

**DEVELOPMENT OF A CAUSAL RELATIONSHIP MODEL BETWEEN THE
CAPABILITY OF PUBLIC ACCOUNTANTS, UNDERSTANDING OF THE ETHICS OF
PUBLIC ACCOUNTANTS, APPLICATION OF PUBLIC ACCOUNTING STANDARDS,
AND THE QUALITY OF FINANCIAL STATEMENTS OF PUBLIC ENTITIES IN
THAILAND**

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Abstract

This research aimed to analyze the causal relationship between the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities. The research followed a survey-based approach and the research tool was a questionnaire. The population consisted of 431 public accountants who served as the sample. Data analysis employed descriptive statistics and the reference statistics were percentage, mean, standard deviation, frequency distribution, and structural equation analysis. The four key study variables were 1) the capability of Public Accountants, 2) the understanding of the Ethics of Public Accountants, 3) the application of Public Accounting Standards, and 4) the quality of Financial Statements of Public Entities. The study found that the Causal relationship model of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards that affect the Quality of Financial Statements of Public Entities is consistent with empirical data. The capability factor of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards had a statistically significant effect on the Quality of Financial Statements of Public Entities.

Keywords: Capability, Public Accountants, The Quality of Financial Statements

Background and significance of the problem

The government has attached great importance to improving fiscal transparency and accountability through various measures: 1) a framework for fiscal sustainability has been established to serve as guidelines for maintaining fiscal discipline since 2001; 2) the government underwent a fiscal transparency assessment conducted by the International Monetary Fund (IMF) in 2009; 3) assessments of different aspects of fiscal risk have been carried out and fiscal risk reports have been prepared from 2011 onwards; and 4) there have been efforts to push for fiscal legislation under the Provisions in the Constitution (Sattru Sudsawat et al., 2016). The application of innovation and modern operational technology, coupled with continuous knowledge development in the accounting profession, has shown positive effects on professional accounting expertise and financial reporting efficiency (Chatratchada Wirojrat, 2018). Moreover,

professionalism, competence, and knowledge in financial management have a significant impact on the quality of financial reports (Darwanis, 2016). Several studies have examined effective accounting transparency, defined as the level of information disclosed to an openly interested audience, presented in the right direction, relevant, easy to understand, accurate under accounting standards, and comparable (Klinsukhom, 2016). Furthermore, research has explored how knowledge, competence, and adherence to standards in accounting operations influence the quality of financial reports of local administrative organizations (Thitirat Memak, 2016). Accountant professionalism is positively correlated with the quality of overall financial reports, including relevance to decision-making, timeliness, and comparability (Natthawut Tantiseth, 2015). Given the significance of the accounting information provided by public accountants and its potential impact on the overall picture, maintaining ethical conduct becomes crucial and expected. Society places enormous expectations on the efficiency, reliability, truthfulness, and impartiality of this data. The absence of professional ethics, coupled with the qualitative characteristics of financial reports, can lead to an unrealistic portrayal of financial information. Therefore, it is essential to uphold professional ethics in conjunction with the qualitative characteristics of financial reports, as the development of ethical practices in accounting promotes the quality of financial reporting (Bakhtiari, M., & Azimifar, M., 2013).

As a result, the researcher aims to study the development of a causal relationship model between the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities in Thailand in the future.

Research Objectives

To analyze the causal relationship between the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities.

Literature Review

1. Guidelines for public accounting in Thailand

In 2018, the enactment of the Fiscal and Financial Discipline Act 2018 mandated government agencies to comply with the Public Finance and Fiscal Discipline Act 2018, Chapter 4: Accounting, Reporting, and Auditing. These government agencies comprise seven types: 1) Government agencies, 2) State enterprises, 3) Parliamentary Agencies, the Court of Justice, the Administrative Court, the Constitutional Court, 4) Constitutionally Independent Organizations, Prosecutor's Organizations, Public Organizations, 5) Corporate working capital, 6) Local Administrative Organizations, 7) Other government agencies as required by law. Subsequently, in 2022, the Cabinet approved the Ministry of Finance's implementation of the New Electronic Government Fiscal Management Information System (New GFMS Thai) to replace the Government Fiscal Management Information System (GFMS) and established rules and procedures through the New Electronic Government Fiscal Information System (New GFMS Thai). These agencies are required to utilize the New GFMS Thai system for withdrawing money

from the treasury, making payments, and sending money to the treasury starting from April 4, 2022.

2. Concepts and theories about the Capability of Public Accountants

Capabilities, commonly used in the context of human resource management, refer to the knowledge and skills individuals require to work effectively (Saputra and Hutahaeen, 2016). Capability represents a combination of knowledge, skills, and awareness necessary to clarify understanding and accomplish tasks. Skills involve the practical application of understanding and perceived attitudes, thereby ensuring appropriate skill implementation. This concept finds relevance in accounting and finance, particularly after global accounting reforms demanded accountants perform their duties with competence (Zaim Yaşar, & Ünal 2013).

3. The Concept of Understanding of the Ethics of Public Accountants

Ethical accounting practices are guided by various ethical standards demanded by both domestic and international organizations. The International Federation of Accountants (IFAC) has established a Code of Ethics for professional accountants, encompassing honesty, objectivity, professional competence, and due care. These codes of confidentiality and professional conduct apply to professional accountants in public practice and professionals in business. Ethical considerations cover diverse issues, including conflicts of interest and acceptance of gifts within professional behavior (Enofe, Edemenya & Osunbos, 2015; Fatoki, 2015). This Code of Conduct is intended for practicing accountants in both the private and public sectors, including the virtual or hybrid sectors (Dankwanmbo & Izedommi, 2018). Key ethical principles include honesty, objectivity, professional behavior, confidentiality, professional competence, and due care.

4. Concepts about the Application of Public Accounting Standards

Accrual-based accounting standards involve recognizing income, expenses, assets, liabilities, and shareholders' equity in accrual financial reporting. Additionally, revenue recognition, expenditure, and financing of budgetary reporting align with the implementation of the budget based on the state budget guidelines for regional revenues and expenditure budgets. According to accounting standards, the accrual basis recognizes the impact of transactions and events when they occur, irrespective of the timing of cash or cash equivalents received or paid (Kieso, 2018).

5. Concepts of the Quality of Financial Statements of Public Entities

A high-quality financial report conforms to four qualitative characteristics, ensuring that the information in financial reports is relevant, reliable, comparable, and understandable, thereby making it useful for users (Kieso et al., 2012). Government accounting standards stipulate that government financial reports must possess the necessary qualitative characteristics to meet required quality standards, including relevance, reliability, comparability, and understandability (Belkaoui, 2010).

Research Methods

Research Pattern

This research used a quantitative research methodology by using primary data sources from Public Accountants in Thailand to confirm the causal relationship model of the Capability of

Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities in Thailand.

Population and samples

The population used in this research is agencies that require public accountants in Thailand in the amount of 8,442 agencies (data from the Comptroller General's Department in 2022). The researchers collected data from 1) government agencies, parliamentary agencies; the Court of Justice, the Administrative Court, and the Constitutional Court, Constitutionally Independent Organizations, Prosecutor's Organizations, Public Organizations, Corporate working capital, and Other government agencies as required by law in the amount of 537 units, 2) state enterprises in the amount of 55 units, 3) Provincial Administrative Organization, 76 units, 4) City Municipalities, 30 units, 5) Town municipalities, 195 units, 6) Sub-district municipalities 2,247 units, 7) Local administrative organizations 5,300 units, 8) Special local administrative organizations (Bangkok and Pattaya City, 2 units.

This research used Structural Equation Model (SEM) analysis to analyze the data. A sufficient number of samples was required for the parameters from the analysis results to be accurate and reliable. The elements used to determine the sample size in the analysis were (1) erroneous identification of model characteristics, (2) model size, (3) deviation from normal, and (4) estimation process. According to the proposal of Hair et al., (1998), statistical analysis of the structural equation types should determine a sample size of approximately 10 - 20 times that of the observed variables. Therefore, the researcher selected a sample size of 20 times from 15 observed variables. The sample size of this research should be at least 300 units, calculated from $15 \times 20 = 300$, which is considered appropriate.

The research sampling method uses stratified random sampling to obtain data from the sample of Public Accountants in eight groups of agencies, one person per agency, which is a random sampling of clearly different populations (Hair et al., 2010).

Research tools

In this search, the researcher used a questionnaire as a tool for collecting data, one set of questionnaires, defined as a 5-level estimation scale questionnaire according to Likert's Scales. The questionnaire is divided into six parts as follows:

Part 1 is a questionnaire about the personal information of the respondents, including gender, age, level of education, work experience, and organization.

Part 2 is a question about the capability factors of public accountants that affect the Quality of Financial Statements of Public Entities. The nature of the question is closed-ended using a 5-level estimation scale.

Part 3 is a question about the factors of understanding the Ethics of Public Accountants that affect the Quality of Financial Statements of Public Entities. The nature of the question is closed-ended using a 5-level estimation scale.

Part 4 is a question about the Application of Public Accounting Standards that affect the Quality of Financial Statements of Public Entities. The nature of the question is closed-ended using a 5-level estimation scale.

Part 5 is a question about the Quality of Financial Statements of Public Entities. The nature of the question is closed-ended using a 5-level estimation scale.

Part 6 other recommendations provide an opportunity for respondents to write additional comments that are suggestions or opinions that the respondents would like to express their opinions to provide information to the researcher.

The formulated questionnaire was presented to five experts with expertise in accounting operations to verify the content validity of the questionnaire by using the Index of item Objective Congruence (IOC). If the IOC value is greater than 0.50, all of them will be used to find the reliability value further and improve the language according to experts' advice.

Data Collection

The researcher collected data by using a questionnaire and followed the following processes:

1. Submit the questionnaire in person, online, and by email.
2. Submit a questionnaire classified by specified groups of agencies and selected agencies in each group through drawing lots.
3. Examine all questionnaires that have been returned to select questionnaires that completely answer the questions and are suitable for further analysis.
4. In case the incomplete numbers of questionnaires, additional questionnaires will be delivered by considering and selecting agencies in each group with the method of drawing lots instead.

Data Analysis

Analysis of structural equation model: In this research, the researcher applied a technique of Analysis of Structural Equation Model. It is used to analyze the relationship between exogenous variables which are independent variables and endogenous variables which are values of other dependent variables (Suchart Prasitrat, 2015).

(1) Structural validity analysis of the measurement model uses theoretical support analysis or verifies the construct validity of the tool by confirming that the research variables have components in line with the given theory or confirming that the tool was created has the construct validity (Poonpong Suksawang, 2013) by using the technique of Secondary Confirmatory Factor Analysis (SCFA).

(2) Check the consistency of the causal relationship model by path analysis with latent variables.

Research Results

The hypothesis-based structural equation model was analyzed using the Maximum Likelihood technique with the AMOS version 22 package program to compare the consistency between the models developed with empirical data. As a criterion to verify the consistency of the

model with empirical data, the researcher considers the statistical values which consisted of Chi-Square indices, χ^2 , χ^2/df , GFI, AGFI, and RMSEA. The results of the first model analysis showed that the consistency indices were not consistent with the empirical data or not by the criteria set by considering the value $\chi^2 = 293.387$, $\text{df} = 84$, $\chi^2/\text{df} = 3.493$, $p\text{-value} = 0.000$, $\text{GFI} = 0.918$, $\text{AGFI} = 0.883$, and $\text{RMSEA} = 0.076$, which the researcher presented in Figure 1 showed the analysis of the consistency index of the overall model and Table 1 shows the analysis of the consistency index of the overall model.

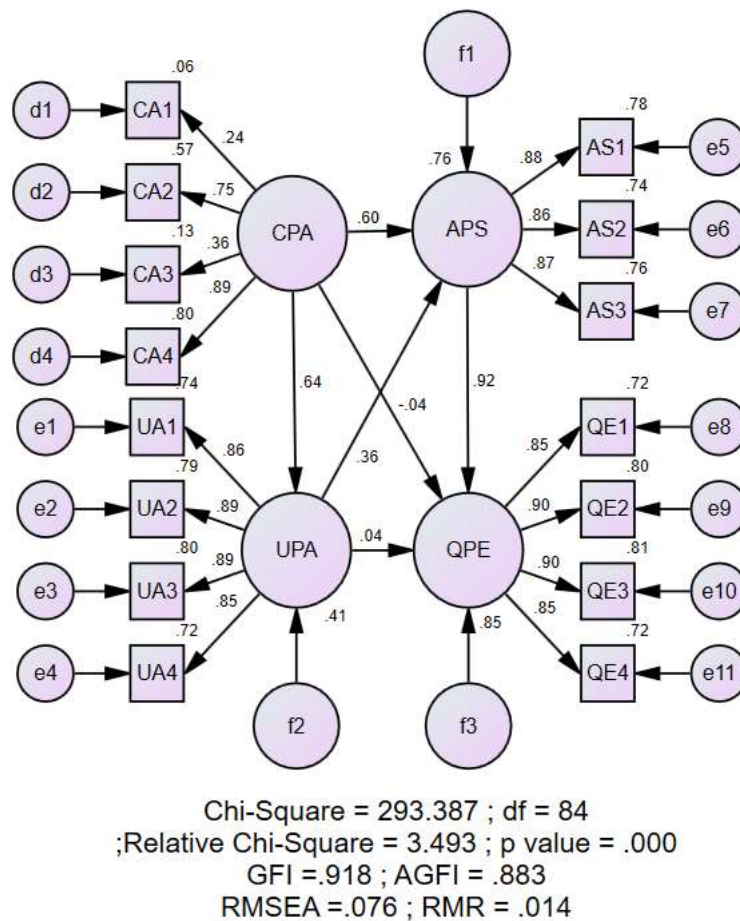


Figure 1: A causal relationship model of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities (before adjustment)

Consistency index	Criterion	Measurable Value Index	Results
χ^2	$p > 0.05$	0.00	Not qualify
χ^2/df	< 2.00	3.493	Not qualify
GFI	≥ 0.95	0.918	Not qualify
AGFI	≥ 0.90	0.883	Not qualify
RMSEA	< 0.05	0.076	Not qualify

Table 1 shows a causal relationship model of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities that the researcher has developed from the concept and related theories that are not consistent with the empirical data, based on the calculated statistical values $\chi^2 = 293.387$, $df = 84$, $\chi^2/df = 3.493$, $p\text{-value} = 0.000$, $GFI = 0.918$, $AGFI = 0.883$, and $RMSEA = 0.076$, which all important statistics have not passed the specified criteria (Joreskog & Sorbom, 1996). Therefore, the researcher conducted model modification based on recommendations for adjusting parameters in the model with Model Modifications Indices (MI). Then, modifying the parameter by agreeing to relax the preliminary agreement to relative tolerances until the concordance indices were consistent with the empirical data. The results of the analysis of the consistency values of the overall model after the researcher has adjusted the model. The analysis results can be presented as Table 2 shows the analysis of the overall model consistency index after model modification to provide model fit to the empirical data and Figure 3 shows the index analysis of the consistency of the overall model after model modification.

Table 2 The consistency index of the causal relationship model of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities (after adjustment)

Consistency index	Criterion	Measurable Value Index	Results
χ^2	$p > 0.05$	0.069	qualified
χ^2 / df (131.837/110)	< 2.00	1.276	qualified
GFI	≥ 0.95	0.976	qualified
AGFI	≥ 0.90	0.953	qualified
RMSEA	< 0.05	0.025	qualified

Table 2 shows the analysis of the structural equation model in the first (before modification). However, when the model is adjusted, it is revealed that the index values meet all the criteria. When considering the consistency index of the model, it revealed that the model was consistent with empirical data with all 4 consistency indices that passed the acceptance criteria: index values $\chi^2 = 80.383$, $df = 63$, $\chi^2/df = 1.276$, $p\text{-value} = 0.069$, $GFI = 0.976$, $AGFI = 0.953$, and $RMSEA = 0.025$. Therefore, it can be concluded that the causal relationship of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities that the researcher has developed is appropriate and consistent with empirical data which can be explained as follows:

(1) The Chi-square value was 80.385 and $p = 0.069$, which was not significant, indicating that the model was consistent with the empirical data.

(2) The relative Chi-square value (χ^2/df) is 1.276, indicating that the model is consistent with the empirical data due to the relative Chi-square being less than 2.00.

(3) Absolute Fit Index, the researcher considers two indices, which are Goodness of Fit Index (GFI) with a value of 0.976 and Adjusted Goodness of Fit Index (AGFI) was 0.953, indicating that the model was consistent with the empirical data since the GFI and AGFI values were between 0 to 1 and the accepted GFI and AGFI values were greater than 0.90.

(4) Root Mean Square Error of Approximation (RMSEA) is 0.025 indicating that the model is consistent with Empirical data because the RMSEA value is less than 0.05.

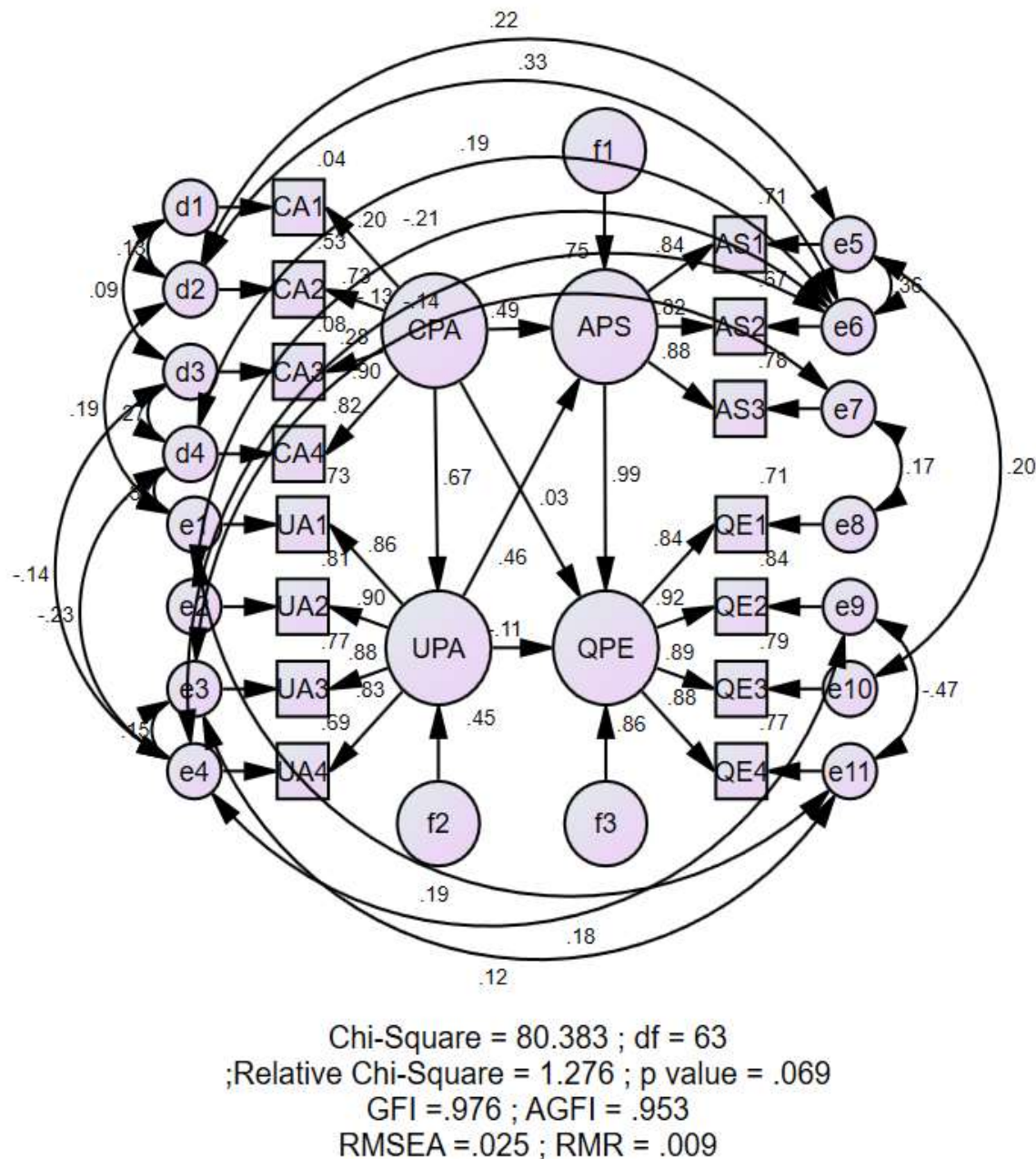


Figure 2: the causal relationship model of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities (after adjustment)

In addition, the results of the analysis of the measurement model of each latent variable show that various observed variables weigh significantly in identifying each latent variable for model adjustment details shown in Table 3.

Table 3 presents the details of the model adjustment to be consistent with empirical data.

No.	Couple's relationship of Adjusted Tolerance	χ^2	df	P - value	RMSEA
1	e9 Vs e11	266.000	83	0.000	0.072
2	e5 Vs e6	240.675	82	0.000	0.067
3	e5 Vs e10	224.417	81	0.000	0.064
4	d4 Vs e1	211.999	80	0.000	0.062
5	d2 Vs e6	201.688	79	0.000	0.060
6	d2 Vs e5	185.471	78	0.000	0.057
7	e4 Vs e9	175.575	77	0.000	0.055
8	e7 Vs e8	166.744	76	0.000	0.053
9	d4 Vs d3	154.099	75	0.000	0.050
10	d4 Vs e4	148.165	74	0.000	0.048
11	d3 Vs e4	139.515	73	0.000	0.046
12	d2 Vs d1	132.504	72	0.000	0.044
13	d2 Vs e1	125.548	71	0.000	0.042
14	e6 Vs e2	118.365	70	0.000	0.040
15	e7 Vs e3	111.470	69	0.001	0.038
16	e1 Vs e11	104.849	68	0.003	0.035
17	e6 Vs e4	98.576	67	0.007	0.033
18	d4 Vs e6	91.690	66	0.020	0.030
19	d3 Vs d1	88.139	65	0.030	0.029
20	e3 Vs e11	84.855	64	0.042	0.028
21	e4 Vs e3	80.383	63	0.069	0.025

Results of analysis of direct and indirect influences on the Quality of Financial Statements of Public Entities (analysis results to develop a causal relationship model of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities) resulted in coefficients of Direct Effects (DE), Indirect Effects (IE) and Total Effects (TE) by the researcher presented the analysis results as follows.

Table 4 Statistics and analysis of direct and indirect influences of variables in the causal relationship model of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities

Causal factors	CPA			UPA			APS		
Effect factors	TE	IE	DE	TE	IE	DE	TE	IE	DE
UPA	0.67**	-	0.67* *	-	-	-	-	-	-
APS	0.49**	-	0.49* *	0.46**	-	0.46**	-	-	-
QPE	0.75**	0.72* *	0.03	0.34**	0.45**	-0.11	0.99* *	-	0.99**
$\chi^2=80.383$, df = 63, $\chi^2/\text{df}=1.276$, p-value = 0.069, GFI = 0.976, AGFI = 0.953, RMSEA = 0.025									
Observed variables	CA1	CA2	CA3	CA4					
R ²	0.04	0.53	0.08	0.81					
Observed variables	UA1	UA2	UA3	UA4					
R ²	0.73	0.80	0.77	0.69					
Observed variables	AS1	AS2	AS3						
R ²	0.71	0.67	0.78						
Observed variables	QE1	QE2	QE3	QE4					
R ²	0.71	0.84	0.78	0.76					
Structural equations of variables	UPA			APS	QPE				
R ²	0.44			0.75	0.86				
* p < .05 ** p < .01									

* $p < .05$ ** $p < .01$

Table 4 shows the structural equation conformity test of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, which affect the Quality of Financial Statements of Public Entities based on hypotheses and empirical data, i.e., $\chi^2 = 80.383$, $df = 63$, $\chi^2/df = 1.276$, $p\text{-value} = 0.069$, $GFI = 0.976$, $AGFI = 0.953$, and $RMSEA = 0.025$, that is, the Chi-square value differs from zero insignificantly. This indicates that the main hypothesis is accepted that the causal relationship model of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities developed in consistency with empirical data which is consistent with the analysis results, GFI is 0.976, AGFI is 0.953, which is close to 1, and RMSEA is 0.025, approaching zero.

When considering the reliability of the observed variables, it showed that the observed variables had a reliability value (R^2) between 0.04-0.50. The variable with the highest reliability was the Quality of Financial Statements of Public Entities on decision-making relevance (QE2) equal to 0.84. For the lowest variable, it is only related to the Capability of public accountants

(CA1), with a reliability value of 0.04.

For the forecasting coefficient (R^2) of the internal latent variable structural equation, it revealed that the forecasting coefficient (R^2) of Understanding of the Ethics of Public Accountants (UPA) was equal to 0.44, or the variables in the model could explain the variance of Understanding of the Ethics of Public Accountants (UPA) was 44%. The forecasting coefficient (R^2) of the application of public accounting standards (APS) was 0.75, or the variable in the model could explain the variance in the Application of Public Accounting Standards (APS) was 75% and the forecasting coefficient (R^2) of the Quality of Financial Statements of Public Entities (QPE) was 0.86, or the variable in the model can explain the variance in the Quality of Financial Statements of Public Entities (QPE) was 86%.

When considering direct and indirect influences of factors affecting the Quality of Financial Statements of Public Entities, it showed that such variables got a direct effect from the application of public accounting standards (APS), with a coefficient of effect was 0.99 and was statistically significant at the .01 level. While the Capability of Public Accountants (CPA) and the Understanding of the Ethics of Public Accountants (UPA) had no direct effect but had an indirect effect on the Quality of Financial Statements of Public Entities (QPE), that is, the Quality of Financial Statements of Public Entities (QPE) got indirect effect by the Capability of Public Accountants (CPA) with Understanding of the Ethics of Public Accountants (UPA) and the Application of Public Accounting Standards (APS) was 75% and the forecasting coefficient (R^2) of the Quality of Financial Statements of Public Entities (QPE) was 0.86 or variables in the model could explain the variance in Quality of Financial Statements of Public Entities was a mediator variable with a coefficient of effect equal to 0.72.

The results of the factor weight analysis of the observed variables

Factor weight analysis of the observed variables was used to determine the co-factors that could be described as the relationship between the observed variables. The analysis results are shown in Table 5.

Table 5 shows the factor weights of the observed variables.

Factors/Variables	Factor weights				Coefficient
	Coefficient	Value	SE	t	R ²
CPA					
CA1	0.20	0.06	3.90**	0.04	
CA2	0.73	0.05	15.32**	0.53	0.56
CA3	0.28	0.06	5.41**	0.08	0.23
CA4	0.90	-	-	0.81	0.42
UPA					
UA1	0.85	0.04	21.60**	0.73	0.07
UA2	0.89	0.04	23.00**	0.80	0.09
UA3	0.88	0.04	24.921**	0.77	0.02
UA4	0.83	-	-	0.69	0.05

Factors/Variables	Factor weights			R ²	Coefficient
	Coefficient	Value	SE		Factor Scores
APS					
AS1	0.84	-	-	0.71	0.16
AS2	0.81	0.03	26.09**	0.67	0.19
AS3	0.88	0.04	23.54**	0.78	0.14
QPE					
QE1	0.84	-	-	0.71	0.06
QE2	0.91	0.04	25.41**	0.84	0.13
QE3	0.88	0.04	24.62**	0.78	0.14
QE4	0.87	0.04	23.28**	0.76	0.14

Remark: * p < .05 ** p < .01

Discussions

A causal relationship model of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities was consistent with empirical data with all 4 consistency indices that passed the acceptance criteria: index values $\chi^2 = 80.383$, $df = 63$, $\chi^2/df = 1.276$, $p\text{-value} = 0.069$, $GFI = 0.976$, $AGFI = 0.953$, and $RMSEA = 0.025$. Therefore, it can be concluded that the causal relationship of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, that affect the Quality of Financial Statements of Public Entities that the researcher has developed is appropriate and significantly consistent with empirical data. This is consistent with Akenbor, C. O., & Onuoha, T. E. (2013, pp 1(3)) stating that ethics significantly positively affects the credibility of Professional Judgment in Financial Reporting. It is also consistent with Iskandar, D., & Setiyawaki, H. (2015, pp.55-64.) stating that the capability of an accountant consisting of knowledge, skills, experience, and maintaining performance standards significantly affects the quality of the report, including its accuracy, honesty, reliability, accessibility, safety, timeliness, and quality, ease of understanding, concise performance, and consistent performance. It is consistent with Swanda, D. (2015, pp.139-157) who said that the quality of human resources and the application of accounting standards has a significant positive impact on the quality of local government financial reports. This is consistent with Agwor, T. C., & Okafor, R. (2018, pp.1-14) who stated that the relationship between accounting ethics affects Financial Reporting Quality and Niwana, N., & Haliah, H. (2018, pp.28-40) who stated that human resources have a positive effect on the information quality of local government financial statements. It can be useful for Government information as an important consideration in formulating relevant policies, especially to improve the quality of government financial reports.

Recommendations

1. Recommendations for applying research results

The Comptroller General's Department, which is the agency responsible for supervising the operations of public accountants, understands the important causal factors affecting the quality of government financial reports and uses the research results as information in planning to improve the quality of government financial reports to increase efficiency and transparency. It is considered to build credibility and efficiency in the government's fiscal operations.

2. Recommendations for further research

Interested parties can apply the causal relationship model of the Capability of Public Accountants, Understanding of the Ethics of Public Accountants, and Application of Public Accounting Standards, which affect the Quality of Financial Statements of Public Entities in Thailand to develop with the policymakers' executives, internal auditors who are responsible for overseeing and auditing government performance, and external auditors responsible for auditing and certifying public financial reports.

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