

Government Accounting Standards Application, HR Competence and Accounting Information Systems Influence on Financial Report Quality

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Abstract: This study aims to prove the effect of Budgeting Participation Influence, Budget Targets Clarity, and Public Accountability on the Performance of Local Government Agencies (Empirical Study in DKI Jakarta Province). The results of this study indicate that the Government Accounting Standards and Government Human Resources Competence do not have a significant positive effect on the quality of local government financial reports. The increase or standard of government accounting will have a significant impact on the quality of local government financial reports, seen from the respondents' level of education most of them are not accounting majors whose staff work in the finance or accounting department is more than 50% of the number of respondents. While the Accounting Information System Technology has a positive and significant effect on the quality of financial statements. This is because the accounting information system technology that is increasingly developing will be able to assist the process of preparing financial statements which are certainly more effective and efficient.

Keywords: Government Accounting Standards, Human Resource Competencies, Accounting information system technology and financial report quality

Abstract: Penelitian ini bertujuan untuk membuktikan pengaruh Partisipasi Penganggaran, Kejelasan Sasaran Anggaran, dan Akuntabilitas Publik terhadap Kinerja Instansi Pemerintah Daerah (Studi Empiris di Provinsi DKI Jakarta). Hasil penelitian ini menunjukkan bahwa Standar Akuntansi Pemerintah dan Kompetensi Sumber Daya Manusia Pemerintah tidak memiliki pengaruh positif yang signifikan terhadap kualitas laporan keuangan pemerintah daerah. Peningkatan atau standar akuntansi pemerintah akan memiliki dampak signifikan terhadap kualitas laporan keuangan pemerintah daerah, dilihat dari tingkat pendidikan responden yang sebagian besar bukan dari jurusan akuntansi di mana staf yang bekerja di departemen keuangan atau akuntansi lebih dari 50% dari jumlah responden. Sementara itu, Teknologi Sistem Informasi Akuntansi memiliki pengaruh positif dan signifikan terhadap kualitas laporan keuangan. Hal ini disebabkan oleh teknologi sistem informasi akuntansi yang semakin berkembang akan mampu membantu proses penyusunan laporan keuangan yang tentunya lebih efektif dan efisien.

Keywords: Standar Akuntansi Pemerintah, Kompetensi Sumber Daya Manusia, Teknologi Sistem Informasi Akuntansi, dan Kualitas Laporan Keuangan

I. INTRODUCTION

The implementation of autonomy turned out to have a broad impact on services to the public (public). Public sector organizations in Indonesia have developed in recent times. This development was also experienced by the Government (both central and regional), as a

form of public organization. This condition will further strengthen the demand for accountability for government organizations. As one form of accountability, especially financial accountability, local governments are responsible for publishing financial reports to stakeholders.

There are still many phenomena of regional government financial reports that have not presented data in accordance with regulations and there are still irregularities, this has led to increased public demands for good government implementation to implement public accountability through a media of accountability in the form of financial statements carried out periodic. The demand for the implementation of public accountability requires local governments to improve the system of recording and reporting of regional finances so that the information obtained is reliable, bearing in mind that reliability is an important element of information value related to the decision making of various parties concerned [4].

Table 1. Development of LKPD Opinion from 2011 to 2015

LKPD (Year)	Opinion
2011	WTP
2012	WTP
2013	WDP
2014	WDP
2015	WDP
2016	WDP

Source: www.jakarta.bpk.go.id

Seen from the table above presents the results of the examination of the Regional Financial Statements that the BPK gave a good opinion in 2011 and 2012, namely Fair without exception, where this is the best opinion for a regional financial report. But in the last 3 years in row financial statements have gotten a fair opinion with an exception, this means there is a decrease in the quality of the financial statements presented. The local government should be able to maintain a Fair Opinion without Exception as a form of good and maximum accountability for the development of the region. In this case there are many factors that cause the declining quality of the financial statements, in addition to the possible weak implementation of the government accounting system, it could also be from the quality of the declining resources, as well as the inaccurate reporting timeliness, this

is due to the less optimal use of information technology and weak internal control.

The government accounting system at the regional government level is regulated by Government Regulation No. 58 of 2005 [6] concerning Regional Financial Management and supported by Minister of Home Affairs Regulation No. 59 of 2007 [7] concerning Guidelines for Regional Financial Management, 232 which regulates the Regional Government

Accounting System. In accordance with Law No. 15 of 2004 [8] LKPD will be examined by the Financial Supervisory Agency or BPK and will get an opinion that shows the value of the financial statements themselves. There are 4 types of BPK's Opinions: Fair Opinion without Exception (WTP), Fair Opinion with Exceptions (WDP), Unqualified Opinion (TW) and statements refusing to give an opinion, which affects the reliability of the preparation of regional financial statements is adequate human resource capacity.

In addition, because of the affirmation of the BPK's audit results, it shows that the decline in opinion results can also be influenced by human resources with limited capacity. Sound and good regional financial management in creating good governance must also be followed by competent human resources. But it has become a common problem of local government agencies that for personnel structuring, it is often done not according to the needs both in quantity and quality or competency [1].

Although in general there are many known benefits of an information technology including transaction processing speed as well as report preparation, calculation accuracy, large amount of data storage, lower processing costs, multiprocessing capabilities, but the implementation of information technology is not cheap [10].

The use of information technology can affect the value of government financial reporting information. According [3] explains that timely information that is part of the value of information (understanding) can be achieved by the role of technology components. Information

is a product of information technology systems that play a role in providing information that is useful for decision makers in the organization, including in terms of reporting, so that it supports the decision-making process more effectively.

The reason behind the BPK in providing WDP Opinion to the DKI Jakarta Province was because of the finding of significant problems in the management and financial accountability of the DKI Jakarta Provincial Government related to fixed assets, tax receivables and other receivables that have an impact on the fairness of the presentation of financial statements. Several problems that are still being found are the asset information system that does not yet support the recording of assets according to accounting standards, unfinished asset inventory, inventory data card data is not informative and invalid. Another problem is that depreciation of assets is not supported by depreciation working papers, the same land assets are recorded in three different SKPD and recorded in two different SKPDs, and land assets have not been recorded.

II. RESEARCH METHODS

In this study, the tool used to collect primary data was a questionnaire. The scale used in this study is the Likert scale. The population used in this study is the local government apparatus of the City Administration of West Jakarta, which is the Organization of the Regional Government of Jakarta with a total of 15 OPDs and so the questionnaires returned and can be processed are 52 questionnaires that can be processed. The sample in this study was taken by purposive sampling i.e. the sample is determined based on certain criteria so that it can support this research. The selection criteria are the Section Head and regional staff of DKI Jakarta Province who have a role in the process of making and preparing the budget (RKA-SKPD). The data analysis method used in this study is multiple regression analysis with the help of SPSS Version 23.

According to Government Regulation No. 58 of 2005 concerning Regional Financial

Management stated that Regional Finance is all regional rights and obligations in the framework of the administration of regional governments which can be valued in money including all forms of wealth related to the rights and obligations of the region. Regional Financial Management is the whole activity which includes planning, implementation, administration, reporting, accountability, and supervision of regional finances.

According to the Governor Regulation of the Special Capital Province of Jakarta No. 161 of 2014 Amendments to the Governor Regulation No. 142 of 2013 concerning Regional Financial Management Systems and Procedures states that regional financial management includes planning, implementing the revenue budget, implementing the expenditure budget, as well as examining activity reports and conducting periodic evaluations of the physical implementation of activities to assess the extent to which the achievement of the objectives of the activity concerned and undertake field survey.

Statement of Government Accounting Standards (PSAP) Number 1 paragraph 9 as contained in Government Regulation No. 71 of 2010 concerning Government Accounting Standards states that financial statements are structured reports on the financial position and transactions carried out by a reporting entity. The general purpose of financial statements is to present information about the financial position, budget realization, cash flow, and financial performance of a reporting entity that is useful for users in making and evaluating decisions regarding resource allocation. Basically, government financial reports are assertions from government management that provide information that is useful for decision making and to show the accountability of the reporting entity for the resources entrusted to it.

For a financial statement to be of benefit to its users, the financial statement must have a quality information value and is useful in making decisions. Local government financial reporting is a structure and process covering all aspects related to how the provision, reporting

and delivery of financial information of a government is provided and reported to achieve reporting objectives that will help achieve economic and social objectives [9]. These aspects include the institutions involved, applicable regulations including GAAP, and information delivery mechanisms. While the financial statements are a medium in the delivery of information. The regional government financial statements are prepared to provide relevant information about the financial position of a region and all transactions carried out by a reporting entity during one reporting period.

Human resources are ready, willing, and able to contribute to the achievement of organizational goals. Human resources include three aspects, namely education, experience, and training. Human resources must be good because good human resources will show good resource capacity too. Humans are responsible for managing the organization, therefore human resources are an important and always-present element in the organization [2], the right number of human resources and good competence will affect the reliability of local financial reporting; therefore, the capacity and competence of human resources are interrelated. Human resource capacity is the ability of a person or individual, an organization (institution), or a system used to carry out its functions or authorities to achieve its objectives effectively and efficiently. Applying experienced by human resources in understanding and applying accounting science have an impact on financial statements, such as there are errors in reports made with standards set by the government, so that the quality is not good. Changes made to improve the system of government, especially related to the field of accounting, require human resources who have adequate accounting education background. This shows the ability or capacity of good human resources, will improve the quality of government financial reports produced. Human resources directly related to the system will be demanded to have sufficient expertise or at least have the will to continue learning and increase their expertise in accounting.

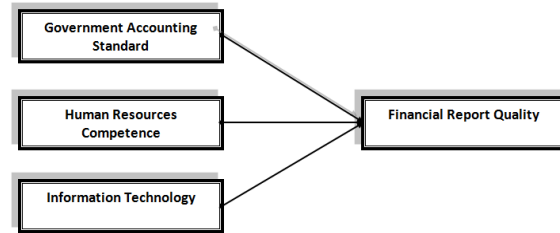


Figure 1. Conceptual Model

III. RESULT AND DISCUSSION

Descriptive statistics are an overview related to summary data from each variable that will be used in the testing process.

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
X1	52	3.21	4.43	3.9588	.48410
X2	52	3.21	4.36	3.8874	.28089
X3	52	3.07	4.21	3.6209	.21709
Y	52	3.14	4.21	3.6484	.19744
Valid N (listwise)	52				

Source: SPSS V23

Table 3. Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
Constant)	1,103	,303		3,642	,001		
X1	,029	,030	-,071	-,968	,338	,943	1,060
X2	,051	,052	-,073	-,973	,335	,917	1,090
X3	,789	,067	,868	11,728	,000	,933	1,072

Source: SPSS V23

Shows that all independent variables of the six test models have a tolerance value greater than 0.10 and a VIF value smaller or less than 10. So it can be concluded that the regression model does not occur multicollinearity between independent variables.

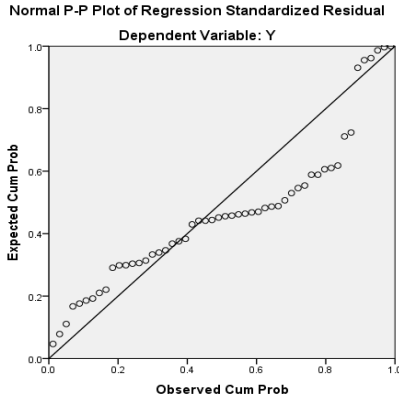


Figure 2. P-P Plot Normality Test Graph

Based on Figure 2 above shows the points (data) that are scattered around the diagonal line and the spread of these points follows the direction of the diagonal line. This means that the regression models in this study meet the assumptions of normality based on normal probability plot graph analysis.

Table 4. Glejser Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1,103	,303		3,642	,001
X1	-,029	,030	-,071	-,968	,338
X2	-,051	,052	-,073	-,973	,335
X3	,789	,067	,868	11,728	,000

Source: SPSS V23

Based on the test results in the table above, there are no significant variables in the regression with Absut variables. This can be seen from the significance level greater than the alpha value of 0.05 so it can be concluded that the regression model used in this study is free from heteroscedasticity.

Based on the results of the partial regression test by comparing the value of tcount and ttable. The hypothesis is accepted if tcount > ttable or sig < α 0.05. It can be seen that the significant value is $0.338 > \alpha$ 0.05 and the t-value is $-0.968 < t_{table}$ 1.675. So the hypothesis that was formulated was not in accordance with the

results of the study so H1 was rejected. This shows that government accounting standards do not have a significant positive effect on the quality of local government financial reports. That is, an increase or government accounting standard will not have a significant impact on the quality of local government financial reports.

The research results support the research of [1], the results of testing on the second hypothesis indicate that human resource competency has no significant positive effect (-0.973) and significant (0.335) on the quality of financial statements. This is due to the Area of Administration in West Jakarta City Administration according to the respondents' answers on the questionnaire distributed and from the indicators used regarding responsibility, training and experience obtained an average answer on disagreeing and neutrality, whereas seen from the profile of respondents most of the education level is not majoring in accounting staff working in the financial or accounting department are more than 50% of the total number of respondents, it can be concluded that even though the level of education is quite high and the education department is in accordance with accounting, it does not affect the quality of the financial statements of the local government because the quality of financial statements can be improved with high responsibilities as well. get good training and experience and this has not been well applied to accounting staff in the administration city of West Jakarta and can be influenced by other indicators on human resource capacity, in addition to responsibilities, training, and experience. This research is different from research conducted by [5] which states that human resource capacity influences the quality of local government financial reports. But it is supported by research conducted by Komarasari (2016) which states that HR competency has no effect on the quality of local government financial reports.

Based on the results of the partial regression test by comparing the value of sig < α 0.05, the hypothesis can be accepted. Information technology variables can be seen from the significance value of $0,000 < \alpha$ 0.05 and multiple

linear regression of 11.728 producing positive signs. This shows that the accounting information system technology (X3) influences the quality of financial statements. Thus, H_0 is rejected, and H_a is accepted. This is because the accounting information system technology that is increasingly developing will be able to help the process of preparing financial statements which are certainly more effective and efficient, has been done with a maximum on the condition of supporting software tools that have been used to the maximum to help the preparation of local government financial statements. The government needs to optimize the utilization of information technology advancements to build a network of management information systems and work processes that enable the government to work in an integrated manner by simplifying access between work units. With the use of accounting information system technology can improve the quality of local government financial reports, the better the use of information technology the better the quality of local government financial reports.

IV. CONCLUSION

Based on the results of tests that have been carried out on the problems formulated in the research hypothesis using multiple linear regression analysis test, the following conclusions are obtained:

- a. Government Accounting Standards that government accounting standards do not have a significant positive effect on the quality of local government financial reports. That is, an increase or government accounting standard will not have a significant impact on the quality of local government financial reports.
- b. Human resource competency does not have a significant positive effect on the quality of local government financial reports. seen from the profile of respondents most of the education level is not a major in accounting who works the staff of finance or accounting is more than 50% of the total number of respondents, it can be concluded that even though the level of education is quite high and the department of education is according

to accounting, it does not affect the quality of local government financial statements because of the quality financial statements can be improved with a high degree of responsibility and also get good training and experience.

- c. The accounting information system technology has a positive and significant effect on the quality of financial statements. This is because the accounting information system technology that is increasingly developing will be able to help the process of preparing financial statements which are certainly more effective and efficient, has been done with a maximum on the condition of supporting software tools that have been used to the maximum to help the preparation of local government financial statements.

Researchers are then expected to be able to carry out testing by adding independent variables or changing research variables to find other variables related to improving the quality of local government financial reports and complementing research methods with other survey methods such as direct interviews and so on.

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