraja, 2019). This is in line with research (Andi Kusnadi et al., 2022) showing that there is a significant positive influence of financial mointoring on the quality of government financial reports. However, this is contrary to research (Pratiwi et al., 2021) which says that supervisors do not affect the quality of financial statements.

The difference in the results of this study is interesting to further analyze the use of information technology, audit quality, and mointoring of the quality of financial statements. In conducting research activities, the author formulated the problem of how the use of information technology affects the quality of financial statements, how the quality of audits affects the quality of financial statements, and how the influence of mointoring on the quality of financial statements. Meanwhile, the purpose of this study is to analyze and find out the influence of information technology utilization, audit quality and mointoring on the quality of financial statements.

LITERATURE REVIEW

TAM (Technology Acceptance Model)

The Technology Acceptance Model (TAM) is a technology application model that adopts The Theory of Reasoned Action (TRA) from Fishbein and Ajzen (1975) which is used to measure the level of respondents' use of information technology. Davis developed the TAM Model in 1986 through the adoption of TRA. TAM is a type of theory that applies a behavioral theory approach that is often used to study the process of information technology adoption (Febriyani & Suprajitno, 2020). TAM explains the cause-and-effect relationship between a belief (the benefits of an information system and its ease of use) and the behavior, needs and users of an information system. The purpose of TAM is to predict and explain user acceptance of an information system (Hadith, 2022).

The relevance of TAM (Technology Acceptance Model) in this study is related to the use of information technology, where the Inspectorate provides a means to facilitate the use of technology and improve experience in using related technology which can have an impact on improving individual performance in terms of their ability to complete tasks quickly and effectively so that there is an improvement in the quality of financial reports.

Utilization of Information Technology

According to (Budiono et al., 2018) information technology is the means and infrastructure (hardware, software, and usware) to acquire, send, process, interpret, store, organize, and use data in a useful way. The use of information technology is the behavior or attitude of a person using information technology to complete tasks and improve their performance. In general, using technology will be advantageous because it provides convenience and efficiency with time and cost. Thus, if information technology is applied effectively, it will have a positive influence on government performance (Sikumbang et al., 2020).

Audit Quality

Based on the sufficiency of the evidence owned, an auditor submits the results of his audit to interested parties as well as carries out the audit in accordance with the audit standards that have been set, this is called audit quality. The term "audit quality" refers to the reliability of an auditor when they report and find errors in the client's accounting system. Inputs, processes, outputs, and context are indicators that measure the quality of an audit, an auditor (Putra et al., 2021). Quality auditor services will be more trusted with the information generated to financial report users or investors (Suripto & Jayadih, 2022).

Mointoring

A supervisory system is certainly needed to produce quality financial reports. Where the main purpose of mointoring is to eliminate almost all possibilities of fraud or deviation from the desired results. Mointoring is expected to help the implementation of internal policies and the achievement of planned goals. In addition, an assessment of the extent to which the work has been completed, the policies of the leadership are complied with, and the degree of irregularities in the implementation of duties can be obtained through mointoring (Ni Kadek Tita et al., 2021). To prevent the risk of deviation from the predetermined plan, mointoring is needed, as a standard for evaluating performance, both successful and unsuccessful.

Quality of Financial Reports

A financial statement Report is a document that presents the financial performance of an agency/entity over a certain period of time. The quality of financial statements is ideally financial statements should accurately describe the financial condition and performance of the agency/company. The information provided should help in evaluating the past and future, the more accurate and clearer the picture generated by financial data and the closer to the truth (Lestari & Ardini, 2021). There are 4 (four) indicators of the Quality of Local Government Financial Statements based on Government Regulation No. 71 of 2010, namely (1) relevant, (2) reliable, (3) comparable, and (5) understandable (Alminanda & Marfuah, 2018).

HIPOTESIS DEVELOPMENT

The Effect of Information Technology Utilization on the Quality of Financial Reports

The use of information technology has an important role in the preparation of financial reports, such as recording financial transactions to be more efficient and accurate, data can be input electronically, so as to minimize errors in recording and financial data can be stored safely and easily accessible, thus allowing users to access the necessary financial information quickly and efficiently. Therefore, the use of information technology is very important for the quality of financial reports. This can be proven from research (Binawati & Nindyaningsih, 2022) which shows that the Utilization of Information Technology has a positive effect on the Quality of Local Government Financial Statements. Based on the explanation above, the hypotheses taken in this study are:

H1: The use of information technology has a positive effect on the quality of financial reports

The Effect of Audit Quality on the Quality of Financial Statements

A quality audit is a process in which an internal auditor conducts an audit in accordance with audit standards and determines and informs interested parties about the audit findings based on the sufficiency of available evidence (Suripto & Jayadih, 2022). The process of assessing or identifying the root of a particular audit outcome or error is referred to as the context of audit quality. Regarding audit quality, attribution can refer to how individuals involved in the audit process evaluate, examine or provide justification for certain audit findings. In this case, audit quality is very important for making decisions for information users. In addition, auditors play an important role in determining the quality of financial statement audits. A company will find it easier to make decisions when its financial statements are available that have solid audit results and can be used as accurate and appropriate evaluation material (Rizky Khoirunisa et al., 2022). This is in line with research (Sarhan et al., 2019) stating that audit quality has a positive and significant influence on the quality of financial reporting. Based on the explanation above, the hypotheses taken in this study are:

H2: Audit Quality has a positive effect on the quality of financial statements

The Effect of Mointoring on the Quality of Financial Statements

As one of the important components in the local government organization, the Inspectorate is trusted to ensure the correctness of information produced by various units/work units in accordance with the Regulation of the Minister of Home Affairs Number 8 of 2009. The Inspectorate examines the financial statements produced by the regional apparatus work unit (SKPD) to ensure the correctness of the financial data. that the performance of regional work units is influenced by the mointoring system (SKPD). Because mointoring seeks corrective action when there are things that deviate from what has been decided, in essence mointoring is an active action. Whether the financial statements have been presented in accordance with applicable provisions is ensured during the review process. The inspectorate's input into this review process will help determine whether the financial statements are in compliance with the Government Accounting Standards (SAP), thereby improving the quality of regional financial statements in the process. Thus, it can be said that the quality of the government's financial st

atements has increased with the mointoring of internal auditors. This is in line with research (Andi Kusnadi et al., 2022) showing that there is a significant positive influence of financial mointoring on the quality of government financial reports. Based on the explanation above, the hypotheses taken in this study are:

H2: Mointoring has a positive effect on the quality of financial statement

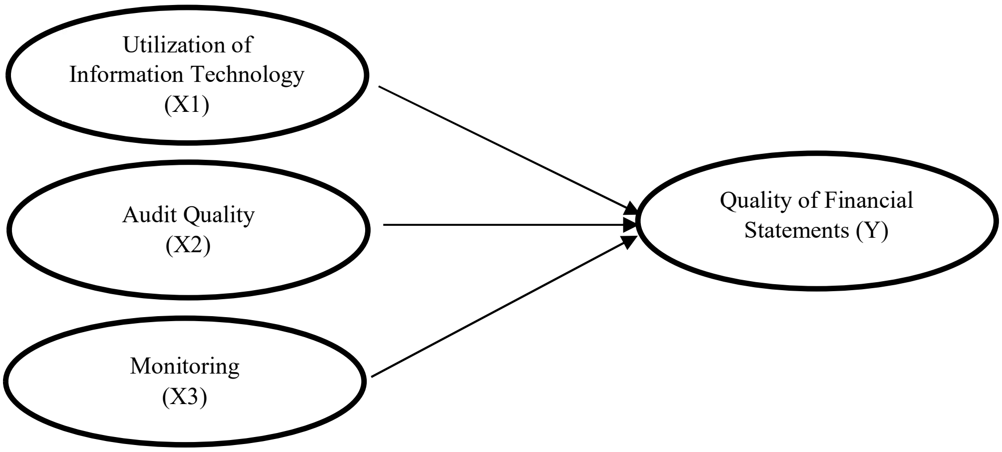

Figure 1. Framework

METHOD

In this study, a quantitative research method is used. The method chosen and will be used in this study is by using the survey method. In surveys, information is obtained using questionnaires whose data is collected from respondents or populations that will be research samples. The questionnaire used will measure dependent variables and independent variables according to the established research model. The scale used for measurement is the likert scale expressed with an interval of 1 to 5. The population in this study is employees of the Palopo City Inspectorate office with the selection of samples in this study is saturated sampling. According to (Sugiyono, 2016) this method is a sampling strategy that utilizes the entire population. This method is used because the number of pupils in the Inspectorate office is less than 100 people. In this study, all data were processed and tested with SPSS 26. By using descriptive statistical analysis, validity test, reliability test, classical assumption test, multiple linear regression test, t-test, and determination coefficient test.

RESULTS AND DISCUSSION

Descriptive Analysis Test

The number of samples in the study amounted to 40 respondents. Of the 40 questionnaires, the questionnaires used in this study are 40 (100%). Because all questionnaires are back and no questionnaires are missed. The following is a statistical descriptive table on several variable results calculated using the SPSS26 program.

Table 1 Descriptive Analysis Test
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Untilization of information technology	40	24.00	30.00	26.4000	1.67638
Audit Quality	40	24.00	30.00	27.3250	2.26894
Monitoring	40	10.00	25.00	20.6750	3.00758
Quality of Financial Reports	40	15.00	25.00	21.0000	3.06343
Valid N (listwise)	40				

Based on Table 1, a general description of the results of the study can be drawn as follows. First, information technology utilization data has a minimum score of 24 and a maximum score of 30. The average score is 26.4000 with a standard deviation of 1.67638. A sizable standard deviation indicates a large variation of the lowest and highest values for the X1 variable. Second, audit quality data has a minimum score of 24 and a maximum score of 30. The average score is 27.3250 with a standard deviation of 2.26894. A sizable standard deviation indicates the presence of large variables of the lowest and highest values for the X2 variable. Third, the surveillance data has a minimum score of 10 and a maximum score of 25. The average score is 20.6750 with a standard deviation of 3.00758. A sizable standard deviation indicates a large variation of the lowest and highest values for the X3 variable. And fourth, financial report quality data has a minimum score of 15 and a maximum score of 25. The average score is 21.0000 with a standard deviation of 3.06343. A sufficiently large standard deviation indicates a large variation of the lowest value and the highest value for the Y variable.

Validity Test

The validity test is a tool used to measure the validity of the questionnaire. The validity test was carried out by testing the correlation between the item score and the total score of each variable, using pearson corelation. The statement item is said to be valid if the significance level is below 0.05.

Table 2 Validity Test

Variabel	Item	N	Significant	r-hitung	r-tabel	remark
Utilization of Information Technology (X1)	UIT1	40	0,000	0,623	0,263	Valid
	UIT2	40	0,001	0,488	0,263	Valid
	UIT3	40	0,000	0,617	0,263	Valid
	UIT4	40	0,000	0,617	0,263	Valid
	UIT5	40	0,000	0,699	0,263	Valid
	UIT6	40	0,009	0,406	0,263	Valid
Audit Quality (X2)	KA1	40	0,000	0,741	0,263	Valid
	KA2	40	0,000	0,808	0,263	Valid
	KA3	40	0,000	0,725	0,263	Valid
	KA4	40	0,000	0,758	0,263	Valid
	KA5	40	0,000	0,709	0,263	Valid
	KA6	40	0,000	0,714	0,263	Valid
Mointoring (X3)	P1	40	0,000	0,747	0,263	Valid
	P2	40	0,000	0,748	0,263	Valid
	P3	40	0,000	0,775	0,263	Valid

	P4	40	0,000	0,828	0,263	Valid
	P5	40	0,000	0,758	0,263	Valid
Quality of Financial Statements	KLK1	40	0,000	0,793	0,263	Valid
	KLK2	40	0,000	0,856	0,263	Valid
	KLK3	40	0,000	0,947	0,263	Valid
	KLK4	40	0,000	0,943	0,263	Valid
	KLK5	40	0,000	0,665	0,263	Valid

Based on table 2, it shows that all indicators used to measure the variables of information technology utilization, audit quality, mointoring, and financial report quality used in this study show a significant level smaller than 0.05 or 5%. This means that all indicators and statements in each variable in this study are said to be valid, so that they are suitable for use as data collectors and can be analyzed later.
Reliability tests start by conducting validity tests first, if an item is found to be invalid, reliability testing cannot be performed, but on the other hand, if the item is found to be valid, reliability tests can be carried out together (Glenardy et al., 2022).

Tabel 3 Uji Reliabilitas

Variabel	Cronbach Alpha	Keterangan
Utilization of Information Technology	0,596	Reliabel
Audit Quality	0,836	Reliabel
Monitoring	0,829	Reliabel
Quality of Financial Reports	0,896	

Based on table 3, It shows that all the variables used in this study obtained an Alpha value greater than 0.5. This means that all variables in this study are reliable so that all statements are credible and can be used for future research.

Normality Test

The normality test aims to test whether in the regression model, the perturbating or residual variables have a normal distribution or not. The normality test in this study uses the Kolmogorov Smirnov test processed with SPSS version 26. The conclusion of the normality test results can be seen, namely, If the significance value > 0.05, then the data is declared normally distributed and If the significance value < 0.05, then the data is declared abnormally distributed.

Table 4 Normality Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		40
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.97293398
Most Extreme Differences	Absolute	.098
	Positive	.098
	Negative	-.091
Test Statistic		.098
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Based on the table above, it shows that the significance value of 0.200 is greater than 0.05 so it can be concluded that the data of the three variables tested are declared to be normally distributed.

Multiple Linear Regression Test

This analysis was used to test the influence of independent variables, namely Information Technology Utilization (X1), Audit Quality (X2) and Mointoring (X3) on the bound variable, namely Financial Report Quality (Y).

Table 5 Regression Analysis Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	2.541	6.594	
	Utilization of Information Technology	-.353	.201	-.193
	Audit Quality	.772	.155	.572
	Mointoring	.322	.118	.316

a. Dependent Variable: Kualitas Laporan Keuangan

Based on the results of the multiple linear regression test in the table above, the coefficient value and also the constant value can be known, so that the equation model can be formulated as follows:

$$\mathbf{Y = 2.541 - 0.353\, X_1 + 0.772\, X_2 + 0.322\, X_3}$$

From this equation, it can be explained that the constant (Y) 2.541 will be ignored if the value (X) is at least 1, because in this study it uses a likert scale between 1 and 5 with the lowest value

1. The value of the information technology utilization coefficient of (-0.353) has a negative effect on the quality of financial statements (Y). This shows that every reduction in the value of one variable in the utilization of information technology (X1) will reduce the quality of financial statements (Y) by (-0.353) times.
2. The value of the audit quality coefficient of 0.322 has a positive effect on the quality of financial statements (Y). This shows that every addition of one value of the audit quality variable (X2) will increase the quality of financial statements (Y) by 0.772 times.
3. The value of the mointoring coefficient of 0.772 has a positive effect on the quality of financial statements (Y). This shows that every addition of one value of the supervisory variable (X3) will increase the quality of financial statements (Y) by 0.322 times.

t Test

The next stage is partial testing (t-test) aiming to determine the influence of each independent variable on the dependent variable. The test criteria used are if the < value is 0.05 then Ha is accepted and if the > value is 0.05 then H0 is rejected.

Table 6 Partial Test (t-Test)

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.541	6.594		.385	.702
	Utilization of Information Technology	-.353	.201	-.193	-1.754	.088
	Audit Quality	.772	.155	.572	4.972	.000
	Monitoring	.322	.118	.316	2.722	.010

a. Dependent Variable: Quality of Financial Reports

The calculation results obtained for the variable Information Technology Utilization (X1) with a significance of 0.088 show that the value is greater than 0.05 (0.088 > 0.05), and the t-Statistics value (- 1.754) > t-table 1.688. Thus, hypothesis 1 show that the use of information technology does not have a significant partial effect on the quality of local government financial statements.

The calculation results obtained for the Audit Quality variable (X2) with a significance of 0.000 show that the value is less than 0.05 (0.000 < 0.05), and the t-Statistics value is 4.972 > t-table 1.688. Thus, hypothesis 2 shows that audit quality partially has a significant effect on the quality of regional financial statements.

The calculation results obtained for the Mointoring variable (X3) with a significance of 0.010 show that the value is less than 0.05 (0.010 < 0.05), and the t-Statistics value is 2.722 > t-table 1.688. Thus, hypothesis 3 shows that partially mointoring has a significant effect on the quality of regional financial reports.

Simultaneous Test (F-Test)

The simultaneous test (F-Test) was carried out to see how much influence all independent variables (information technology utilization, audit quality, and mointoring) had on the bound variable (financial report quality).

Table 7 Simultaneous Test Results (F Test)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	214.194	3	71.398	16.932	.000[b]
	Residual	151.806	36	4.217		
	Total	366.000	39			

a. Dependent Variable: Quality of Financial Reports

b. Predictors: (Constant), Mointoring, Utilization of Information Technology, Quality Audit

Based on the table above, the calculation results obtained a significance of 0.000b. Using a significance level of 0.05, the significance value of F of 0.000 indicates less than 0.05 (0.000 < 0.05), and the value of F-Statistics is 16.932 > F-table 2.87. Thus, the hypothesis that there is an influence between the independent variables of Information Technology Utilization (X1) Audit Quality (X2) and Monitoring (X3) simultaneously on the variables bound by the quality of financial statements (Y) is acceptable.

The Determination Coefficient (R^2) test was carried out to measure the ability of independent variables, namely the Utilization of Information Technology, Audit Quality and Mointoring of the Quality of Financial Statements at the Palopo City Inspectorate.

Table 8 Determination Coefficient Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.765[a]	.585	.551	2.05349

a. Predictors: (Constant), Pengawasan, Pemanfaatan Teknologi Informasi, Kualitas Audit

b. Dependent Variable: Kualitas Laporan Keuangan

The table above shows that the value of the adjusted r square coefficient is 0.551 or 55.1%. Therefore, it can be concluded that the dependent variable, namely the Quality of Financial Statements (Y) is influenced by the Utilization of Information Technology, Audit Quality, and Mointoring by 55.1%. While the remaining 44.9% was influenced by other variables that were not included in the study.

The correlation coefficient (R) in table 8 of 0.765 shows that the relationship between the independent variable and the dependent variable is strong because it has a correlation coefficient value above 0.5.

DISCUSSION

The Utilization of Information Technology Has No Effect on the Quality of Financial Reports

The results of this study prove that the use of information technology in the Palopo City Inspectorate is actually quite adequate. The use of information technology that does not have a significant effect on the quality of financial statements can be caused by the application used in the preparation of financial statements is not available on all computers that have been provided. So that the utilization of information technology in the Palopo City Inspectorate is not optimal. In the efficiency and accuracy of the quality of financial statements, if the technology system is not properly designed or implemented, technical errors or system failures may appear, which can be detrimental to the quality of financial statements. If information security is not secure enough, the risk of hacking and data theft can jeopardize the quality of financial reports.

In TAM, there are two main factors that affect the acceptance of technology, namely perceived usefulness and perceived ease of use. However, the relationship between information technology acceptance and the quality of financial statements is not direct. The quality of financial statements is influenced by a number of factors, such as the sophistication of the information system used, the expertise of the personnel who operate the system, the policies and procedures applied in the preparation of financial statements, and other external factors. While the adoption of information technology can help improve efficiency and accuracy in the preparation of financial statements, the quality of financial statements ultimately depends more on more complex factors, such as professional expertise, integrity, independence, and commitment to applicable accounting standards.

Thus, while TAM can provide insight into how individuals or agencies adopt and use information technology, its impact on the quality of financial statements may be indirect and needs to be considered in the context of other factors that affect the process of preparing financial statements.

If financial reports are too technical or complicated due to complex technology, it can make it difficult for users to understand and reduce the quality of the reports. If the technology is not compliant with regulations or is not properly managed, it can lead to compliance issues that can affect the quality of the report. This research is in line with previous research (Wardani et al., 2018) which said that the use of information technology does not have a significant effect on the quality of financial reports.

The Effect of Audit Quality on the Quality of Financial Statements

Audit quality has a significant effect on the quality of financial reports at the Palopo City Inspectorate. This means that the higher the level of audit quality, the better the quality of financial statements. Audit quality affects the quality of financial statements, namely by audit quality can ensure the reliability of the information contained in financial statements. An independent and competent auditor can confirm that the transactions and events reflected in the financial statements actually occurred. Auditors have an important role in detecting fraud and material errors in financial statements. A good auditor can give confidence that the financial statements do not contain information presented in a misleading way. Auditors are responsible for ensuring that financial statements are prepared in accordance with applicable accounting standards. Audit quality can be measured by the extent to which the auditor has successfully verified that the entity has complied with applicable accounting principles. Auditors help identify and evaluate material risks that may affect financial statements. As such, auditors can provide valuable insights into the extent to which financial statements are reliable, as well as assist management and stakeholders in understanding the associated risks.

The application of the Technology Acceptance Model (TAM) in the context of audit quality and financial report quality can provide a deeper understanding of how information technology affects the audit process and in turn, affects the quality of financial statements. Auditors must accept and adopt the information technology used in the audit process. Their perception of the benefits generated by the technology (perceived usefulness) and its perceived ease of use will affect the rate of adoption of the technology. The use of information technology can improve the efficiency, accuracy, and scope of audits. For example, the use of automated audit software can aid in the identification of anomalies and errors, allowing auditors to focus on higher risk areas and resulting in a more complete audit trail. The adoption of the right technology can improve audit quality by providing better access to data, improving risk analysis, and enabling the use of more sophisticated audit techniques. This can contribute to increasing the reliability and relevance of the information presented in financial statements. Thus, TAM can help to understand how the acceptance and use of information technology by auditors can affect the audit process and ultimately, affect the quality of financial statements.

The existence of a quality audit can improve the company's reputation in the eyes of stakeholders. The credibility of auditors and audit reports can provide additional confidence to external parties, such as investors and creditors, in the quality of financial statements. Qualified auditors not only provide opinions on the compliance of financial statements with standards, but also provide constructive recommendations and suggestions for the improvement and improvement of internal processes. This research is in line with previous research (Rizky Khoirunisa et al., 2022) stating that audit quality has a positive and significant influence on the quality of financial reporting.

The Effect of Mointoring on the Quality of Financial Statements

Mointoring has a significant effect on the quality of financial reports at the Palopo City Inspectorate. This means that the higher the level of mointoring, the better the quality of financial statements. Mointoring affects the quality of financial statements with mointoring helping to ensure that the procedures and policies that have been set by the company to prepare financial statements are adhered to. This includes internal procedures, accounting standards, and applicable regulations. Effective mointoring can help prevent fraud and errors in the preparation of financial statements. By monitoring regularly, management can identify potential risks and take preventive measures. Mointoring involves validating data and information used in the preparation of financial statements. Ensuring that the data used is accurate and relevant is a key step to producing quality reports. Mointoring helps ensure an adequate separation of duties in the process of preparing financial statements. This separation of duties can prevent potential conflicts of interest and abuse of trust. Mointoring also involves training and developing employees involved in the preparation of financial statements. Skilled and trained employees have a positive impact on the quality of reports. Mointoring helps in identifying and managing risks that can affect the quality of financial reports. Proactive steps can be taken to reduce the impact of risks on financial statements.

In the context of the influence of mointoring on the quality of financial statements, the Technology Acceptance Model (TAM) can provide insight into how the acceptance and use of information technology by the party responsible for mointoring (Palopo City Inspectorate) can affect the mointoring process and ultimately, the quality of financial reports. The Inspectorate adopts the necessary information technology to support the mointoring process. Their perception of the benefits produced by the technology (perceived usefulness) and its perceived ease of use will affect the level of adoption of the technology in the monitoring process. The use of information technology can improve the efficiency, accuracy, and scope of mointoring. For example, the use of automated monitoring software can help in identifying potential fraud or errors in financial statements more quickly and efficiently than manual methods. High quality mointoring can provide additional assurance about the integrity, reliability, and accuracy of financial statements.

By using effective information technology in the supervisory process, responsible parties can ensure that financial statements are prepared and presented in accordance with applicable standards, thereby increasing stakeholder confidence in the company's financial information. Thus, TAM can provide an understanding of how the acceptance and use of information technology by the party responsible for mointoring can affect the mointoring process and ultimately, can improve the quality, transparency and accountability of financial statements.

The oversight process may involve an independent review by an internal or external party to ensure that the financial statements meet applicable standards and requirements. This research is in line with previous research (Andi Kusnadi et al., 2022) showing that there is a significant positive influence of financial mointoring on the quality of government financial statements.

Conclusion and Recommendations

Based on the results of the study, it was concluded that:

1. The use of information technology has no effect on the quality of financial statements. This shows that the use of information technology still needs other ways to improve the quality of financial reports.
2. Audit quality has a significant effect on the quality of financial statements. This means that the implementation of audits in accordance with its procedures and requirements will improve the quality of financial statements.
3. Supervision has a significant effect on the quality of financial statements. This shows that the supervision carried out by the Palopo City Inspectorate Office has been effective in improving the quality of financial reports.

Based on these conclusions, it is recommended that:

1. The Palopo City Inspectorate Office is increasing the use of information technology in the audit process to increase the efficiency and effectiveness of audits.
2. The Palopo City Inspectorate Office improves the quality of audits by providing training and education to auditors and improving the quality of internal audit quality control.
3. The Palopo City Inspectorate Office strengthens supervision of audited entities to improve the quality of financial reports.

It is important to note that this study has some limitations, namely a small research sample and a short research period. Further research needs to be carried out with a larger sample and a longer research period to obtain more general results.

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