

ABSTRACT

This study aims to determine factors influencing local government financial statement quality. Based on PP No. 24 year 2005, state and local government financial statement quality have to meet the qualitative characteristic. Factors examined include quality of human resources, internal control systems, and external factors.

Data collection is done by giving as many as 150 copies of the questionnaire, which was distributed to respondents who are staff on the unit of Work Of The Office of financial management and assets (DPKAD) of The City of Semarang and Office of the revenue and the Financial Management Area (DPPKD) of Semarang Regency. The Data obtained are then analyzed using SPSS 17.00.

Test results showed that the internal control systems have significant positive impact on information quality of local government financial statement, while competency of human resources do not affect. Competency of human resources are not significant due to the lack of quality and quantity on human resources itself. External factors can not be used as a moderating relationship between the competence of human resources and the system of internal control to the quality of financial reporting information. External factors role as a independent variable and has no effect on the quality of financial reporting information. External factors are not affect due to the dynamics of the sector of Government not accommodated by the readiness of the human resources and not proactive toward public pressures.

Key Words : *local government financial statement quality, information value, quality of human resources, internal control system, external factors.*