

Human Resources Competence, Sistem Internal Control, And Utilization Of Information Technology Influence On The Quality Of Financial Statements

Raga Solihantara

College of Economic Sciences (STIE) Malangkuçeçwara
Jl. Kalasan Temple Canal, Blimbing, Malang 65142
solihantara.raga24@gmail.com

ABSTRACT

The strengthening demands for accountability encourages the government to improve the performance of SKPD in order to produce quality and great financial reports. The research with the title Human Resource Competence, Internal Control Systems, and Utilization of Information Technology Impacts on the Quality of Financial Statements which aims to analyze and explain the effect of human resource competence, internal control systems, and use of information technology on quality of Mataram City Government financial report. This study uses explanatory research with a quantitative approach using SPSS 23 as an analytical tool with a total of 101 questionnaires.

The results showed that the competence of human resources had a positive and significant effect on the quality of financial reports, the internal control system had a positive and significant effect on the quality of financial reports, and the utilization of information technology had a positive and significant effect on the quality of financial reports.

Keywords: human resource competence, internal control system, utilization of information technology, quality of financial reports

INTRODUCTION

The increase in accountability encourages the government to improve the performance of regional work units to produce good and quality financial reports. According to Indriasari and Nahartyo (2016) states that financial reporting based on Government Accounting Standards is a medium used by the government to account for the financial performance of Keto interested parties where the standard is set out in Government Regulation Number 71 of 2010 concerning Government Accounting Standards. The Supreme Audit Agency (BPK) revealed 13,567 problems worth Rp 8.97 trillion during the implementation of the report examination in the first semester of 2020. The findings are a summary of 634 financial audit results (LHP) Reports, 7 LHP performance, and 39 LHP with specific objectives. The amount includes 6,713 problems of weakness sistem pegenof the dalian internal pen gene system , 6,702 non-compliance with the provisions of laws and regulations worth Rp 8.28 trillion. Of the 34 provincial governments, 33 LKPD (97%) received a WTP opinion and 1 LKPD (3%) received a WDP opinion. Mataram city government awards the financial statements of state financial management with the highest achievement of opinion that is unqualified (WTP) from the Supreme Audit Agency (BPK) for 6 consecutive times. Seeing the condition explains that the city of Mataram who have received WTP 6 times in a row need to know what factors are behind the opinion. This condition can also affect the quality of financial statements. Based on this background, the formulation of the problem in the study as follows: (1) does *the competence of human resources* affect the quality of the Financial Statements of the Government of Mataram? (2) does *the internal control system* affect the quality of the Financial Statements of the Mataram City Government? (3) does *the use of Information Technology* affect the quality of the Financial Statements of the Mataram City Government? Based on the formulation of the problem, the research objectives in this study in are: (1) for analyze and explain *the effect of Human Resource competence on the quality of Financial Statements* of the Mataram City Government, (2) for analyze and explain *the effect of internal control system on the quality of Financial Statements* of the Mataram City Government, (3) for analyze and explain *the effect of the use of Information Technology on the quality of Financial Statements* of the Government of Mataram.

LITERATURE REVIEW

1. Human Resources competency

Competence is the basic ability and quality of work needed to do a good job. The competence of the government apparatus must have the ability in the form of knowledge, skills, attitudes and behavior that are needed in the performance of their duties (Fikri *et al.*, 2015). It is necessary to support the implementation of tasks in order to achieve organizational goals. "The success in achieving a goal is determined by the quality and ability of Human Resources." (Sudiaranti *et al.*, 2014).

2. Utilization Of Information Technology

According to Nurillah & as Syifa (2014), “the utilization of information technology can be used to manage a data including processing, arranging for the resulting information to be of quality and the resulting information to be relevant, accurate and timely so that it can be used pemeripemerintahan which is information strategis in decision making.”

3. Internal Control System

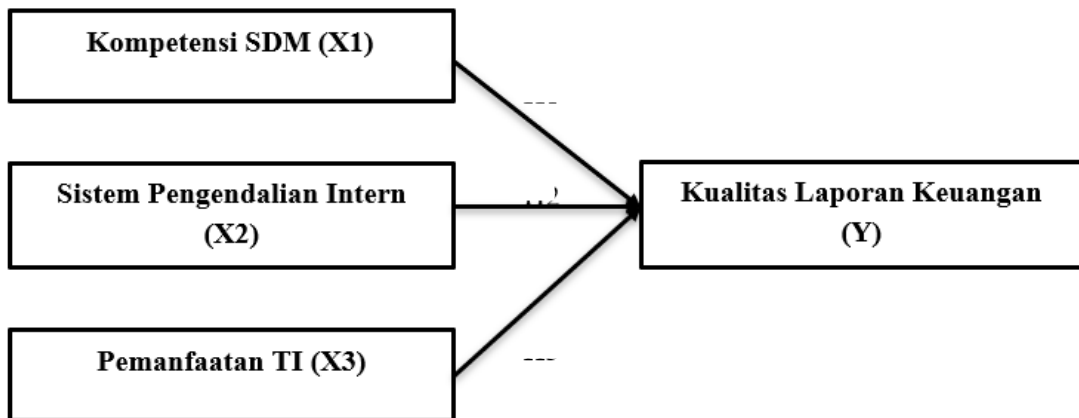
According to Mulyadi (2010), “to check the reliability of accounting data, encourage efficiency and encourage compliance with management policies, there needs to be a coordination of internal control systems that include organizations and data methods.” The organization will operate effectively and efficiently when the implementation of internal in control goes well (Asih, 2014). Interen control can be achieved if the organization implements sisteman interen control system for each activity or activity of the organization.

4. Financial Statements

“The financial statement is a structured report that contains the statement of financial position and transactions carried out by a reporting entity (government regulation No. 71 of 2010). The general purpose of government financial reports is to provide information about the financial position, atas budget realization, and performance identity of government entities. Reporting can be used interested parties to evaluate decisions.

Conceptual Framework

The relationship between variables can be seen in Figure 2.1 skeleton conceptual research presented in the figure below.



Fitur 1. Conceptual Framework

Hypothesis Development

1. The effecttensi of Competence Human Resources tension on the quality of financial statements

Human Resource competence is the ability of individuals and or an organization to carry out functions in achieving goals effectivelyand efficiently. Kemampuan it is the capacity to achieve a performance to be achieved, so the hypothesis in this study as follows.

H1: Human Resource competence affects the quality of financial statements

2. Influence Of Internal Control System On The Quality Of Financial Statements

An organization is said to run effectively if the application of the internal control system can be implemented properly.rganisasi dikatakan berjalan dengan efektif jika penerapan sistem pengendalian interen dapat dilaksanakan dengan baik. Interen control can be in the form of policies and procedures used in achieving goals. Tujuan pengendalian inter The purpose of inter e n controln also affects the reliability of financial statements. From the description, the hypothesis of this study is as follows.

H2: internal control system affects the quality of financial statements

3. Effect Of Information Technology Utilization On The Quality Of Financial Statements

In Government Regulation No. 56 of 2005 on Financial Information Systems states that “the government is obliged to develop and utilize technological advances to improve the ability dalam to manage financial statements and distribute financial informationngato public services, to access and manage informationquickly and accurately”. Utilization of information technology will greatly help speed up the processing of transaction data and presentation of financial statements. (Rahadi and Dedi, 2007). From the description of the hypothesis in this study as follows.

H3: utilization of Information Technology Affects the quality of financial statements.

RESEARCH METHODS

Types of Research

Quantitative research is research conducted by testing the theory through the measurement of research variables and data analysis with statistical tools (Indriantoro *et al.*, 2016).

Location and time of research

This study was conducted on the government OPD Mataram, West Nusa Tenggara. The selection of OPD in Mataram as a research location is based on the provision of unqualified opinion issued by the BPK to the Mataram City Government for 6 consecutive years. This study was conducted in the year 2021.

Population and research sample

Data obtained from BPK the number of functional examiners is as much as 27 OPD Mataram city consisting of Secretariat, Agency, office and district office as a population. The Total sample in this study is 110 samples.

Research Variables

The independent variable of this study is the competence of human resources (X1), SPI (X2) and utilization of it (X3), while the bound variable Bell is the quality of financial statements (Y).

Data Collection Techniques

According to Sugiyono (2016), "Kuesioner is an efficient data collection technique, knowing what can be expected from respondents." The questionnaire was sent directly to the employees of each OPD in Mataram City.

Data Analysis Procedure

1. Descriptive Statistical Analysis
2. Test Data Quality
3. Classical Assumption Test
 - a. Normality Test
 - b. Multicollinearity Test
 - c. Heteroscedasticity Test
4. Hypothesis Test
 - a. Coefficient Of Determination (R^2)
 - b. Feasibility Test (F Test)
 - c. T test

RESULTS AND DISCUSSION

1. Reliability Test

The results of the reliability test showed that the value (for all indicators) is greater than 0.6. This means that the statements listed in the questionnaire have a good level of reliability and deserve to be used as an instrument in research.

2. Validity Test

The results of the validity of the items on the questionnaire using the qualitative variables standardized financial statements are valid, the index value of R count > from R table is 0.1646. So, the validity test carried out in accordance with the statement in the data analysis method according to Ghazali (2013).

3. Classical Assumption Test

a. Normality Test

Hasil Normality test result is 0.526. In conclusion H_0 is accepted as well as data with normal distribution.

b. Multicollinearity Test

The result of multicollinearity test is that there is no relation between independent variables.

c. Heteroscedasticity Test

The result of heteroscedasticity yang test is that there is no heteroscedasticity in regression model.

Hypothesis Test

Coefficient Of Determination (R^2)

Chart 1. Coefficient Of Determination (R^2)

Model Summary

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.928 ^a	.862	.857	3.054

Source: primary data, processed 2021

The test results of the determinant coefficient (R^2) in Table 1 showed a value of 0.857 or 85.7%. This means that 85.7% of the quality of financial statements of local governments in Mataram City is influenced by the competence of human resources, the use of Information Technology, and internal control systems.

Feasibility Test (F Test)

Chart 2. F Test

		ANOVA ^b				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5636.232	3	1878.744	201.418	.000 ^a
	Residual	904.778	97	9.328		
	Total	6541.010	100			

Source: primary data, processed 2021

F test results (anova) in Table 2 is significant F value of $0.000 < (\alpha)$ with level significance of 5% (0.05).

T test

Chart 3. T test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1		-1.265	1.432		-.883	.379
	HUMAN RESOURCES	.405	.103	.267	3.952	.000
	INTERNAL CONTROL SYSTEM	.472	.078	.546	6.077	.000
	UTILIZATION OF INFORMATION TECHNOLOGY	.184	.084	.166	2.200	.030

Source: Hasil data diolah, 2021

The result of t count is positive 3.952 and the significance level of T test is 0.000 for Human Resource competence, 6.077 and the significance level of t test is 0.000 for internal control system, and 2.200 and the significance level of t test is 0.030 for information technology utilization.

Discussion

a. The effect of HR competence on the quality of financial statements

Hypothesis one (H1) states that the effect of Human Resource competence on the quality of financial statements is berpengaruh significant positive margin.

Employees and respondents in several OPDs in the city of Mataram are on average from undergraduate Strata 1 Faculty of Economics with majors in Accounting, Management and Economic Development Studies. Judging from the diverse background, the researchers suggest to local governments to conduct regular financial training to improve the competence and quality of human resources of the Regional Government of Mataram.

b. Influence of SPI on the quality of financial statements

Hypothesis two (H2) states that the effect of internal control system on the quality of financial statements is significantly positive.

Researchers suggest researchers to conduct periodic checks and secara berkala by The Local Government of Mataram City in order to minimize the problems that occur and prevent and resolve an error. Overall, Sistem control interen Mataram City Government in accordance with applicable regulations by the government.

c. Effect Pemanfaatan of it utilization on the quality of financial statements

The third hypothesis (H3) states that the use of Information Technology on the quality of financial statements is a significant positive trend.

The process of making financial statements has not been computerized as a whole, researchers suggest to do regular training in accordance with the renewal of technology systems conducted Oleh government in the city of Mataram so that the institution can easily maximize the ease of this information technology.

Conclusion

The conclusions obtained in this study are as follows: (1) Human Resource competence has an influential human positive and significant effect on the quality of financial statements, (2) internal control system positif has a significant positive effect in the quality of financial statements, (3) the use of Information Technology has a positive effect on the quality of financial statements.

Advice

Suggestions for further research: (1) in the hope for future research to add data collection methods other than questionnaires, for example by conducting interviews, (2) for further research can expand the research population, so it is expected to be able to provide general research results and can be generalized to all objects, (3) adding variables another example is the role of internal audit and variable application of accounting standards.

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