

Research Article

The Influence of Human Resources Competence, Utilization of Accounting Information Systems, and Internal Control Systems

(Quality of Financial Statements with Transformational Leadership Style as a Moderation Variable in BMKG Bali Province)

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Abstract. The quality of government agency financial reports demonstrates accountability and transparency in public financial management, meeting the demands of good governance. This study aims to analyze the influence of human resource (HR) competency, the use of accounting information systems, and internal control systems on financial report quality, and to examine the role of transformational leadership as a moderating variable at the BMKG (Meteorology, Climatology, and Geophysics Agency) of Bali Province. This study employed a quantitative approach with a survey method. The population comprised all 75 financial and asset management employees at four BMKG work units in Bali Province. The sampling technique used saturated sampling, with all members serving as respondents. Primary data were collected through questionnaires and analyzed using Structural Equation Modeling (SEM) based on Partial Least Squares (PLS) using SmartPLS software. The results of the study indicate that HR Competence has a positive and significant effect on the quality of financial reports, Accounting Information Systems do not affect the quality of financial reports, Internal Control Systems have a positive and significant effect on the quality of financial reports, Transformational Leadership Style has a positive and significant effect on the quality of financial reports, Transformational Leadership Style is unable to moderate the influence of HR and the use of accounting information systems on the quality of financial reports, and Transformational Leadership Style is proven to moderate the influence of internal systems on the quality of financial reports at the BMKG of Bali Province.

Keywords: Accounting Information System; Financial Report Quality; HR Competence; Internal Control System; Transformational Leadership Style,

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1. Introduction

The financial statements of government agencies are a form of accountability for the implementation of the State/Regional Revenue and Expenditure Budget (APBN/APBD) which is prepared in accordance with Government Accounting Standards (SAP). Government financial statements not only function as an administrative tool, but also as an instrument of accountability and transparency in the management of public finances. (Mahmudi, 2019) states that government financial statements are the output of the government accounting system that is used to meet the information needs of various parties in economic, social, and political decision-making. In contrast to the profit-oriented private

sector, government financial statements focus on public services and accountability to the wider community.

The quality of financial statements is one of the important indicators in realizing good governance. Quality financial reports must meet the characteristics of relevance, reliability, and trustworthiness so as to reduce information asymmetry and increase public trust (Nugroho & Jatmiko, 2024; Putri & Sari, 2022). In the context of the government, the quality of financial management is also measured through the Budget Implementation Performance Indicator (IKPA) which reflects the level of effectiveness, efficiency, and compliance in budget implementation.

No.	Indikator	Poin
1.	Revisi DIPA	10%
2.	Deviasi Halaman III DIPA	15%
3.	Penyerapan Anggaran	20%
4.	Belanja Kontraktual	10%
5.	Penyelesaian Tagihan	10%
6.	Pengelolaan UP/TUP	10%
7.	Dispensasi SPM	Pengurang nilai jika terdapat dispensasi pengajuan SPM di luar batas waktu
8.	Capaian Output	25%

Figure 1. Aspects of IKPA.

Source : djp.b.kemnkeu.go.id.

No.	Nilai IKPA	Kategori
1.	≥ 95	Sangat Baik
2.	$89 \leq \text{nilai IKPA} < 95$	Baik
3.	$70 \leq \text{nilai IKPA} < 89$	Cukup
4.	< 70	Kurang

Figure 2. IKPA Value Categories.

Source : djp.b.kemenkeu.go.id.

At the Bali Province BMKG, the IKPA value shows a fluctuating trend with a downward trend in several work units during the 2022–2024 period, although in general it is still in the good and very good category.

No.	Satuan Kerja	Nilai IKPA		
		2022	2023	2024
1.	Balai Besar MKG Wilayah III	90,23	89,18	87,93
2.	Stasiun Meteorologi I Gusti Ngurah Rai	95,63	94,12	91,51
3.	Stasiun Geofisika Denpasar	89,63	95,26	96,77
4.	Stasiun Klimatologi Bali	99,86	99,28	99,07

Figure 3. IKPA Value of the Bali Province BMKG Work Unit in 2022-2024.

Source : BMKG Work Unit of Bali Province, 2025.

The decrease in the value of IKPA in several work units indicates that there are potential problems in budget management that can have an impact on the quality of financial statements. Quality financial statements must be able to present comprehensive, objective, timely, and comparable information so that it can be used effectively in decision-making (Le et al., 2024; Rahman et al., 2021).

One of the main factors that affect the quality of financial statements is the competence of human resources (HR). Competencies reflect an individual's ability to integrate knowledge, skills, and professional attitudes in carrying out tasks (Chowdhury & Setyawan, 2021). However, at BMKG Bali Province, most of the financial management employees have a non-financial education background, so it has the potential to cause obstacles in the preparation of financial statements.

No.	Latar Belakang Pendidikan	Jumlah (Orang)
1.	SMA	2
2.	D3 Akuntansi	5
3.	D3 Komputer	2
4.	D3 (Meteorologi, Klimatologi, Geofisika, Instrumentasi)	5
5.	D4 (Meteorologi, Klimatologi, Geofisika, Instrumentasi)	15
6.	S1 Ekonomi (Akuntansi, Manajemen)	12
7.	S1 Komputer	10
8.	S1 Teknik	2
9.	S1 Sastra	1
10.	S1 Pendidikan	1
11.	S1 Sains	5
12.	S1 Pertanian	5
13.	S2 Manajemen	2
14.	S2 Komputer	1
15.	S2 Sains	5
16.	S2 <i>Disaster Management</i>	2
Jumlah		75

Figure 4. Educational Background of Financial Management Employees (2025)

This condition shows that limited technical competence can be an inhibiting factor in producing quality financial reports. Previous research has shown that HR competence has a positive effect on the quality of financial statements (Anggraini et al., 2024; Manuari et al., 2022). Although there are inconsistent research results.

In addition to human resource competence, the use of accounting information systems (SIA) also plays an important role in improving the quality of financial statements. SIA enables process automation, improves data accuracy, and reduces the risk of human error (Fahmi & Fathoni, 2023). However, the implementation of systems such as SAKTI at BMKG still faces obstacles in user understanding, so its utilization is not optimal.

Another factor that is no less important is the internal control system (SPI). SPI functions to ensure the reliability of financial statements, operational effectiveness, and compliance with regulations (Government Regulation No. 60 of 2008). A good implementation of SPI can minimize the risk of errors and fraud in financial management.

Furthermore, there is a research gap related to the role of non-technical factors, especially transformational leadership styles. Transformational leadership is considered to be able to increase employee motivation, integrity, and commitment so that it can strengthen the relationship between the competencies of HR, SIA, and SPI on the quality of financial statements (Bass & Avolio, 1994; Fitria, 2025). Without effective leadership support, the potential of these technical factors cannot be utilized optimally.

Based on this description, this study aims to analyze the influence of human resource competencies, accounting information systems, and internal control systems on the quality of financial statements, as well as examine the role of transformational leadership as a moderation variable in BMKG Bali Province.

2. Preliminaries or Related Work or Literature Review

Human Resource Competence

Competencies are integrated capacities that include the technical knowledge, managerial skills, and professional ethics necessary to effectively achieve organizational goals (Chowdhury & Setyawan, 2021). Competence includes not only aspects of knowledge and skills, but also behavior and ethical values in the implementation of work. In addition, competence is also understood as an individual's adaptive ability to integrate knowledge and skills in dynamic and unexpected situations, which is supported by adaptability and resilience (Wijaya et al., 2022).

In the public sector, competence includes knowledge, skills, and service ethics that enable officials to act professionally and responsibly (Hafsah & Adhikari, 2021). Competence is also related to the ability of individuals to adapt to changes in the work environment (Al-Tahat & Al-Hassan, 2022), as well as the ability to apply skills to improve the quality of public services (Jati et al., 2023).

Based on these various opinions, human resource competence can be interpreted as a combination of knowledge, skills, and personal attributes that consistently support superior performance at work, not only in the aspect of ability, but also behavior in the implementation of tasks.

Competence Indicators

According to Aisyah et al., (2021), several competence indicators are as follows:

- a. Knowledge
- b. Understanding
- c. Skills
- d. Attitude
- e. Interest

Accounting Information System

Accounting Information System (SIA) is an integration of hardware, software, procedures, and data used to produce reliable, relevant, and timely accounting information for management (Wijaya et al., 2022) SIA is also seen as a control mechanism that ensures the integrity and transparency of financial data so that it can reduce the risk of fraud and support good governance (Nugroho & Jatmiko, 2024).

Furthermore, SIA not only functions as a record-keeping system, but also develops into a system capable of generating strategic analysis and insights for decision-making (Alwi & Adityawarman, 2024). SIA automates the process of collecting and processing accounting data to generate information that supports management planning and control (Rahman et al., 2021), and identify and report financial and operational information for internal and external users (Putri & Sari, 2022). In addition, SIA also plays a role in improving the efficiency of business processes and reducing operational costs through the optimization of procedures and resources (Lestari & Handayani, 2022).

Based on these various opinions, SIA can be concluded as an integrated system that involves humans, procedures, and technology to produce accounting information that is used to support the decision-making process and improve the effectiveness of organizational financial management.

Accounting Information System Indicators

According to DeLone and McLean quoted from Jogiyanto (2007:14), the way to measure the effectiveness of the Accounting Information System is as follows:

- a. System quality
- b. Quality of information
- c. Quality of service
- d. System usage
- e. User satisfaction
- f. Net benefits

Internal Control System

An internal control system is an important mechanism in the organization to supervise and direct operational activities so that they run effectively and according to their goals. Good internal controls function to maintain asset security, improve the reliability of accounting information, and ensure efficiency, effectiveness, and compliance with policies (Mokoginta, 2017).

According to Government Regulation No. 60 of 2008 concerning SPIP, internal control is a continuous process by the leadership and all employees to provide adequate confidence in the achievement of organizational goals, including the effectiveness and efficiency of activities, the reliability of financial reporting, the security of state assets, and

compliance with regulations. In line with that, (Mulyadi, 2018) states that internal controls include organizational structures and procedures designed to safeguard assets, ensure the reliability of accounting data, and support compliance. (Wakhyudi, 2018) emphasizing that internal control involves all elements of the organization to ensure the effective achievement of goals.

Based on these various opinions, the internal control system can be concluded as an ongoing process that aims to provide confidence in the reliability of financial statements, asset security, and compliance with regulations in the organization.

Transformational Leadership Style

(Bass & Avolio, 1994) defines transformational leadership as a leadership style that focuses on developing the potential, moral values, and motivation of subordinates. (Hughes et al., 2012) emphasizing that transformational leaders have a clear vision and good interaction skills to motivate employees in achieving organizational goals. (Robbins & Judge, 2017) Stating that transformational leadership is the ability of a leader to inspire followers to put the interests of the organization first through individual attention, intellectual stimulation, and ideal influence. Meanwhile, Edison et al., (2016) explain that transformational leadership is able to inspire and motivate employees to exceed work expectations.

Based on these definitions, transformational leadership can be interpreted as a leadership style that emphasizes inspiration, motivation, and empowerment of subordinates to achieve optimal performance in order to achieve organizational goals.

Quality of Financial Statements

The quality of financial statements is defined as the level of fulfillment of fundamental and improving qualitative characteristics, such as relevance and honest representation in the presentation of financial information (Putri & Sari, 2022). Quality financial statements must be able to provide comprehensive, objective, timely, easy-to-understand, and comparable information to support decision-making (Le et al., 2024).

In addition, the quality of financial reports also reflects the report's ability to provide relevant and predictive information for users (Rahman et al., 2021), as well as a level of transparency and integrity that can increase public trust and reduce information asymmetry (Nugroho & Jatmiko, 2024).

Based on these various definitions, the quality of financial statements can be concluded as the ability of the report to present reliable, relevant, and transparent information regarding the financial position, performance, and cash flow of the entity, as a form of accountability in the management of public funds.

3. Materials and Method

This study uses a quantitative approach to analyze the influence of human resource competencies, accounting information systems, and internal control systems on the quality of financial statements with transformational leadership style as a moderation variable in BMKG Bali Province (Creswell, 2021). The data used consisted of primary data obtained through questionnaires and secondary data from agency documents, then analyzed using Structural Equation Modeling (SEM) based on Partial Least Square (PLS) because it is suitable for predictive models, does not require normal distribution, and can be used on relatively small samples.

The research was carried out at the BMKG of Bali Province which consisted of four work units, namely the MKG Region III Denpasar Center, the I Gusti Ngurah Rai Meteorological Station, the Denpasar Geophysics Station, and the Bali Climatology Station. The research is carried out through the stages of preparation, data collection, data processing, and preparation of the final report. The research population is all financial and asset management employees as many as 75 people, with a saturated sample technique so that the entire population is used as a sample (Scott, 2021).

The research variables consisted of exogenous variables, namely human resource competence, accounting information systems, and internal control systems, endogenous variables, namely the quality of financial statements, and moderation variables, namely transformational leadership styles. Human resource competence is measured through knowledge, understanding, skills, attitudes, and interests; accounting information systems through system quality, information quality, service quality, system usage, user satisfaction, and net benefits; internal control systems through the control environment, risk assessment, control activities, information and communication, and monitoring; transformational leadership styles through ideal influence, inspirational motivation, individualized attention, and intellectual stimulation; and the quality of financial statements through relevance, reliability, comparability, and comprehension.

Data collection was carried out using a questionnaire with a Likert scale of 1–5, and was equipped with interviews, observations, and documentation. The research instrument was tested for validity using Pearson correlation with the criterion of ≥ 0.3 and reliability using Cronbach's Alpha ≥ 0.6 , and all instruments were declared valid and reliable (Ghozali, 2021). Data analysis was carried out descriptively to describe the characteristics of respondents and inferentially using SEM-PLS. Model evaluation is carried out through the outer model (convergent and discriminant validity and reliability) and the inner model (R-square and Q-square). Hypothesis testing was carried out by bootstrapping method at a significance level of 5% ($p \leq 0.05$). Meanwhile, moderation testing was carried out by looking at variable interactions and changes in R-square values, which can be classified into pure, quasi, homologizer, and predictor moderation.

4. Results and Discussion

Within the scope of this research, hypothesis testing encompasses the analysis of both direct and indirect relationships. To examine the proposed hypotheses, the outcomes derived from data processing using SmartPLS 3.0 are presented in a graphical illustration, refer to Figure 1 for a visual representation.



Figure 5. Full Model Diagram of SE-PLS Analysis Results Profit Variable HR Competency.

Variabel	Indikator	Outer Loading	Rerata
Kompetensi SDM (X1)	Pengetahuan (X _{1.1})	0.923	3.57
	Pemahaman (X _{1.2})	0.958	3.49
	Keterampilan (X _{1.3})	0.879	3.29
	Sikap (X _{1.4})	0.863	3.79
	Minat (X _{1.5})	0.873	3.79

Figure 6. Outer Loading and Average Variables of Human Resource Competency.

Based on the table above, indicate that the highest outer loading value is the understanding indicator at 0.958, while the lowest outer loading value is the attitude indicator at 0.863. These findings suggest that understanding is the most important indicator in enhancing human resource competence. However, in reality, the human resource competence perceived by employees responsible for financial and asset management at BMKG Bali

Province tends to be reflected more in the indicators of attitude and interest, with an average respondent score distribution of 3.79.

These findings demonstrate that conceptually, mastery of materials, regulations, and technical aspects of financial management serves as the primary foundation for employees responsible for financial and asset management at BMKG Bali Province. However, the actual perceptions of these employees are more strongly reflected in the indicators of attitude and interest. This inconsistency indicates that the development of human resource competence at BMKG Bali Province should not solely focus on cognitive training (understanding of regulations), but should also address affective aspects (work attitudes and strengthening of interest). Although understanding is statistically the most valid indicator in measuring human resource competence, attitude and interest are perceived as the main driving forces that have a more significant impact on financial and asset management activities at BMKG Bali Province.

Variable Profit Accounting Information System

Variabel	Indikator	Outer Loading	Rerata
Sistem Informasi Akuntansi (X2)	Kualitas Sistem (X _{2.1})	0,866	3,92
	Kualitas Informasi (X _{2.2})	0,923	3,91
	Kualitas Pelayanan (X _{2.3})	0,919	3,79
	Penggunaan Sistem (X _{2.4})	0,784	3,59
	Kepuasan Pengguna (X _{2.5})	0,929	3,83
	Manfaat Bersih (X _{2.6})	0,919	4,01

Figure 7. Outer Loading and Average Variables of Accounting Information System.

Based on the table above, indicate that the highest outer loading value is the user satisfaction indicator at 0.929, while the lowest outer loading value is the system use indicator at 0.784. These findings suggest that user satisfaction plays the most important role in enhancing the utilization of Accounting Information Systems (AIS). However, in reality, the AIS indicators perceived by employees responsible for financial and asset management at BMKG Bali Province tend to be reflected more in the net benefits indicator, with an average respondent score distribution of 4.01.

These findings indicate that in the context of AIS utilization within government institutions, which is mandatory in nature, user satisfaction often becomes a secondary aspect in daily system usage. Employees responsible for financial and asset management perceive the system benefits, such as assisting in task completion, as more prominent because the system must be utilized to achieve organizational performance targets, regardless of their level of personal satisfaction with the system.

Variable Profit of Internal Control System

Variabel	Indikator	Outer Loading	Rerata
Sistem Pengendalian Internal (X3)	Lingkungan Pengendalian (X _{3.1})	0,876	4,36
	Penilaian Risiko (X _{3.2})	0,936	4,08
	Kegiatan Pengendalian (X _{3.3})	0,927	4,09
	Informasi dan Komunikasi (X _{3.4})	0,848	3,88
	Pemantauan Pengendalian Internal (X _{3.5})	0,852	4,19

Figure 8. Outer Loading and Average Variables of the Internal Control System.

Based on the table above, indicate that the highest outer loading value is the risk assessment indicator at 0.936, while the lowest outer loading value is the information and communication indicator at 0.848. These findings suggest that risk assessment plays the most important role in improving the quality of financial statements. However, in reality, the Internal Control System (SPI) perceived by employees responsible for financial and asset management at BMKG Bali Province tends to be reflected more in the control environment indicator, with an average respondent score distribution of 4.36.

These findings indicate that BMKG Bali Province has successfully established strong awareness in the implementation of the Internal Control System (SPI), leading employees to perceive a conducive work environment as the most dominant aspect they experience in their

daily activities. Although statistically risk assessment is considered the most important factor influencing the quality of financial statements, in daily practice risk assessment is often perceived as an administrative or managerial process conducted at certain organizational levels. Consequently, employees do not directly experience its impact as strongly as they experience the influence of the work environment.

Profit Variable Transformational Leadership Style (Z)

Variabel	Indikator	Outer Loading	Rerata
Gaya Kepemimpinan Transformasional (Z)	Pengaruh Ideal/Kharisma (Z_1)	0,922	4,15
	Motivasi Inspiratif (Z_2)	0,951	4,15
	Perhatian Individual (Z_3)	0,938	4,05
	Stimulasi Intelektual (Z_4)	0,901	4,09

Figure 9. Outer Loading and Average Variables of Transformational Leadership Style

Table 4.4 above shows that the highest outer loading value is the inspirational motivation indicator at 0.951, while the lowest outer loading value is the intellectual stimulation indicator at 0.901. These findings suggest that inspirational motivation plays the most important role in enhancing transformational leadership style. This is consistent with the transformational leadership style perceived by employees responsible for financial and asset management at BMKG Bali Province, which is reflected in the indicators of idealized influence/charisma and inspirational motivation, with an average respondent score distribution of 4.15.

These findings indicate that the transformational leadership style at BMKG Bali Province has a solid foundation, as the aspect theoretically considered the most important inspirational motivation has been effectively implemented and its benefits are genuinely perceived by employees in their daily work activities.

Profit Variable Quality of Financial Statements (Y)

Variabel	Indikator	Outer Loading	Rerata
Kualitas Laporan Keuangan (Y)	Relevan (Y_1)	0,923	4,25
	Andal (Y_2)	0,912	4,16
	Dapat Dibandingkan (Y_3)	0,920	4,29
	Dapat Dipahami (Y_4)	0,915	4,13

Figure 10. Outer Loading and Average Financial Statement Quality Variables.

Table 4.5 above indicate that the highest outer loading value is the relevance indicator at 0.923, while the lowest outer loading value is the reliability indicator at 0.912. These findings suggest that relevance plays the most important role in improving the quality of financial statements. However, in reality, the quality of financial statements perceived by employees responsible for financial and asset management at BMKG Bali Province tends to be reflected more in the comparability indicator, with an average respondent score distribution of 4.29.

These findings indicate that the inconsistency between the indicator with the highest outer loading value (relevance) and the indicator with the highest average score (comparability) is not a contradiction, but rather a complement. Theoretically, the financial statements of BMKG Bali Province are considered high quality because the information produced is relevant for decision-making purposes. However, practically, the benefits of this quality are most strongly perceived through the ease of consistently comparing financial data over time.

Discussion

The Influence of Human Resources Competence on the Quality of Financial Statements

The results of the hypothesis test show that human resource competence has a positive and significant effect on the quality of financial statements. This means that the better the competence of human resources, the better the quality of the financial statements of BMKG

Bali Province. These findings reinforce the results of previous research which stated that human resource competence plays an important role in producing quality financial reports.

Human resource competencies that include knowledge, skills, and attitudes are the main factors in the financial reporting process. (Sari & Hidayat, 2022) stating that a good understanding of accounting standards improves the accuracy and timeliness of reports, while (Nasution & Supriadi, 2024) emphasized that competent human resources are able to improve the performance of accounting information systems so that they have an impact on the quality of financial statements.

These results show that the quality of financial statements is more determined by the quality of human resources than by the available systems or facilities alone. Without adequate competence, the risk of errors in reporting will increase and can affect decision-making.

This finding is in line with Stewardship Theory (Donaldson & Davis, 1991) which emphasizes that employees as stewards will act in the interests of the organization, so competence and integrity are important in supporting quality financial reports.

In addition, the most dominant indicator of the quality of financial statements is comparable, while the most prominent HR competencies are attitudes and interests. This shows that even though employee commitment is good, increasing knowledge, understanding, and skills are still needed.

The Influence of Accounting Information Systems on Financial Quality

The results of the hypothesis test show that the accounting information system (SIA) has a positive but insignificant effect on the quality of financial statements. This means that although SIA can help in the process of managing financial data, its existence has not been able to significantly improve the quality of BMKG Bali Province's financial statements. In other words, SIA is not the main factor that determines the quality of financial statements, because there are still other factors that are more dominant.

Theoretically, optimal use of SIA should improve the efficiency and reliability of financial reporting. (Wang & Zhang, 2020) states that SIA automation can reduce reporting errors and improve the accuracy of financial statements. In addition, (Kimani, 2024) also explained that the implementation of SIA is able to speed up data processing and improve the timeliness and reliability of financial statements.

However, the results of this study show different conditions, where the influence of SIA is not significant. This indicates that at BMKG Bali Province, the quality of financial reports still depends heavily on the accuracy of employees and the manual data input process. This means that the existence of an accounting information system has not completely become a dominant factor in improving the quality of financial statements.

The Influence of Internal Control System on the Quality of Financial Statements

The results of the hypothesis test show that the internal control system has a positive and significant effect on the quality of financial statements. This means that the better the implementation of the internal control system, the better the quality of the financial statements of BMKG Bali Province will be. These findings support previous research that stated that internal control systems play an important role in improving the quality of financial statements.

An internal control system is an important mechanism to ensure the reliability of financial statements, regulatory compliance, and asset protection. In government agencies, this system functions to ensure that all financial processes run according to procedures so that errors and irregularities can be minimized (Mokoginta, 2017).

The results of the study show that the implementation of controls such as separation of duties, monitoring, and routine supervision contributes to improving the quality of financial statements. At BMKG Bali Province, a good control environment is the dominant factor that supports the creation of consistent and comparable financial statements.

These findings are in line with Stewardship Theory (Donaldson & Davis, 1991) which explains that employees act in the interest of the organization, including maintaining the reliability of financial statements through the implementation of internal controls.

The results of this study are also consistent with the research (Anggraini et al., 2024; Lubis, 2023).

Transformational Leadership Style Moderates the Influence of Human Resource Competencies on the Quality of Financial Statements

The results of the hypothesis test show that the transformational leadership style does not moderate the influence of HR competencies on the quality of financial statements. This indicates that the quality of the financial statements of BMKG Bali Province is more determined by the competence of the employees themselves, without being significantly influenced by the leadership style applied.

Although the highest indicators of transformational leadership style are ideal/charisma and inspirational motivation, it has not been able to strengthen the relationship between HR competence and the quality of financial statements. This condition is likely due to the nature of work in government agencies that are highly standardized, especially with the use of integrated systems such as SAKTI, so that the reporting process still follows standard procedures.

In addition, the preparation of financial statements is a rules-based technical work (Government Accounting Standards) that demands high precision, so it is more influenced by individual abilities than leadership encouragement. On the other hand, BMKG's focus on operations is more dominant in the operational fields of meteorology, climatology, and geophysics and also makes the application of transformational leadership styles more directed towards technical aspects of operations than financial management.

These results are not in line with the research (Setyawati et al., 2024) and (Puspahani et al., 2022) which states that transformational leadership style can strengthen the influence of human resource competencies on the quality of financial statements.

Transformational Leadership Style Moderates the Influence of Accounting Information Systems on the Quality of Financial Statements

The results of the hypothesis test show that the transformational leadership style does not moderate the influence of the accounting information system (SIA) on the quality of financial statements. This indicates that SIA's effectiveness in producing quality financial reports does not depend on the leadership style applied, but rather is determined by the reliability of the system and the user's compliance with operational procedures.

In other words, the quality of financial statements is more influenced by technical factors such as system infrastructure and the consistency of the operator's use of SIA, so the role of transformational leadership styles in this relationship becomes insignificant. Although the highest indicators of transformational leadership style are ideal/charisma influence and inspirational motivation, these conditions have not been able to strengthen SIA's influence on the quality of financial statements. These findings show that although leaders have implemented transformational leadership styles well, it does not directly affect the relationship between the accounting information system and the quality of financial statements at BMKG Bali Province.

Transformational Leadership Style Moderates the Influence of Internal Control System on the Quality of Financial Statements

The results of the hypothesis test show that the transformational leadership style moderates the influence of the internal control system on the quality of financial statements. This means that the better the implementation of transformational leadership, the stronger the influence of the internal control system in improving the quality of financial statements.

The most dominant leadership indicators are the influence of ideals/charisma and inspirational motivation, which shows that the leadership of BMKG Bali Province has implemented transformational leadership well. This condition is able to strengthen the control environment as the most important part of the internal control system, so that the system runs more effectively in supporting the quality of financial statements.

These results show that there is a synergy between transformational leadership and internal control systems in producing quality financial reports, and in line with the research (Anggraini et al., 2024; Lubis et al., 2023).

5. Conclusion

Based on the results of the analysis, it can be concluded that: Human resource competence has a positive and significant effect on the quality of financial statements, meaning that the better the employee competence, the better the quality of the reports produced. The utilization of the Accounting Information System (AIS) does not significantly affect the Quality of Financial Statements. Although the SAKTI application supports the digitalization process, further development and evaluation are still required to optimize its

effectiveness in improving the quality of financial statements. The Internal Control System (SPI) has a positive and significant effect, showing that good control increases the reliability of financial statements. Transformational Leadership Style has a positive and significant effect on the quality of financial statements. The Transformational Leadership Style does not moderate the influence of HR Competencies on the quality of financial statements. The Transformational Leadership style also does not moderate SIA's influence on the quality of financial statements. Transformational Leadership Style moderates (weakens) the influence of the Internal Control System (SPI) on the Quality of Financial Statements. This finding indicates that leaders' innovation and flexibility need to be balanced with a strong commitment to formal control procedures.

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