ABSTRACT

Human resource capasity is the most important thing in organization or company which carries on business. Apparently there are still a lot of taxpayers who do not keep books and recods properly.

The purpose of this research was to determine how much influence the human resource capacity to the quality of financial reporting and quality of financial reporting to quality of tax audit on Tax Payer in Bandung Karees Small Taxpayers Office.

The method used in this research is descriptive method, verification with quantitative approach. With a population of 116.798 tax payers and sample of 100 respondent. . The test statistic used is the calculation of validity and relibility testing using software SPSS 18.0 for windows. For verification method using SEM PLS.

Result from this research indicate that problem about quality of financial reporting happen because capacity of human resource less than optimal and problem about quality of tax audit happen because quality of financial reporting is not optimal.

Keywords ***: Capacity of Human Resource, Quality Of Financial Reporting and quality of Tax Audit***