Influence of The Financial Accounting Standards, Accounting Information Systems, and Internal Control Affect Financial Statement Quality in Micro, Small, and Middle Enterprises in Garut Regency

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Abstract:

This study explores the impact of Financial Accounting Standards, Accounting Information Systems, and Internal Control on the quality of financial statements in Micro, Small, and Middle Enterprises (MSMEs) in Garut Regency, Indonesia. It employs a quantitative methodology, gathering data from 100 randomly selected MSMEs and analyzing it using multiple regression and correlation techniques to assess how these factors influence financial reporting quality. The findings reveal that these components significantly enhance financial statement quality, thereby potentially increasing MSMEs' access to financial services and supporting sustainable growth. The study emphasizes the need for policy interventions to improve financial literacy and the adoption of standardized accounting practices, alongside integrating advanced technologies into financial management processes. This research provides valuable insights for policymakers and educational institutions to develop targeted programs that enhance economic stability and growth in MSME-rich regions like Garut Regency and beyond.

Keywords: Financial Accounting Standards, Accounting Information Systems, Internal Control, MSMEs, Financial Statement Quality, Garut Regency

Introduction

The development of Micro, Small and Medium Enterprises (MSMEs) in Indonesia is currently growing rapidly. MSMEs in Indonesia have become an important part of the economic system in Indonesia. This is because MSMEs are business units that are more numerous than large-scale industrial businesses and have the advantage of absorbing more labour and also being able to accelerate the process of equity as part of development (Reza Rahman, M., et al, 2022). Based on data released by the Ministry of Cooperatives, Small and Medium Enterprises (Kemenkop in Micro, Small, and Middle Enterprises) throughout 2022 in Micro, Small, and Middle Enterprises in Indonesia recorded a very good growth, the figure reached 8.71 million units. The province with the most MSMEs in Indonesia, which ranks first with a total of 1.49 million business units, is occupied by West Java Province (cnbcindonesia, 2023).

Amidst the rapid development of Micro, Small and Medium Enterprises (MSMEs) in Indonesia, it is clear that this sector plays an important role in the country's economy. With a growing number of business units, MSMEs are not only a significant contributor to economic growth, but also play a role in absorbing labour and accelerating the process of economic equality in Indonesia. The advantages of MSMEs in requiring relatively small capital, employing labour with various educational backgrounds, and being located in rural areas, further strengthens their position in the national economic structure. However, despite the positive trend in Micro, Small,

and Middle Enterprise growth, there are still several problems faced by in Micro, Small, and Middle Enterprise players. One of the main problems is related to financial accountability. Many Micro, Small, and Middle Enterprises players are still keeping simple financial records or even not keeping records at all. This is a serious challenge because it can hinder in Micro, Small, and Middle Enterprises players' access to financial services, such as bank loans.

The importance of accurate and systematic financial records for in Micro, Small, and Middle Enterprises cannot be denied. Good financial records allow small and medium entrepreneurs to control business operational costs, know the profit and loss of the business, manage accounts payable and receivable, and calculate taxes. However, in practice, many Micro, Small, and Middle Enterprise players have not realised the importance of financial bookkeeping or have difficulties in preparing good and correct financial reports. In order to improve the quality of Micro, Small, and Middle Enterprise financial reports, the Indonesian government has established several regulations governing the preparation of financial reports for in Micro, Small, and Middle Enterprises. One of them is Government Regulation of the Republic of Indonesia No.7 of 2021 concerning the Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises. In addition, the Financial Accounting Standards for Micro, Small and Medium Entities have also been issued by the Indonesian Accounting Association to provide guidelines for the preparation of MSME financial statements.

In the context of in Micro, Small, and Middle Enterprises in Garut Regency, there are still obstacles in the application of financial accounting standards, the use of accounting information systems, and internal control. Therefore, this study aims to investigate Influence of The Financial Accounting Standards, Accounting Information Systems, and Internal Control Affect Financial Statement Quality in Micro, Small, and Middle Enterprises in Garut Regency.

By understanding the factors that affect the quality of Micro, Small, and Middle Enterprise financial reports, it is hoped that it can contribute to increasing the awareness and ability of Micro, Small, and Middle Enterprise actors to better manage their business finances. In addition, the results of this study are expected to serve as a foundation for the government and related institutions to develop more effective policies in supporting the development of MSMEs in Garut Regency and throughout Indonesia.

Literature Review

Financial Accounting

Financial accounting is closely related to the problem of recording company transactions and preparing periodic reports from the records.
According to Martani (2016:8), "Financial Accounting has an orientation towards reporting from external parties. With so many external parties who have detailed objectives for each party, the preparer of financial statements is based on principles and assumptions in the process of making financial statements."
According to Weygandt, et al. (2019:3) "accounting is an information system that identifies, records, and communicates economic activities in organisations to interested users."

Financial Report

According to the Ikatan Akuntansi Indonesia No. 1 (2018:1) "Financial statements are a structured presentation of the financial position and financial performance of an entity."
Meanwhile, according to Kasmir (2019:7), "Financial statements are reports that show the company's financial condition at this time or within a certain period."

Presentation of Financial Accounting Standards

Financial Accounting Standards (SAK) standardize financial statement preparation. In 1994, the Indonesian Accounting Principles Committee created Financial Accounting Standards (SAK) to replace the 1984 principles. SAK in Indonesia applies IAS, IFRS, ETAP, and GAAP.
Financial Accounting Standarts is an accounting standard for that includes the presentation of minimal financial statements, namely the statement of financial position, income statement, and notes to the financial statements that include additions and details of certain items.

Accounting Information System
Definition of accounting information system according to Mulyadi (2017: 3) "Accounting system is an organisation of forms, records, and reports that are coordinated in such a way as to provide financial information needed by management to facilitate company management".
According to Susanto (2017:80). Accounting information system is a collection (integration) of sub-systems or components, both physical and non-physical that are interrelated and function harmoniously to process transaction data related to financial matters.

Internal Control
According to the Committee of Sponsoring Organisations of the Treadway Commission (COSO) in Yoaniza (2018: 8) "Internal control is a process influenced by the board of directors, management, and other personnel of the entity, designed to provide reasonable assurance related to certain objectives."
Internal control, which includes organisational structures, methods and measures that are coordinated to safeguard the wealth of the organisation. Checking the accuracy and reliability of accounting data, encouraging efficiency and encouraging compliance with management policies (Mulyadi, 2017: 129).
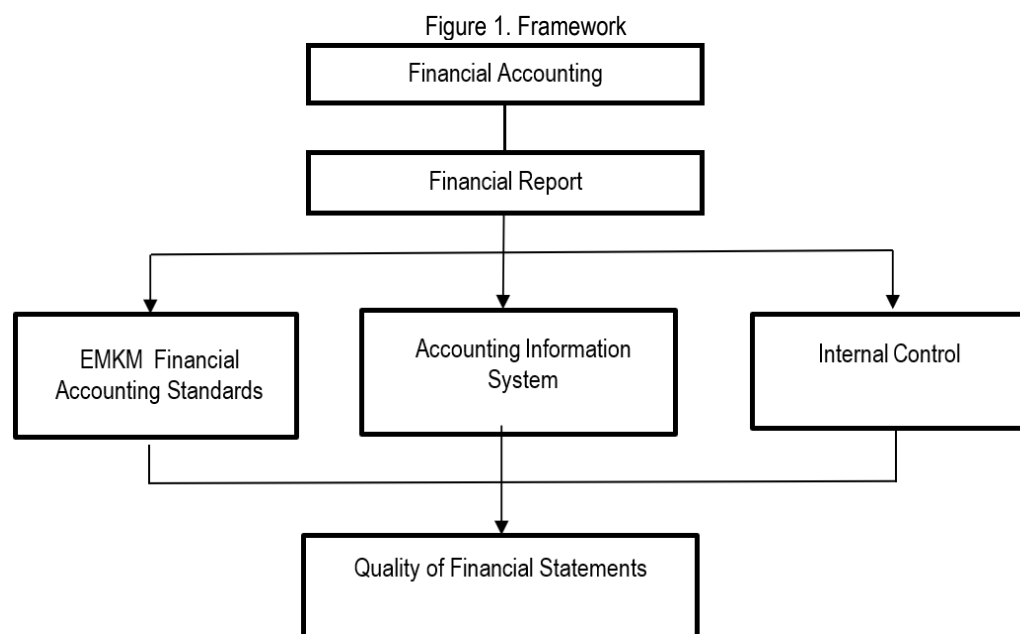
Table 1. Previous Research

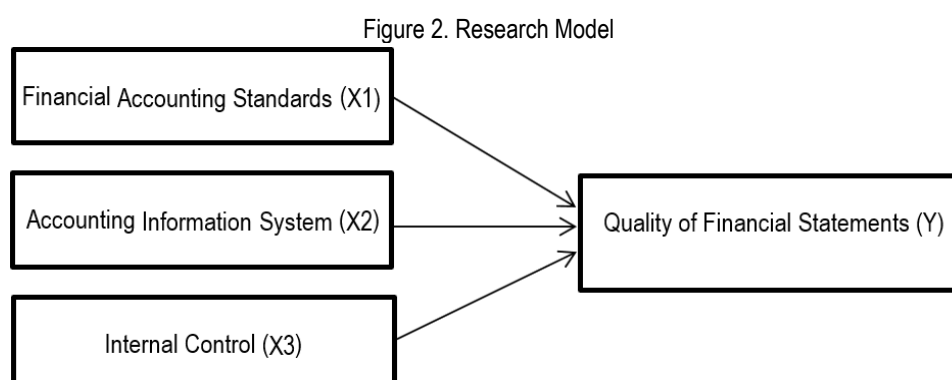| No.	Researcher Name	Research Title	Research Results	The difference
1.	Sri Ayem and Luk Luk In Maknun, ISSN: 2301-8879, 2020, Volume 12 Number 1.	The Effect of Information System Usage and Financial Accounting Standarts MSMEs on the Quality of Financial Statements of MSMEs in Yogyakarta City	The results showed that the use of accounting information systems had a positive and significant effect on the quality of financial statements, understanding of Financial Accounting Standart, and understanding of Financial Accounting Standarts. financial statements, understanding of SAK MSMEs has a positive and significant effect of quality of financial reporting.	Total Variable, Time, Place
2.	Emely Lisbet Uta Bahiu, et al, ISSN: 2303-1174, 2021, Volume 9, Number 3.	The Effect of Financial Literacy, Financial Management on MSME Finances in Gemeh Village, Talaud Islands Regency	The results show that financial literacy does not have a positive effect on financial literacy. MSMEs while financial management has a positive effect on MSME finance	Variables, Time, Place
3.	Anas Bin Malik, et al, ISSN: 2774-2563, 2023, Volume 4, Number 2.	The Influence of Accounting Information Systems, Internal Control and the Quality of Human Resources on the Quality of Financial Statements at PT. Sertifikat Instalasi Prima (SIP) Gorontalo	The results of the research show that the accounting information system affects the quality financial statements, the internal control system affects the quality of financial statements. financial statements, the quality of human resources affects to the quality of financial statements.	Variable X: Human Resources, Time, Place
4.	Nanik Ermawati dan Nurul Rizka Arumsari, ISSN : 1410-9875, 2019, Volume 23 Nomor 1.	Sistem Informasi Akuntansi Pada Kinerja Usaha Kecil Menengah	Hasil penelitian menunjukan bahwa Pemahaman informasi akuntansi, penerapan sistem informasi, kemampuan berwirausaha tidak berpengaruh terhadap kinerja UMKM, Pengetahuan akuntansi berpengaruh positif terhadap kinerja UMKM	Jumlah Variabel, Waktu, Tempat

5.	Kamalah Saadah, No. ISSN : 2085- 5230, 2019, Volume 11 Nomor 2.	Efektivitas Penerapan Pengendalian Intern Pada Usaha Mikro, Kecil Dan Menengah (Umkm) Di Kota Bandung	Hasil penelitian menunjukan bahwa secara umum efektivitas pengendalian internal yang diterapkan para pegiat UMKM di Kota Bandung dinilai cukup baik.	Variabel, Waktu, Tempat

Source: summarized by the researcher (2024)

Framework of Thought

Figure 1. Framework

Research Model

Figure 2. Research Model

Hypothesis

Based on the research title "Influence of The Financial Accounting Standards, Accounting Information Systems, and Internal Control Affect Financial Statement Quality in Micro, Small, and Middle Enterprises in Garut Regency", the hypothesis to be tested in this study are, among others:

1. There is an Effect of Financial Accounting Standards Implementation on Financial Statement Quality
2. There is an Effect of Accounting Information Systems on the Quality of Financial Statements
3. There is an Effect of Internal Control on the Quality of Financial Statements.
4. There is an Effect of the Application of Financial Accounting Standards, Accounting Information Systems, and Internal Control on the Quality of Financial Statements partially.

There is an Effect of the Application of Financial Accounting Standards, Accounting Information Systems, and Internal Control on the Quality of Financial Statements simultaneously.

Research Method

A study requires a method to facilitate the researcher's work. The research method is a tool in achieving goals to solve a problem. According to Sugiyono (2019: 2), the definition of research methods "is a scientific way to get data with specific purposes and uses".

In this study the authors used quantitative methods using a verification approach. The author uses this method because of the variables to be examined and the aim is to present an overview of the relationship between the variables to be studied

Operational Variables

Table 2. Operational Variables

Variables	Variable Concept	Indicators	Scale	No Questionnaire
Quality of Financial Statements (Y)	Financial report quality financial statements are financial statements that presented structured of the financial position of an entity. (PSAK, 2018:1)	1. Understandable 2. *Relevance* 3. Can *reliability* 4. Can Comparability	Ordinal	1-8
Financial Accounting Standards (X1)	It stands for Financial Accounting Standards for Micro, Small, and Medium Entities which is specifically designed as a benchmark for Financial Accounting Standards for MSMEs. This Financial Accounting Standard Compiled and endorsed by IAI or the Indonesian Accounting Association as a professional organisation that oversees all accountants in Indonesia. (IAI, 2018)	1. Financial Accounting Standarts Knowledge 2. Accounting Implementation 3. Taking notes 4. Presenting Financial Statements 5. Completeness of Financial Statements 6. Financial Statements in accordance with Financial Accounting Standarts	Ordinal	9-17
Accounting Information System (X2)	Accounting information system is a collection (integration) of sub-systems or components, both physical and non-physical that are interrelated and function in harmony to process transaction data that are related to with financial matters (Susanto, 2017: 80)	1. Hardware 2. Software 3. Brainware 4. Procedure 5. Database 6. Network Communication	Ordinal	18-23
Internal Control (X3)	Internal control includes organisational structures, methods and measures that are coordinated to safeguard the organisation's assets. Checking the accuracy and Reliability of accounting data, encourage efficiency and encourage compliance with management policies. (Mulyadi, 2017: 129)	1. Control Environment 2. Risk Assessment 3. Activities Control 4. Information and Communication 5. Monitoring	Ordinal	24-30

Source: summarized by the researcher (2024)

Data Types and Source

The type of data in this study is quantitative data by distributing questionnaires to in Micro, Small, and Middle Enterprises players registered at the Cooperative & in micro, small and middle enterprises Office in Garut Regency.

Data Collection Technique

1. Library Research Technique: Involves theoretical studies and references relating to values, culture and norms in the social situation under study. This technique is important because research cannot be separated from scientific literature

2. Field Research: Involves direct data collection through interviews and distributing questionnaires to respondents. Data was obtained from the results of filling out questionnaires containing questions related to the research conducted.

Research Population

The population in this study is 38,345 in micro, small and middle enterprises located in Garut Regency, West Java

Tabel 3. Research Population

No.	Name of sub-district	Number of in micro, small and middle enterprises
1	Malangbong	1,282
2	Selaawi	406
3	Blubur Limbangan	2,569
4	Kadungora	999
5	Cibiuk	353
6	Kersamanah	414
7	Cibatu	849
8	Leuwigoong	528
9	Leles	695
10	Banyuresmi	1,587
11	Karangtengah	121
12	Sukawening	451
13	Advertisement	348
14	Sucinaraja	354
15	Wanaraja	575
16	Karangpawitan	3,375
17	Garut City	3,626
18	Tarogong Kaler	1,522
19	Tarogong Kidul	3,014
20	Pasirwangi	656
21	Samarang	1,713
22	Sukaresmi	458
23	Cisurupan	1,103
24	Cigedug	481

25	Bayongbong	1,343
26	Cilawu	1,511
27	Banjarwangi	1,124
28	Cikajang	1,057
29	Cihurip	143
30	Singajaya	541
31	Peundeuy	226
32	Cisompet	385
33	Cibalong	687
34	Pameungpeuk	770
35	Cikelet	477
36	Pakenjeng	671
37	Pamulihan	206
38	Mekarmukti	132
39	Bungbulang	801
40	Caringin	282
41	Cisewu	278
42	Talegong	232
Total		**38,345**

Source: summarized by the researcher (2024)

Research Sample

In this study, a nonprobabilty sampling technique with a purpose sampling method was used. Nonprobabilty sampling does not provide equal opportunities for each member of the population to be selected as a sample. Meanwhile, purpose sampling is sampling with certain considerations. The author chose this method due to limited time, cost, and energy in research.

Furthermore, to determine and find out how many samples were taken, researchers used the Slovin Sugiyono (2020: 137), formula "to find and determine the number of samples".

Slovin's formula:

$$n = \frac{N}{1+N(e)^2}$$

Sugiyono (2020: 137)

Description:

n : Number of samples
N : Total population
e : Sampling error tolerance limit (10%)

According to data obtained from the Garut Regency Cooperative and in micro, small and middle enterprises Office, there are 38,345 MSMEs. In this study, the authors used the *Slovin* formula with an error rate of 10% (0.1). Therefore, the samples for this study are:

$$n = \frac{38.345}{1+38.345 \ (0,1)^2} = 99{,}7398$$

Based on the results above, 99.7398 samples were obtained, which the researchers then rounded up to 100 samples or respondents.

Data Analysis Technique

1. Descriptive Statistical Analysis: Used to describe the collected data without making generalisations. The data was measured using a Likert scale and then analysed to determine the criteria for respondents' responses
2. Verificative Statistical Analysis:
   a. Classical Assumption Test: Conducted to test the regression model for errors, including normality test, heteroscedasticity test, and multicollinearity test.
   b. Multiple Correlation Analysis: Assesses the strength of the relationship between the independent variable and the dependent variable together.
   c. Multiple Regression Analysis: Using multiple linear regression models to forecast the dependent variable based on the independent variables.
   d. Coefficient of Determination Analysis: Used to explain how much the independent variables affect the dependent variable together.

Hypothesis Testing

1. Partial Test (t-test): Conducted to determine the significance of the role of independent variables partially on the dependent variable. This test involves testing the regression coefficient using the t-test.
2. Simultaneous Test (f-test): Used to test the significance of the effect of independent variables together on the dependent variable. This test is done by testing the correlation coefficient using the F test.

Results and Discussion

Validity Test

Tabel 4. Results Validity Test

Variables	Item No.	Pearson Correlation	Correlation Level	Conclusion
Quality of Financial Statements (Y)	Y.01	0,772	0.1966	Valid
	Y.02	0,688	0.1966	Valid
	Y.03	0,730	0.1966	Valid
	Y.04	0,549	0.1966	Valid
	Y.05	0,646	0.1966	Valid
	Y.06	0,538	0.1966	Valid
	Y.07	0,534	0.1966	Valid
	Y.08	0,546	0.1966	Valid
Financial Accounting Standards (X1)	X1.1	0,623	0.1966	Valid
	X1.2	0,506	0.1966	Valid
	X1.3	0,587	0.1966	Valid
	X1.4	0,533	0.1966	Valid
	X1.5	0,520	0.1966	Valid
	X1.6	0,490	0.1966	Valid
	X1.7	0,560	0.1966	Valid
	X1.8	0,481	0.1966	Valid
	X1.9	0,471	0.1966	Valid
Accounting Information System (X2)	X2.1	0,649	0.1966	Valid
	X2.2	0,733	0.1966	Valid
	X2.3	0,740	0.1966	Valid
	X2.4	0,541	0.1966	Valid
	X2.5	0,669	0.1966	Valid
	X2.6	0,524	0.1966	Valid
	X2.7	0,495	0.1966	Valid
Internal Control (X3)	X3.1	0,613	0.1966	Valid
	X3.2	0,653	0.1966	Valid
	X3.3	0,623	0.1966	Valid
	X3.4	0,659	0.1966	Valid

	X3.5	0,558	0.1966	Valid
	X3.6	0,512	0.1966	Valid
	X3.7	0,433	0.1966	Valid

Source: summarized by the researcher (2024)

The Pearson correlation results show the relationship between the variables mentioned in the table with various Pearson correlation coefficient (r) values. However, the table r value provided is 0.1966. This signifies that the significance level used in the correlation test is 0.1966.

The conclusion of the results is:

1. Quality of Financial Statements (Y)
   All items (Y.01 to Y.08) have moderately strong positive correlations with financial statement quality (Y). All correlations (0.772 to 0.538) exceed the critical value of r table (0.1966), indicating a statistically significant relationship between these variables.

2. Financial Accounting Standards (X1)
   All items (X1.1 to X1.9) have a positive correlation with financial statement quality (Y). All correlations (0.623 to 0.471) exceed the critical value of r table (0.1966), indicating a statistically significant relationship.

3. Accounting Information System (X2)
   All items (X2.1 to X2.7) have a positive correlation with the quality of financial statements (Y). All correlations (0.649 to 0.495) exceed the critical value of r table (0.1966), indicating a statistically significant relationship.

4. Internal Control (X3)
   All items (X3.1 to X3.7) have a positive correlation with the quality of financial statements (Y). All correlations (0.613 to 0.433) exceed the critical value of r table (0.1966), indicating a statistically significant relationship.

Thus, based on the interpretation using the critical value of r table 0.1966, all variables X1, X2, and X3 show a statistically significant relationship with variable Y, namely the quality of financial statements.

Reliability Test

Tabel 5. Research Reliability Test

Variables	Croanbach Alpha	Criteria	Researcher Results
Quality of Financial Statements (Y)	0,777	0,6	Reliable
Financial Accounting Standards (X1)	0,676	0,6	Reliable
Accounting Information System (X2)	0,736	0,6	Reliable
Internal Control (X3)	0,667	0,6	Reliable

Source: summarized by the researcher (2024)

The results of the reliability analysis using Cronbach Alpha show the level of reliability of each variable in the study. The criterion used is 0.6, which indicates that the Cronbach Alpha value must at least reach 0.6 to be considered reliable. The following is the interpretation of these results:

1. Quality of Financial Statements (Y):
   The Cronbach Alpha value for the financial report quality variable is 0.777. Because it exceeds the minimum criterion of 0.6, this variable is considered reliable. This means that the instrument used to measure the quality of financial statements in this study has a high level of reliability.

2. Financial Accounting Standards (X1):
   The Cronbach Alpha value for the financial accounting standards variable is 0.676. Although this value is slightly below the minimum criterion of 0.6, it is still within the acceptable range. Therefore, this variable is also considered reliable with an acceptable level of reliability.

3. Accounting Information System (X2):

The Cronbach Alpha value for the accounting information system variable is 0.736, exceeding the minimum criterion of 0.6. This variable is considered reliable because it has a high level of reliability.
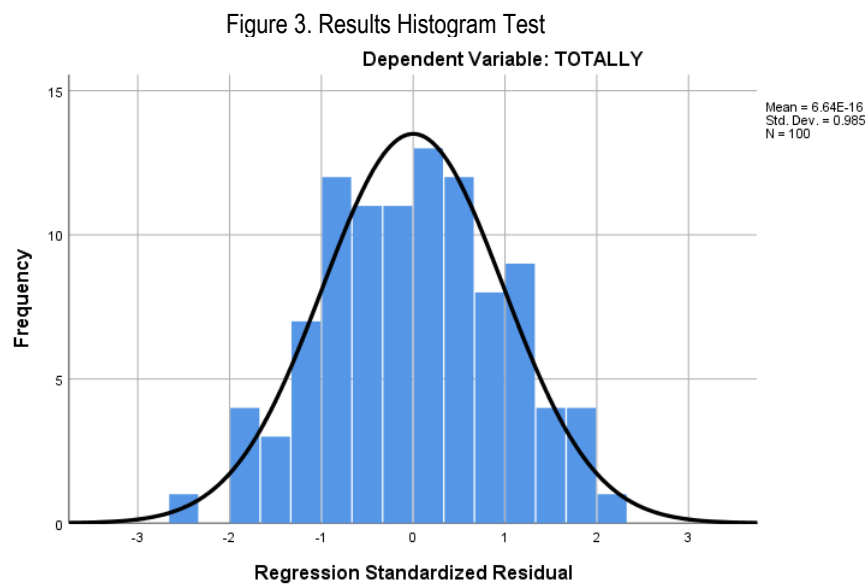
4. Internal Control (X3):

The Cronbach Alpha value for the internal control variable is 0.667. Although the value is slightly below the minimum criterion of 0.6, it is still within the acceptable range. Therefore, this variable is also considered reliable with an acceptable level of reliability.

Thus, the results show that all variables, namely financial statement quality (Y), financial accounting standards (X1), accounting information systems (X2), and internal control (X3), have an acceptable level of reliability for use in this study.

Classical Assumption Test
Normality Test
   a. Histogram

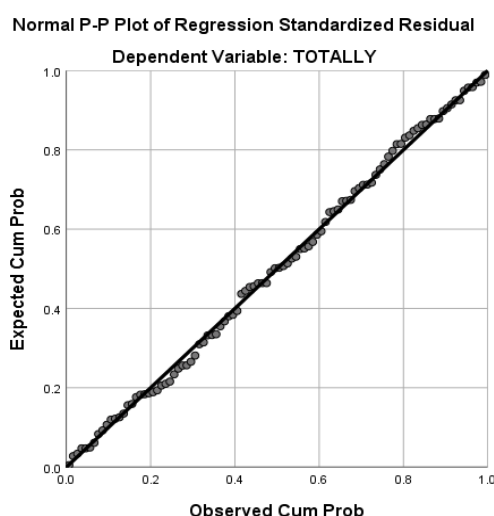Figure 3. Results Histogram Test

Source: summarized by the researcher (2024)

The histogram graph can be seen in the picture above. If the data distribution is bell-shaped and does not tilt to the left or right, then the histogram graph is considered normal (Santoso, 2015: 43). The histogram graph above is considered normal because it is bell-shaped and does not tilt to the right or left.

   b. P-Plot

Figure 4. Results P-Plot

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: TOTALLY

Source: summarized by the researcher (2024)

The graph in the figure above is the P-P plot. The spread of items on the diagonal line of the graph can be used to understand the P-P plot graph. If the items spread widely above the diagonal line and do not follow the diagonal line, then the P-P plot graph is considered not to meet the requirements of the normality assumption (Ghozali, 2016: 156). The curve that describes the shape of the P-P plot around the regression line is described in the graph above. The P-P plot graph above illustrates how the data spreads and moves in the direction of the diagonal line. Therefore, the assumption of normality is fulfilled or the regression model is normally distributed.

c.   One Sample Ks

Tabel 6. Results One Sample KS Test

One-Sample Kolmogorov-Smirnov Test			
			Unstandardised Residual
N			100
Normal Parameters[a,b]		Mean	.0000000
		Std. Deviation	4.14539216
Most Extreme Differences		Absolute	.038
		Positive	.038
		Negative	-.038
Test Statistic			.038
Asymp. Sig. (2-tailed)			.200[c,d]

Source: summarized by the researcher (2024)

The Kolmogorov-Smirnov (KS) test results pictured above include the test statistic and the significance value (p-value) of the test. Below is the interpretation of the results:
1.   Kolmogorov-Smirnov (KS) test:
    (a)   Test statistics: The Kolmogorov-Smirnov test statistic is 0.038.
    (b)   Significance value (p-value): The resulting significance value (p-value) is 0.200.
2.   Interpretation:
    (a)   The Kolmogorov-Smirnov test statistic is used to test whether the sample data comes from a distribution that is considered a random distribution (in this case, a normal distribution).

(b) The value of the test statistic (0.038) is the absolute value of the largest difference between the empirical cumulative distribution function (ECDF) of the data sample and the cumulative distribution function (CDF) of the standard normal distribution.

(c) The p-value (0.200) is the probability of obtaining a result that is at least as good or as bad as that observed if the samples tested were drawn from the same normal distribution.

(d) In this case, since the p-value (0.200) is greater than the commonly chosen significance level (usually 0.05), we fail to reject the null hypothesis. That is, there is not enough evidence to conclude that the sample data does not come from a normal distribution

Thus, based on the results of this Kolmogorov-Smirnov test, there is not enough evidence to reject the null hypothesis that the sample data comes from a normal distribution.

Multicollinearity Test

Tabel 7. Results Multicolinearity Test

Model		Tolerance	VIF
1	Financial Accounting Standards (X1)	.806	1.241
	Accounting Information System (X2)	.778	1.286
	Internal Control (X3)	.827	1.210

Source: summarized by the researcher (2024)

The multicollinearity test results presented in the table show the Tolerance and Variance Inflation Factor (VIF) values for each variable in the model. The following is the interpretation of the results:

1. Tolerance:
   a. Tolerance is a measure of how well one independent variable can be predicted by another in a regression model. Tolerance values range between 0 and 1, where lower values indicate higher multicollinearity.
   b. All Tolerance values in the table (for X1, X2, and X3) are quite high, which is above 0.7. This indicates that the independent variables in the model (Financial Accounting Standards, Accounting Information Systems, and Internal Control) have the ability to be explained by other variables in the model.

2. Variance Inflation Factor (VIF):
   a. VIF is a measure of how much the variance of the estimated regression coefficients increases due to multicollinearity. VIF values above 10 indicate significant multicollinearity.
   b. All VIF values in the table (for X1, X2, and X3) are below 10. This indicates that there is no significant indication of multicollinearity between the independent variables in the model

3. Interpretation:
   Based on the Tolerance and VIF values, there is no evidence to suggest the presence of multicollinearity problems in the regression model. All independent variables (X1, X2, and X3) have high Tolerance values and low VIF values, indicating that they can be retained in the model without multicollinearity issues.

Thus, the multicollinearity test results indicate that there is no significant multicollinearity problem between the independent variables in the presented regression model. The variables can be considered independent of each other in the regression analysis

Hypothesis Test
t Test

Tabel 8. Results t Test

Model		T	Sig
1	(Constant)	1.820	.072

Financial Accounting Standards	3.087	.003
Accounting Information Systems	2.982	.004
Internal Control	2.721	.008

Source: summarized by the researcher (2024)

In the given statistical analysis context, the T-values and Significance (Sig.) for each variable—namely Financial Accounting Standards, Accounting Information Systems, and Internal Control—can be interpreted to determine their significant impact within the tested model. The benchmark T-table value used for comparison is 1.98498.

Interpretation of the T-test Results:
1. **Financial Accounting Standards**:
   T-value: 3.087, Significance (Sig.): .003, Interpretation: The T-value for Financial Accounting Standards is 3.087, which is significantly higher than the T-table value (1.98498). This indicates a significant influence of Financial Accounting Standards on the dependent variable in the model. The Sig. value (.003) being less than 0.05 reaffirms that the result is statistically highly significant.
2. **Accounting Information Systems**:
   T-value: 2.982, Significance (Sig.): 0.004, Interpretation: The T-value for Accounting Information Systems is 2.982, exceeding the T-table value. This indicates a significant impact of Accounting Information Systems on the dependent variable. A Sig. value (0.004) less than 0.05 indicates that this variable significantly influences the model with a high confidence level.
3. **Internal Control**:
   T-value: 2.721, Significance (Sig.): 0.008, Interpretation: The T-value for Internal Control is 2.721, surpassing the T-table value. This suggests that Internal Control has a significant effect on the dependent variable. With a Sig. value (0.008) also below 0.05, the result demonstrates strong statistical significance.

All independent variables (Financial Accounting Standards, Accounting Information Systems, and Internal Control) show a significant impact on the dependent variable in the tested model. T-values exceeding the T-table value and Significance values less than 0.05 for all variables confirm the strength and significance of these relationships within the statistical model utilized. This suggests that these three factors play a crucial role in the studied model and should be considered in decision-making or system improvement initiatives.

f Test

Tabel 9. Results f Test

F	Sig.
18.528	.000[b]

Source: summarized by the researcher (2024)

The F-value of 18.528 substantially exceeds the critical F-value (F-table value) of 2.699. This indicates that the model tested demonstrates a statistically significant degree of variance explained by the independent variables over and above the variance explained by chance alone. The significance level (p-value) reported as .000 indicates an extremely significant result. In statistical terms, this p-value suggests that the likelihood of observing such an F-value under the null hypothesis (which states that the model with no independent variables fits the data as well as your model) is less than 0.1%, affirming the robustness of the model.

Dicussion

The Effect of Financial Accounting Standards on the Quality of Financial Statements

The H1 test results are accepted, which supports the statement that financial accounting standards make it easier for MSME actors to prepare financial reports because they are simpler and easier to understand, so that if MSME actors apply financial accounting standards, they will produce quality reports.

As well as clarifying the results of research by Chaerunisak, Helmia Uum, et al. (2021) shows that the application of MSME Financial Accounting Standards has a positive effect on the quality of financial statements. the higher the level of understanding of MSME actors of accounting, the higher the influence on the application of Financial Accounting Standards.

The Effect of Accounting Information Systems on the Quality of Financial Statements

The H2 test results are accepted which supports the statement according to Hanifah (2018), 'Accounting Information Systems as a system that processes data and transactions to produce information that is useful for planning, controlling and business operations.'

As well as supporting the results of research by Ayem & Luk Luk (2020), showing that the use of accounting information systems has a positive and significant effect on the quality of financial reports.

The Effect of Internal Control on the Quality of Financial Statements

The results of the H3 test are accepted which supports Mulyadi's statement (2017: 163), that 'Internal control includes organisational structures, methods, and measures that are coordinated to safeguard organisational wealth. Check the accuracy and reliability of accounting data, encourage efficiency and encourage compliance with management policies.'

As well as supporting the results of research from Anas, et al (2023), The financial internal control system, the internal control system affects the quality of financial statements.

The Effect of Financial Accounting Standards, Accounting Information Systems, and Internal Control on the Quality of Financial Statements

The H4 test results are accepted, with the financial accounting standards made specifically for MSME actors, it is hoped that it can make it easier for MSME actors to prepare financial reports. financial accounting standards make it easier for MSME actors to prepare financial reports because they are simpler and easier to understand, so that if MSME actors apply financial accounting standards, they will produce quality reports. This will greatly affect the sustainability of a business. Financial accounting standards, accounting information systems, and internal control affect the quality of financial reports.

Conclusion

The study on the impact of Financial Accounting Standards, Accounting Information Systems, and Internal Control on the quality of financial statements in Micro, Small, and Middle Enterprises (MSMEs) in Garut Regency offers substantial implications for broader economic and regulatory domains. The findings suggest that enhanced financial management practices significantly improve financial reporting quality, emphasizing the need for policy frameworks that encourage the adoption of robust financial standards and systems across MSMEs. This could facilitate better financial inclusion, influencing financial institutions to adjust their risk assessment models and potentially offer more favorable lending terms. The research also underscores the importance of educational programs to boost financial literacy among MSME operators. Future studies could explore the replicability of these findings in different regions, assess the long-term impacts of standardized financial practices on business sustainability, and investigate the integration of advanced technologies like AI and blockchain in financial reporting. These investigations could further delineate the barriers to adopting standardized practices among MSMEs in various economic settings and devise strategies to overcome these challenges, ultimately supporting the economic stability and growth of MSMEs globally.

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