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THE INFLUENCE OF FACTORS IN THE INTERNAL CONTROL SYSTEM ON FINANCIAL REPORTING QUALITY AT ADMINISTRATIVE AND PUBLIC SERVICE UNITS IN VIETNAM

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ARTICLE INFO	ABSTRACT
	The objective of the project is to measure the influence of factors in the internal control system on financial reporting quality at administrative and public service units in Vietnam. The author inherits five internal control components from the Committee of Sponsoring Organization [COSO], 2013: control environment, risk assessment, communication information, and supervision that affect financial reporting quality. The author uses a mixed research method including qualitative and quantitative, with primary data collected through a survey of 400 units with 30 observed variables, resulting in 350 valid survey forms. From there, the study analyzed EFA exploratory factor analysis and multivariate regression analysis with support from SPSS 27.0 software. Research results show that the internal control system has an impact on administrative and public service units in Vietnam, with the level of influence of the components gradually decreasing: (1) information and communication; (2) control environment; (3) control activities; (4) risk assessment; (5) monitoring. With the results of this research, it helps administrative and public service units to improve and enhance the financial reporting quality while helping to reduce and eliminate weaknesses in the internal control implementation process, in order to strengthen the internal foundation and influence positive impact on governance.

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1. Introduction

Accountants are responsible for providing accounting information and data according to the provisions of the law. This information and data must ensure an honest and objective reflection of the current status, nature of the incident, content, and value of economic and financial operations... of the accounting unit. To limit incomplete accounting reports, low reliability, and lack of accountability for financial resources, management... organizations need to have an effective internal control system.

When building an internal control system, businesses must consider the interests of many stakeholders, both to strictly control compliance with regulations in financial and accounting activities and to improve the level of accounting information disclosure (Skaife et al., 2013). In fact, some companies, despite having a fully operational internal audit department, report quality is still poor because plans, rules and regulations are not fully implemented. respectable. This leads to the accounting system providing less transparent information, which can lead to ineffective financial operations (Omolaye & Jacob, 2017).

For stakeholders, the higher the quality of an enterprise's internal control, the higher the reliability of disclosed information (Huang & Huang, 2020). A standard, strict and reasonable internal control system not only ensures the reliability of financial reports but also helps improve the reliability and transparency of disclosed information. Besides, internal control also plays an important guiding and monitoring role in all company activities (Hoitash et al., 2009). The construction and operation of an internal control system have a significant and far-reaching impact on protecting the rights and interests of stakeholders (Liu, 2018).

In Vietnam, the construction and implementation of internal control systems have also been deployed and complied with standards by companies. To build an effective internal control system, businesses first need to present specific limitations and difficulties that directly affect the components of the internal control system, as a basis for introducing set development goals and methods to maintain and improve efficiency and ensure internal control systems at corporations (Nguyen Dang Huy & Nguyen Thi Hoa, 2015). In addition, at commercial banks, the control of lending activities still has errors and risks, the frequency of internal control activities is not high, the control and inspection process is still rudimentary, has not been taken seriously, due to the lack of human resources and lack of strict control procedures are the reasons leading to ineffective control activities (Do et al., 2016). Clear direction in adjusting deficiencies in the internal control system to improve operational efficiency and have plans and directions to develop strategies for developing the internal control system and business strategy based on available resources appropriately and optimally (Vo Thu Phung, 2016). In addition, to achieve the effectiveness of the internal control system through orienting the development of policies and mechanisms for state management agencies and administrators to contribute to information transparency in the banking and finance sector, improving management efficiency and operational efficiency of banks and creating trust to attract investment (Ho, 2017). Good operation of internal control is the basis for assessing risks and controlling activities as well as improving the level of financial autonomy, contributing to improving operational results and realizing the organization's goals (Nguyen Anh Hien, 2019). In Vietnam, the scope of research conducted mainly focuses on measuring the influence of the internal control system on the financial reporting quality at businesses, but the research mentions the influence of the internal control system. The quality of financial reporting at administrative

and public service units is still low. Therefore, the author finds that there is a need for a study on the influence of factors in the internal control system on the quality of financial reporting at current administrative and public service units.

The following sections present the theoretical background and hypotheses, research methodology, findings and discussion, and conclusions, including theoretical and managerial implications as well as recommendations for future research.

2. Theoretical Framework and Method

2.1. Theories applied to the research

2.2.1. Agency Theory

Agency theory has its roots in economic theory, formed in the 70s, and then developed by Jensen and Meckling (1976). Agency theory is based on the premise that agents The agent has more information than the principal and that this information asymmetry negatively affects the principal's ability to effectively monitor whether his or her interests are being served by the agents or not. The existence of imperfect information and asymmetric information leads to the opportunistic behavior of the agent, so agency costs appear to limit the opportunistic behavior of the agent. It also assumes that the principal and agent act rationally and that they will take some action to maximize their benefits. Scapens (1985) calls this dilemma the "moral hazard" problem. This occurs when the principal/owner does not have access to all the information available at the time the manager makes a decision and therefore cannot determine whether the manager's actions will result in the best interest of the company or not. In businesses, the problem of imperfect information and asymmetric information between actors (authorizer and authorized person) often occurs, especially in the current unstable capital market context. According

to Jensen and Meckling (1976), in that condition, to limit the reduction of its benefits due to information asymmetry, the principal will establish appropriate incentives for the principal and Carry out monitoring activities to limit the principal's unusual activities, thereby increasing agency costs (affiliation costs, monitoring costs,). Based on this theoretical foundation, researchers believe that factors within the internal control system affect the quality of financial reporting.

2.2.2. Compliance theory

Compliance theory was developed by Etzioni (1975) through an approach based on the organization's structure, and is classified into compliance types such as compliance with regulatory regulations, compliance with process implementation, and ethical compliance (Sutinen & Kuperan, 1999). The essence of compliance theory is that every organization has an obligation to comply with regulations, and at the same time, emphasizes the integrity of compliance of an individual within the organization. Viewed from a normative perspective within compliance theory, this theory can be applied to aspects of both accounting systems, internal controls, and internal auditing (Etienne, 2011). An organization's strict implementation of compliance in its internal control system ensures accountability in the form of financial reporting (Shintia & Erawati, 2017).

An internal control system is a procedure or process associated with steps or activities that are continuously performed by leaders and employees to achieve organizational goals with effective, reliable operations (Mutiana et al., 2017). For accounting work, an internal control system is necessary because the accounting system, as an information system, is a subject that also has intentional or unintentional errors (Husna et al., 2017). If the internal control

system is good, through strict procedures and implementation processes, along with fully designed and constructed accounting procedures, errors and fraud are unlikely to occur. That can establish reliable financial reports and achieve the best efficiency of the business's operating goals (Yendrawati, 2013). Compliance theory supports the relationship between the internal control system and accounting work in which internal control is intended to provide assurance that accounting work is carried out according to processes, procedures, and compliance. correct and complete current regulations (Tawakal & Suparno, 2017), thereby showing that the internal control system affects the quality of financial reporting information (Shintia & Erawati, 2017; Husna et al., 2017, Mahaputra & Putra, 2014).

2.2. Development of research hypotheses

According to the COSO Report's internal control template, the internal control system includes 5 components with 17 principles. For each component, there is an independent factor (also known as an independent variable) that affects the dependent factor (also known as a dependent variable).

Control environment is considered an important factor in evaluating the effectiveness of implementing internal regulations (Chan et al., 2020). The control environment is considered the attitude and sense of control of administrators and parties involved in company activities towards establishing and maintaining the internal control system (Liu et al., 2017; Pham, 2022). It is a product of the philosophy and style of management through the attitudes, capabilities, ethical values, integrity, and spirit of everyone in the organization. Based on theory and previous studies, the author proposes the following hypothesis:

Hypotheses H1: The Control Environment positively affects the quality of financial reporting at administrative and public service units in Vietnam

Risks are incidents that hinder the achievement of goals. Throughout a business's operations, risks will affect the organization's ability to accomplish its ultimate goals. Therefore, risk management requires techniques to identify, evaluate and decide how to handle possible internal and/or external risks that can hinder the achievement of goals. set at all levels of the organization (Wang, 2019). Therefore, in this study, the author argues that:

Hypotheses H2: Risk assessment positively affects the quality of financial reporting at administrative and public service units in Vietnam

Control activities can be understood as performing both manual and automatic actions that help prevent or minimize risks that may occur and hinder the company's goals. Management should establish oversight of activities to effectively accomplish company goals (Mjaku & Pristina, 2019). The author recommends:

Hypotheses H3: Control activities positively affect the quality of financial reporting at administrative and public service units in Vietnam

Information and communication is the exchange of useful information between individuals and departments in the company to help administrators make decisions and plan activities (Rae et al., 2017). In a company, depending on the source of information as well as the importance of the information that needs to be communicated to the board of directors, departments and other employees. People need information in the manner and time frame allowed to complete the task. At the same time, it is also necessary to identify information from parties outside the company such as customers,

suppliers, markets, regulatory agencies... (Salameh, 2019). The author argues:

Hypotheses H4: Information and communication positively affect the quality of financial reporting at administrative and public service units in Vietnam

Monitoring activities can also be understood as using techniques and methods to evaluate the output results of internal regulations over time (Shoimah, 2015). Monitoring is the analysis of an entity's operations and transactions to evaluate the level of performance over time and determine whether control measures are

effective (Ariesa & Berasategui, 2009). The Board of Directors should focus its monitoring efforts on internal controls and the achievement of corporate objectives. For supervision to be most effective, all employees need to understand the organization's mission, goals, responsibilities, and risk tolerance (Febriana et al., 2017). Therefore, the author proposes:

Hypotheses H5: Monitoring positively affects the quality of financial reporting at administrative and public service units in Vietnam
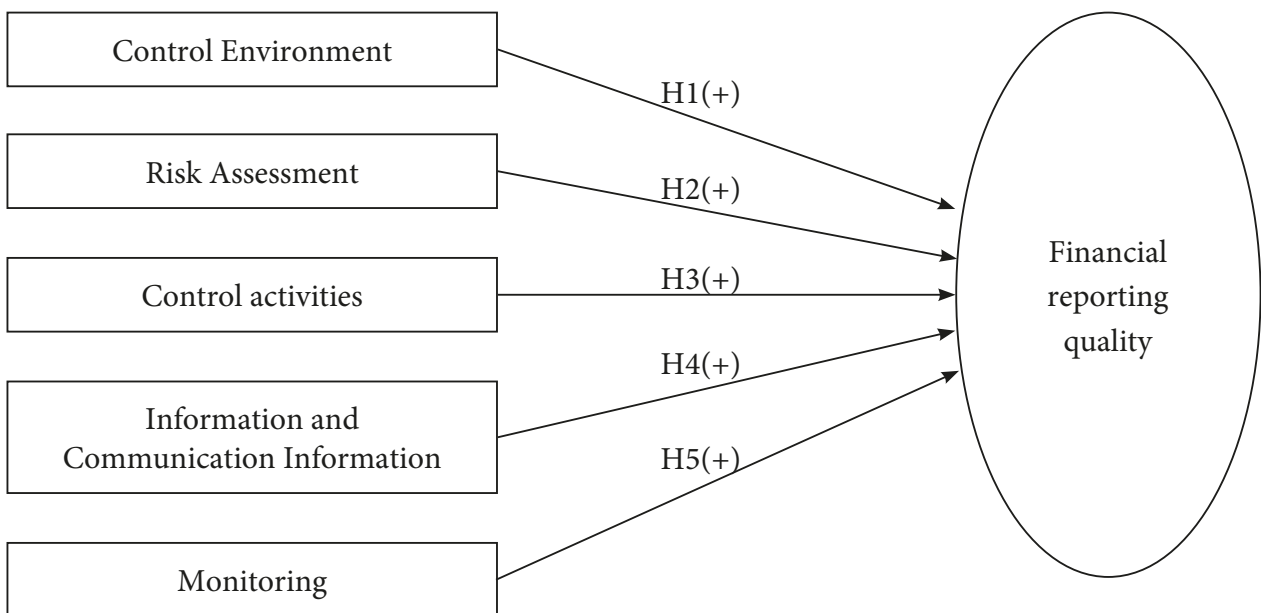
Proposed research model:

Figure 1. Proposed research model

3. Research Methods

The research is conducted according to the model of Steckler et al. (1992), which will conduct qualitative research first, followed by quantitative methods. With qualitative research to ensure in-depth data, expert opinion gathering must be built based on open questions, also known as semi-structured, open-ended interviews. The data collected from this research method step allows for the collection of free opinions, not bound by assumptions,

hypotheses or any limitations on the part of the researcher. With the quantitative method implemented immediately, it allows researchers to seek consistency and perfection of the scale in each factor through the regression model analysis process to meet the set requirements (Kothari, 2004).

The measurement scales are used based on inheritance from previous studies, specifically: the research scale in this topic is based on theory and existing scales from previous studies

(Hwang et al., 2004; Jokipii, 2010). After in-depth interviews and direct discussions, the author and experts adjusted the language to suit administrative and public service units in Vietnam.

Based on qualitative research, the author synthesizes, analyzes, and codes factors to design a questionnaire for the survey. The questionnaire includes 30 questions corresponding to 5 independent variables and 5 questions to assess financial reporting quality through the quality of information on financial reporting at administrative and public service units in Vietnam (*see Appendix 1 online*). Specific questions are measured based on a 5-level Likert scale (1 - not at all important; 2 - not important; 3 - no opinion; 4 - important; 5 - very important)

The unit of analysis is an organized administrative unit that implements an internal control system, so the sampling subjects chosen by the author are chief accountants, general accountants and accountants. Purposeful sampling was carried out to ensure that respondents answered at the most accurate level, ensuring high reliability of data, and respondents participating in this survey were investigated through the form The questionnaire is sent directly, or via email. For data analysis results to be reliable enough, it is necessary to collect at least 5 samples per observed variable (Bollen, 1987; Hair , 2009). Within the scope of this study, the proposed research model includes 30 questions, with a corresponding survey sample, after preliminary data analysis (using Cronbach Alpha coefficient) is at least $30*5 = 150$. Although the minimum sample is 150 observations, to achieve high reliability, the author sent a survey questionnaire of 400. Data collection is done online through a questionnaire designed on Google Forms. The data collection period is from August 2023 to October 2023. Out of a total of 400 questionnaires sent, the author collected 362,

after selecting and cleaning the sample, there were 350, qualified to proceed with the analysis steps. All data related to valid samples were compiled, coded, and processed using SPSS 27.0 software to conduct analysis steps and test hypotheses.

4. Results and Discussion

4.1. Descriptive statistics

The fields of operation of the surveyed units are quite diverse. Of these, the majority are education and health units, accounting for 40.2% and 23.6% respectively. Regarding the level of financial autonomy, 50.4% of units have regular expenditures guaranteed by the State. The majority of surveyed subjects are unit heads and have worked for 6 years or more, accounting for 66.9%, general accountants 29.4%, and the remainder are experienced accountants. In general, the sample characteristics as described show that the collected data is reliable and representative enough to test the scale.

4.2. Evaluate the reliability of the scale

To ensure the reliability of the scales in the survey, the author used the Cronbach Alpha coefficient (implemented on SPSS 27.0 software) to test the appropriateness of the scales, with this coefficient requirement. must have a value > 0.5 and a total variable correlation coefficient > 0.3 to accept the use of the scales for subsequent analysis. The results of analysis using the Cronbach Alpha coefficient show that it takes many times to eliminate variables (eliminate each variable) to achieve the final satisfactory result (*see Appendix 2 online*), as follows:

Through the results of Cronbach's Alpha coefficient analysis above, the variables CE4, RA4 and CA3 were eliminated because they did not meet the requirements for Cronbach's Alpha coefficient. All remaining observed variables are eligible for the next steps of analysis.

4.2. Exploratory factor analysis

EFA analysis results (*see Appendix 3 online*) show that KMO = 0.826 > 0.5 and the result of Bartlett's Test 2,568,179 with significance level sig = 0.000 < 0.05, this proves that the observed variables are correlated with each other in the whole. Observed variables will be analyzed into 5 components with a total variance extracted of 83.425% > 50%. The Eigenvalues of all factors are high (greater than 1), and the 5th factor is the lowest = 1.756 (greater than 1).

Thus, the dependent variable of financial reporting quality at administrative and public service units in Vietnam is explained by 22 observed variables and grouped into 5 factors, these 5 factors explain 83.425% of the data variation. Therefore, the EFA results are reliable and can be used for regression analysis in the next step

4.3. Multivariate linear regression model analysis

4.3.1. Test correlation coefficient

The correlation coefficient indicates a two-way linear relationship between variables. The larger the correlation coefficient, the stronger the relationship between the two variables and vice versa.

Table 1. Results of the Pearson correlation coefficient matrix

		CLBCTC	MT	RR	KS	TT	GS
FRQ	Financial reporting quality	1					
CE	Control Environment	0.540**	1				
RA	Risk assessment	0.438**	0.477**	1			
CA	Control activities	0.505**	0.284**	0.322**	1		
IC	Information and communication	0.525**	0.076	0.200**	0.242**	1	
MA	Monitoring activities	0.141**	-0.081	0.190**	0.062	0.249**	1

The correlation coefficient between the dependent variable of financial statement quality and observed variables, with values sig = 0.000 < 0.05, is meaningful. The financial statement quality variable (FRQ) has the strongest correlation with the CE variable (0.54) and the weakest correlation with the MA variable (0.141).

The data used in correlation regression analysis was chosen by the author to be standardized data, so the correlation between factors will be zero, so multicollinearity between the independent and dependent variable will not occur. The results of the regression analysis extracted from Table 2 are as follows:

Table 2. Results of regression model estimation results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-2.555	0.332		-7.695	0.000		
	CE	0.442	0.044	0.403	10.056	0.000	0.723	1.383
	RA	0.094	0.054	0.071	1.734	0.048	0.684	1.461
	CA	0.362	0.050	0.267	7.185	0.000	0.840	1.190
	IC	0.629	0.056	0.405	11.138	0.000	0.878	1.138
	MA	0.063	0.054	0.042	1.167	0.024	0.881	1.135

Inspections

R Square	0.061
Adjusted R Square	0.596
Sig.	0.000
Durbin-Watson	1.715

From the model testing results in Table 2, it shows that: The VIF value of each independent variable of the model is less than 2, proving that the model does not have multicollinearity. There are 5 components in the internal control system that affect financial reporting quality, specifically the control environment $\beta_1 = 0.403$, risk assessment $\beta_2 = 0.071$, control activities $\beta_3 = 0.267$, information and communication $\beta_4 = 0.405$, monitoring activities $\beta_5 = 0.042$. The results show that the internal control system affects financial reporting quality at administrative and public service units in Vietnam by 5 factors of the internal control system: (1) control environment; (2) risk assessment; (3) information and communication; (4) control activities; (5) monitoring activities have a linear correlation with the dependent variable of financial reporting quality at administrative and public service units in Vietnam. Thus, this model is suitable to test the above research hypotheses. Research results show that 5 factors in the internal control system affect financial reporting quality at administrative and public service units in Vietnam. This result is consistent with previous studies (Rubino & Vitolla, 2014; Afiah & Azwari, 2015; Nguyen Anh Hien, 2019).

Each component has a different relative importance to effectively control processes within the internal control system to ensure higher reliability of data and information to improve financial reporting quality, in which the control environment control and media information have the most impact. Control environment also aids in the finding that companies with more effective control environments achieve higher scores in the overall assessment. However, administrative and public service units hardly pay attention or do not have internal control over the enterprise.

An effective internal control system helps entities maintain high-quality of information to support business decision making and also to achieve operational excellence through effective internal control to improve and

enhance financial reporting quality, eliminate weaknesses and improve internal control processes. Therefore, units should clearly and accurately assign roles and responsibilities in the process. This helps managers check the operation of each process before implementing an internal control system.

5. Conclusions and Policy Implications

5.1. Conclusions

The process of collecting and synthesizing opinions of experts with expertise and experience in the field of accounting and auditing, the results show that there is a connection between the internal control system and financial reporting quality at administrative and public service units in Vietnam. At the same time, through investigation, interviews, and survey research results, the factors in the internal control system are all statistically significant, affecting the quality of financial reporting at these units.

During the research process, the author step by step identifies, statistics and forms each factor of the internal control system, and at the same time explores and builds measurement scales (question items) for each factor in order to build the expected research model, thereby serving as a basis for the quantitative research step. As a result of the research achieved in the qualitative research step, the author built 30 scales belonging to 6 factors, including five independent factors and one dependent factor. With the quantitative research step, the author has identified 27 scales belonging to 6 factors including: Independent factors: (i) Control environment has 4 scales, (ii) Risk assessment has 4 scales; (iii) Control activities have 4 scales; (iv) Information and communication have 5 scales; (v) Monitoring has 5 scales; and dependent factor: financial reporting quality at administrative and public service has 5 scales.

Then, through the results of the qualitative research step, the author conducts a quantitative method, sequentially following quantitative analysis steps including: (i) analysis using Cronbach Alpha coefficient; (ii) exploratory factor analysis – EFA; (iii) regression analysis to determine the impact of factors in the internal control system on financial reporting quality at Vietnamese administrative and public service units. The regression research results show that with $R^2 = 60.1\%$, the research model is consistent with the data and supported by the data, and there are 5 independent variables that are statistically significant, affecting the dependent variable, and the independent variables have a positive impact on the dependent variable with the level of impact following a decreasing trend, specifically: (i) the Information and Communication factor with the strongest impact has a regression coefficient of +0.405; (ii) the Control Environment factor has the second strongest impact with a regression coefficient of +0.403; (iii) the Control activities factor has a regression coefficient of +0.267; (iv) the Risk Assessment factor has a regression coefficient of +0.071; (v) The factor Monitoring has a regression coefficient of +0.042.

With the results achieved in the official research step, the author has succeeded in building a research model including 1 dependent factor and 5 independent factors, and at the same time determined the level of impact of these factors. Independent factors impact dependent factors. Research results show that improving the internal control system has become a very important role in financial reporting quality at administrative and public service units in Vietnam to improve and enhance financial reporting quality while helping to reduce and eliminate weaknesses in the internal control implementation process to strengthen the departmental foundation and positively influence unit management.

5.2. Policy implications

The information and communication factor has the highest level of impact on the dependent variable, which proves that information and communication helps evaluate the level of operations and implementation of policies of the unit. The information and communication system established within the unit aims to produce reports that include evidence related to operations, finances and compliance, thereby helping the unit effectively manage its activities. In addition to data generated and used internally, information related to external events, activities, and conditions is essential to inform business decision-making (Burke et al., 2020; Frazer, 2020). Therefore, in addition to ensuring that the information and communication elements of the internal control system are implemented, it allows complete accounting work, transparent data, and reliable and timely reporting through the collection and communication of important information within the prescribed time so that the financial reporting quality is guaranteed. The unit needs to maintain, promote and comply with three principles related to information and communication: (i) Collect or create high-quality information to help the internal control system work effectively; (ii) Communicate internal information including goals and responsibilities, information to support other departments in accounting operations, the internal control system in particular and the entire unit in general; (iii) Notify issues related to accounting processes and internal control systems for relevant parties to implement and comply with. Providing information related to the roles and responsibilities of each individual related to accounting, internal control systems, and other exceptional cases so that management can adjust or handle them promptly. Building open communication channels helps those involved in the unit's operations ensure that exceptions are promptly reported and acted upon.

The control environment factor has the second highest level of impact on the dependent variable, which shows that the control environment is a set of policies and procedures that must be followed in implementing the internal control process of the unit (Chiu & Wang, 2019, Lai et al., 2020). Behind the adequacy of the control environment shows that leadership and management commitment to integrity and ethical behavior as well as to employee behavior remains the most important factor for effective control and accounting systems. If management is weak, financial reporting is prone to fraud and is likely to occur frequently because the control environment begins with management who implements policies, organizational behavior, and effective governance (Bruwer et al., 2018; Koutoupis & Pappa, 2018). Thus, to organize effective accounting work and transparent financial reporting, the unit needs to improve the control environment around five principles: (i) The unit always ensures commitment to integrity and ethics; (ii) Build the management board's internal control monitoring system; (iii) Structure reports, review member responsibilities, and establish and monitor goals; (iv) There should be policies to attract and develop human resources; (v) Require individuals to be responsible for assigned work as well as reporting responsibilities within the scope of responsibilities and obligations (Lai et al., 2020; Chiu & Wang, 2019; Koutoupis & Pappa, 2018). In addition, the unit should promote the application of information technology in the management and operation of production activities. Improve the capacity to apply information technology for staff because human resources applying information technology play a decisive role in successfully applying information technology to effectively support achieving the highest results. Specifically, strengthen management, fostering and training for employees to regularly update the content of training courses

and foster applied skills. Regularly inspect, supervise and evaluate the implementation of legal documents, mechanisms and policies on information technology application in management and activities.

The control activities factor is statistically significant in the research model, which shows that control activities are carried out by management to ensure accurate and reliable financial information, and at the same time, reduce and minimize risks as well as resolve risks to achieve the unit's goals (Muraleetharan, 2013). The unit must monitor and evaluate the quality of internal control implementation to ensure it is implemented, and adjusted when the environment changes, improved, and weaknesses eliminated during the implementation process. Regularly review, inspect, and report on the quality and performance of internal control, evaluate and monitor the board of directors as well as all employees to comply with the organization's standards of conduct after committing. Therefore, to ensure the financial reporting quality, it is also necessary to emphasize effective control activities, which specifically need to be established according to the preparation, verification and distribution program for different management levels. At the same time, evaluate performance by comparing actual performance with plans, forecasts, and performance of previous periods, processing information through checking accuracy and completeness. In addition, the unit needs to implement, maintain and promote the following principles: (i) Consider, consider and develop control measures that help reduce risks to an acceptable level; (ii) Select and develop effective control activities supported by technology; (iii) Implement control operations processes and procedures by relevant policies and procedures approved by competent authorities (Chiu & Wang, 2019; Park et al., 2019).

The risk assessment factor has a low impact level but is statistically significant in the research model, which shows that identifying, evaluating, and monitoring risks is an indispensable activity of the internal control system. So, entities should regularly assess the evolving risks associated with the growth of operations and fully adapt each company's internal control framework by its objectives. Effective financial control, including the maintenance of appropriate accounting records, is an indispensable element to help the entity avoid unnecessary financial risks, thereby creating transparent and reliable financial information.

The factor of monitoring activities is statistically significant but has the lowest level of impact in the research model, which shows that the unit has gradually organized and effectively implemented an effective monitoring system. The internal control system requires monitoring with the efforts of management, implementers and supervisors to evaluate performance over each milestone. Maintaining regular or ad hoc monitoring can continue depending on the implementation process as well as the organization's implementation process (Adegboyegun et al., 2020; Wali & Masmoudi, 2020). Supervision is the regular inspection and evaluation of events, so it is also necessary to incorporate all the management's supervision of the internal control system along with the selection, and perform ongoing or separate assessments of components of internal control. At the same time, after performing the assessment, deficiencies should be communicated to those responsible for taking corrective action, including senior management and the board of directors (Dowdell et al., 2020; Gamage et al., 2014).

The author completed the research on the topic but there are still some limitations to this research. First, the sample size and time

period are limited: the author chose a simple measurement method, which affects the generalization of the results. The influence of the internal control system on the financial reporting quality at administrative and public service units can change the level of influence according to different conditions, contexts, and purposes, so the results of this study cannot be generalized to different contexts. The study only stopped measuring the influence of the components of the internal control system on the financial reporting quality but did not consider the relationship between the components with each other.

Future research can learn more about financial reporting quality, combining many variables: profit management, accounting quality,...; and explore more components of the internal control system in a general way so that managers can use it in many different contexts. In addition, future studies should expand the scope of the study and expand the sample size to achieve general results and consider the relationship between components.

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