

Factors Affecting The Quality of Financial Reports in Local Governments (Study at the Gandus District Office, Palembang City South Sumatera Province)

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Abstract

This study aims to determine the factors that affect the quality of financial reports in the government (Study at the Head Office of Gandus Sub-District, Palembang City, South Sumatra Province). The sample was selected using the Simple Random Sampling technique. Data from 30 respondents were collected through a questionnaire which was then analyzed using multiple linear regression. The results of this study prove that the competence of human resources, the regional financial accounting system, the use of information technology, government accounting standards, and internal controls affect the quality of financial reports. Simultaneously human resource competence, regional financial accounting systems, use of information technology, government accounting standards, internal control affect the quality of financial reports.

Keywords: human resources competence, regional financial accounting systems, utilization of information technology, government accounting standards, internal control, and quality of financial statements

1. Introduction

Regional financial management is required to be orderly, transparent and accountable in order to realize clean government, so local governments are required to prepare Regional Government Financial Reports. Financial Report according to Government Regulation Number 71 of 2010 is a structured report on the financial position and transactions carried out by a reporting entity. The quality of financial reports is the presentation of financial reports that have criteria including: compliance with SAP, adequacy of disclosure, compliance with laws and regulations, and the effectiveness of the internal control system (Yuliani, 2018).

The stewardship theory shows that the manager's task is to carry out functions in accordance with management principles in moving the wheels of the organization so that it is able to become an agent of service to the community. To achieve good service, of course, from quality financial reports (Hanafi, 2017). According to PP No.71/2010, the notion of financial statements is a structured report on the financial position and transactions carried out by a reporting entity. Reporting entities are government units consisting of one or more accounting entities which, according to statutory provisions, are required to submit accountability reports in the form of financial reports, which consist of the central government, regional governments and organizational units within the central/regional government or other organizations, according to statutory regulations of the said organizational unit are required to present financial reports. Four qualitative characteristics of financial statements according to Government Regulation no. 71/2010 which is a normative prerequisite needed so that government financial reports can meet the desired quality, namely relevant, reliable, comparable and understandable.

In order to obtain quality financial reports, influencing factors are needed as seen from several

previous research results, including human resource competence, regional financial accounting systems, utilization of information technology, government accounting standards, and internal controls. In this study the authors tried to conduct research in the smallest Regional Work Unit (SKPD), namely the district, this is the reason the authors conducted this research. The objectives to be achieved in this study are to identify and analyze the influence of human resource competence, regional financial accounting systems, use of information technology, government accounting standards, internal control on the quality of financial reports. to know and analyze the influence of human resource competence simultaneously on the quality of financial reports. To find out and analyze the influence of regional financial accounting systems on the quality of financial reports. To find out and analyze the influence of the influence of information technology utilization factors on the quality of financial reports. To find out and analyze the effect of government accounting standards on the quality of financial reports. To find out and analyze the effect of internal control on the quality of financial reports.

Based on the description above, because the factors described above are very important, the authors are interested in researching "Factors Influencing the Quality of Financial Reports in Local Governments" (Study of the Gandus District Office, Palembang City, South Sumatra Province)".

2. Method

The data used by the author in this research is quantitative data. According to Sugiyono (2017) quantitative data is data collected by questionnaire data or other types of data that can be processed using statistical techniques obtained from the results of the answers to questionnaires for employees of the Gandus Sub-district Office, Palembang City, South Sumatra Province which are related to the preparation of financial reports. Source of data used is primary data. Primary data is data directly obtained from the first data source at the research location or research object. Primary data, namely data on the results of questionnaire answers obtained by researchers from employees of the Gandus Sub-District Office, Palembang City, South Sumatra Province.

The questionnaire is a data collection tool in the form of a series of written statements submitted to the subject (respondent) to obtain a written answer. The data collection technique used in this study was a questionnaire, namely collecting data by giving a set of questions or written statements to respondents. In this study using the Ordinal Likers Scale with 5 alternative answers "strongly disagree score 1", "disagree score 2", "Undecided score 3", "agree score 4" and "strongly agree score 5".

The population in this study was 85 people, structural officials and employees in the Sub-District Office of Gandus District, Palembang City, South Sumatra Province. The sample criteria used in this study are:

1. Employees of financial administration officials (PPK), Budget Users (PA), Budget User Authorities (KPA), Activity Technical Implementation Officers (PPTK), at the Sub-District Office of Gandus District, Palembang City, South Sumatra Province, as many as 20 people.
2. Employees who manage accounting or financial administration are 10 people.

3. Results and Discussions

The characteristics of respondents based on gender criteria were known to be male respondents with a total of 21 people or 70.00%, while female respondents totaled 9 people or 30.00%. 45 years with a total of 12 people or 40.00%, then 25-35 years old 4 people or 13.33%, 46-55

years old 4 people or 13.33% and over 55 years old 10 people or 33.34%. Characteristics of respondents based on the latest educational criteria it is known that most of the respondents had last high school education with a total of 7 people or 23.33%, then D3 education totaled 2 people or 6.67%, S1 education were 14 people namely 46.67%, and Masters education were 7 people or 23.75%.

Human resource competency questionnaire consisting of 11 questions, regional financial accounting system consisting of 9 questions, utilization of information technology consisting of 6 questions, government accounting standards consisting of 8 questions, internal control consisting of 10 questions and quality of financial reports which consists of 11 questions. r count is greater than r table, then it is declared valid. Thus the results of the validity test for all questionnaires from all the variables in this study all the questions above were stated to be valid.

Each variable has Cronbach Alpha > 0.60 . Thus the results of human resource competency reliability tests, regional financial accounting systems, utilization of information technology, government accounting standards, internal control and quality of financial reports have a high value above 0.60. This means that all questions from all variables in this study are very reliable as data collection instruments.

3.1 Hasil uji F

Table 1. F test results

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1,978	5	2,196	1,909	,032 ^b
Residual	5,989	24	2,416		
Total	6,967	29			

a. Dependent Variable: KKK

b. Predictors: (Constant), PI, FTI, SAKD, SDM, SAP

Based on the results of the ANOVA test in table 1, it can be seen that the F value is significant at 0.32. From these results it can be seen that the significant F value is $0.32 < (a) 5\%$ significance level, so it can be said that the regression model has a good level of model fit. This shows that the variables of human resource competence, regional financial accounting systems, utilization of information technology, government accounting standards, and internal control systems can predict the quality of local government financial reports (at the Gandus Sub-District Office, Palembang City, South Sumatra Province). So the results of the Anova test above state that the Anova test is in accordance with the statement in the F test.

3.2 Test results t

Table 2. t test results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	30,418	20,360			1,494	,018
SDM	,003	,142	,373		1,850	,037
SAKD	,042	,176	,117		,580	,017
FTI	,043	,219	,043		,195	,027
SAP	,018	,269	,084		,404	,020
PI	,001	,201	,001		,005	,006

a. Dependent Variable: KKK

Based on the results of the t test above, each variable such as HR, SAKD, FTI, SAP has a significant value <0.05 so that it can be said that the HR, SAKD, FTI, SAP variables have an effect on KL while PI has no effect on KKK.

4. Conclusion

Based on the results of the F test (feasibility test) of human resource competence, regional financial accounting systems, utilization of information technology, government accounting standards, and internal control systems simultaneously influence the quality of local government financial reports (at the Gandus Sub-District Office, Palembang City, South Sumatra Province). As an indicator of quality reports that are relevant, reliable, comparable, and understandable.

The quality of financial reports is one of them influenced by the competence of human resources. Therefore, it is suggested to regional apparatus organizations / especially the Gandus Sub-district Office, Palembang City, South Sumatra Province to pay attention to the existing human resource competencies and see from the results of the research based on the characteristics of respondents based on age there are 6 people aged over 55 years. Thus it is necessary to add or provide learning or training to other employees to prepare to replace those who will enter retirement age. Because quality and competent human resources are needed to be able to work with and produce quality jobs.

In order to be able to work quickly and on time to get information and work to be completed on time, it is advisable to strengthen the internet/wifi network and add existing computers because the Gandus sub-district office, Palembang City, is located on the outskirts of Palembang, where the internet/wifi network is often slow. Periodically, internal control regarding monitoring and evaluation needs to be carried out by the leadership of the Regional

Apparatus Organization, especially the Camat Office in the Palembang City area in accordance with the management functions of Planning, Organizing and controlling so that the budgeting and implementation process can run well.

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