




The influence of the application of government accounting standards and local government internal control on the quality of financial reporting information

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Article Info	ABSTRACT
<p>Article history:</p> <p>Received April 29, 2023 Revised May 20, 2023 Accepted June 30, 2023</p> <hr/> <p>Keywords:</p> <p>Quality of Financial Report Information; Regional Government Internal Supervision; Government Accounting Standards.</p>	<p>This study aims to determine the effect of applying government accounting standards on the quality of financial reporting information and the influence of regional government internal control on the quality of financial reporting information of the Regional Work Unit (SKPD) of Bukittinggi City. This research is a causative descriptive type which describes the facts that occur clearly and looks at the effect of each causal variable (X) on the effect variable (Y). The population of this study consisted of 87 civil servants (PNS) government agencies and accounting staff of the Regional Work Unit (SKPD) of Bukittinggi City, so the sample for this study was total sampling because the population was less than 100 objects. $\alpha 5\%$ (0.05), 2) there is a significant influence between Local Government Internal Control on the quality of financial report information with a t value of 3.184 or a significant level of 0.004, the value is smaller than the significant level $\alpha 5\%$ (0.05). It is hoped that this research can make a positive contribution to the Regional Apparatus Unit (SKPD) of the City of Bukittinggi.</p> <p style="text-align: right;"><i>This is an open access article under the CC BY-NC license.</i></p> 

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1. INTRODUCTION

Good governance (Good Governance) is a form of success in carrying out the task of developing the country in accordance with the goals that have been planned. The goals achieved by the government must be able to manage existing resources in the country, one of the most important of which is finance. State or regional finance according to RI Law No. 17 of 2003 are all rights and obligations that can be valued in money and everything either in the form of money or goods that can be owned by the state in connection with the implementation of these rights and obligations.

The form of the obligation to account for the success or failure of the implementation of the organization's mission in achieving the goals and objectives that have been set previously, through a medium of accountability which is carried out periodically. This accountability is of course reflected in the information provided from financial reports that have been published periodically in a government. The quality of the information contained in the financial reports produced by local governments must comply with the information value criteria required by laws and regulations and applicable principles. Information value is the ability of information to increase user knowledge and confidence in decision making.

The standards used for preparing government financial reports so that they are relevant, reliable, comparable and understandable are in accordance with Government Regulation No. 71 of 2010 concerning Indonesian Government Accounting Standards. According to Mardiasmo (2006: 1) says that the scope of government accounting includes management accounting, financial accounting systems, financial and development planning, monitoring and auditing systems, as well as various financial implications for government policies. This means that SAP is the accounting principles applied in compiling and presenting government financial reports that provide quality information on government financial reports in Indonesia.

Government internal control is a disclosure and assessment activity carried out within the entity to test and evaluate the applicable internal control system. Government Regulation no. 14 of 2007 concerning Regional Apparatus Organizations Article 1 Paragraph 12 states that the Regional Supervision Agency is called the Provincial/Regency/City Inspectorate. The regional inspectorate as the Regional Government Internal Monitoring Apparatus (APIPD) which is the pillar whose duty is as supervisor and guard in the implementation of programs contained in the Regional Expenditure Budget (APBD). Government internal control assists organizations in their efforts to achieve their goals by providing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management (risk management),

Implementation of the Regional Expenditure Revenue Budget (APBD) in agencies is carried out by the head of the Regional Work Unit (SKPD), so as a budget user it is required to keep accounting records. The recording of these accounting transactions serves to prepare SKPD financial reports consisting of Budget Realization Reports, Balance Sheets, and Notes on Financial Statements which must be submitted to the Regional Head through the Regional Financial Management Officer (PPKD) no later than 2 months after the end of the fiscal year. Financial reports that have been prepared in accordance with SAP and are able to produce the expected information value, can be seen from the auditor's opinion.

The granting of a Qualified Opinion (WDP) to the LKPD in Bukittinggi was caused by an error found by the BPK TEAM in accordance with applicable accounting standards in Indonesia, namely 1) there is still a fictitious journey, where there is a difference between the reality carried out and the report that has been presented, 2) Errors in expenditure budgeting, 3) errors in inventory or asset revaluation, especially not including fixed asset groups, inventory management and administration, 4) Incorrect direct use of the budget without first depositing it into the regional treasury. Of course, all of these problems can be seen in the financial report information presented in each SKPD. This of course also shows the weakness of Regional Internal Supervision.

The application of the Bukittinggi City SKPD Government Accounting Standards and Regional Internal Supervision has not been optimally implemented, because these two variables have a very important relationship to the quality of government financial reports. If the financial statements cannot provide relevant information, it is reliable in accordance with Government Regulation No. 71 of 2010 concerning Indonesian Government Accounting Standards, means showing the weakness of regional internal control. Quality government financial reports are very important, the less than optimal performance of the Bukittinggi city government, will give a bad image in front of the public, so the role of the leadership and employees of each SKPD is needed in realizing a clean government.

The explanation above, which has previously been proven empirically has been proven by Kusumah (2012) in his research which suggests that the application of government accounting standards has a significant effect on the quality of financial reports at SKPD in the City Government of Tasikmalaya. Hindriani's research (2012) also provides an explanation that the implementation of the Government Internal Control System (SPIP) at the Health Service is limited to internalizing the SPIP into all work processes in the organization, through elements of the control environment, risk assessment, control activities, information and communication, and monitoring, so as to ensure reliable financial management. The differences in this study are in the research variables and the objects of the research. The independent variable to be examined is the Application of Government Accounting Standards and Regional Government Internal Control, while the dependent variable is the

Quality of Financial Report Information. The object of this research is the Regional Work Unit (SKPD) of the City of Bukittinggi.

2. RESEARCH METHOD

The type of this research is a causative descriptive research. descriptive research "is research conducted to determine the value of an independent variable, either one variable or more (independent) without making comparisons, connecting with other variables". Causative research according to Sugiyono (2005:12) is "research that states a causal relationship". So, in this study describe the facts that occur clearly and see the effect of each causal variable (X) on the effect variable (Y).

The population states that the people, institutions, organizations, objects that are the target of research, this research consists of people who are in a government agency Civil Servants (PNS) section and accounting staff of the Regional Work Unit (SKPD) The City of Bukittinggi has 29 SKPD consisting of Services, Agencies, Offices, Districts and Inspectors with a total of 87 head of staff and accounting staff. the sample if the subjects are less than 100 are taken all so that the research is a population study, and if the number of subjects is large it can be taken between 10% - 15% or 20% - 25% or more. This study uses total sampling because the population is less than 100 objects, so the number of samples in this study is 87 people.

Primary data is data obtained directly by researchers from individual research objects by providing research questionnaires to respondents to fill in according to the questions previously provided. The questionnaire was returned to the researcher to be compiled, processed and interpreted according to the actual situation. Secondary data is ready (available) data in this study, which becomes the secondary data which explains the general description of the Regional Work Unit in the form of information on the number of SKPD and employees, where researchers can obtain this data through the Bukittinggi City Regional Personnel Agency (BKD) which has processed, and previously presented by each SKPD which contains an overview of the organizations studied in this study.

Observation data collection technique is by making direct observations of respondents through questionnaires that have been prepared previously. The distribution of questionnaires or questionnaires is by giving them to respondents, where the respondents of this study are Civil Servants (PNS) of the city of Bukittinggi, heads of sections and accounting staff with the aim that employees can objectively fill out the form that has been provided.

3. RESULTS AND DISCUSSIONS

Research result

1. General Description of the Research Object

The population in this study were the heads of departments and accounting staff at the Regional Work Unit (SKPD) of the City of Bukittinggi which consisted of departments, offices, agencies and inspectors. Researchers make the entire population as a sample (total sampling) because the number does not exceed 100 subjects.

Based on the questionnaires distributed, not a single SKPD refused to accept the questionnaire, so that the sample planned for 87 SKPDs all filled out completely. Until the deadline for data collection, 87 questionnaires were received back. The time range for distributing and collecting questionnaires was December 20 2013 to January 2 2014.

Table 1. Level of Questionnaire Returns

No	Information	Amount
1	The number of questionnaires distributed	87
2	Number of questionnaires returned	87
3	The number of questionnaires that can be processed	87
	Respondent Rate	100%

2. Respondent Demographics

Based on the data filled in by 87 respondents in the research questionnaire, it can be seen that the characteristics of the respondents are generally presented according to gender, age, last education, years of service, position and educational background with an explanation in the following table.

Table 2. Respondents' characteristics based on gender

No.	Respondent Age	Amount	%
1	>20 yrs	6	6,9
2	31-40 TH	29	33,3
3	41-50 yrs	23	26,4
4	>50 THs	29	33,3
	Total	87	100

The age of the Civil Servants (PNS) section and accounting staff of the Regional Work Unit (SKPD) of the City of Bukittinggi can affect employee motivation in carrying out routine activities in the office. Characteristics of employee age > 20 years there are 6 people (6.9%), ages 31-40 are 29 people (33.3%), ages 41-50 are 23 people (26.4%) and ages > 50 are 29 people (33.3). So it can be seen that the age level of respondents in the Regional Work Unit (SKPD) of the City of Bukittinggi is mostly employees aged 31-40 years and more than 50 years.

Table 3. Characteristics of Respondents by Education

No.	Respondent Education	Amount	%
1	high school	24	27,6
2	D3	44	50,6
3	S1	17	19,5
4	>S2	2	2,3
	Total	87	100

The level of education greatly affects the ability of employees to analyze a job. Employees with low education will find it difficult to reach a higher career level. Characteristics of the education level of the Civil Servants (PNS) section and accounting staff of the Regional Work Unit (SKPD) City of Bukittinggi are 24 people (27.6%) have a high school graduate level equivalent, 44 people (50.6%) graduate D3, S1 17 people (19.5%) were recorded, and >S2 there were 2 people (2.3%).

Table 4. Characteristics of Respondents Based on Years of Service

No.	Gender	Amount	%
	< 5 yrs	11	12,6
	6-10 yrs	29	33,3
	11-15 yrs	30	34,5
	>15 yrs	17	19,5
	Total	87	100

Work period provides experience for employees in solving work problems. Characteristics of the length of service for the Civil Servants (PNS) section and accounting staff of the Regional Work Unit (SKPD) of Bukittinggi City are 11 people (12.6%) have a working period of less than 5 years, 29 people (33.3%) have a working period 6-10 years and 30 people (34.5%) have 11-15 years of service, and 17 people (19.5%) have more than 15 years of service.

Table 5. Characteristics of Respondents by Position

No.	Gender	Amount	%
1	Head of Agency/Department/Institution	21	24,1
2	Secretary/Head/Head of Section	34	39,1
3	Head of Subdivision/Head of Subdivision/Head of Subdistribution/Kasie	32	36,8
	Total	87	100

Position is a form of trust from an ability to process management in a job in the Regional Work Unit (SKPD) of Bukittinggi City. Characteristics of employees based on position are Agency/Department/Institution of 21 people (24.1%), Secretary/Head of Division/Head of Section of 34 people (39.1%), Head of sub-department/Head of sub-division/Head of Sub-Division/ Head of Section of 32 people (36.8%)

Table 6. Characteristics of Respondents Based on Educational Background

No.	Background/Behind Education	Amount	%
	Economic accounting	31	35,6
	Law	23	26,4
	Technique	18	20,7
	Social	15	17,2
	Total	87	100

Educational background is the most important role in analyzing and resolving the problem of government financial reports so that they become quality information in the Regional Work Unit (SKPD) of the City of Bukittinggi. Characteristics of employees based on background

Variable distribution

1. Quality of Financial Report Information

The quality of financial report information aims to make it easy for users to understand about economic and business activities, accounting, and the willingness to study information with reasonable diligence.

Table 7. Level of Achievement of Respondents Quality of Financial Report Information

No	Statement Items	Means	TCR %	Category
1	Implementation of budget realization in the work unit/satker according to the planned budget	4.68	93.56	Very Good
2	Is the education sector in the work unit/work unit appropriate? with the current field of work	4,21	84,14	Good
3	Quality information finance can give positive contribution to the work program that will prepared for the next period	4.36	87,13	Good
4	Presentation of quality financial information has been assisted by good computer applications	4,15	82.99	Good
5	Finance Which served give lots of useful information for government employees in knowing the performance in the work unit/satker	4,21	84,14	Good
6	Presentation of financial reports can be presented in accordance with the Application of Government Accounting Standards in work units/work units can be applied easily and consistent	4.48	89.66	Good
7	Work can be completed in a timely manner according to the planned schedule	4,20	83,91	Good
8	Authority to understand report information Finance in the work unit/work unit is only given to certain people	4,23	84,60	Good
9	The work carried out can increase cooperation between	4.55	91.03	Very

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	colleagues in completing work			good
10	Financial information provides information that complete with stockholders	3.90	77,93	Pretty good
11	Financial information can make decisions more accurate in preparing the budget in the coming period	3.84	76,78	Pretty good
12	The information provided in accordance with the policy has been approved as a guideline/reference for implementation activities/programs	4.47	89.43	Good
13	Government Accounting Standards applied to the institutions in the work unit/work unit are not in accordance with the needs of the institution where they work	4,43	88.51	Good
14	The preparation of financial statements can be understood easily because training/courses have been held in operating the Accounting Standards guidelines Government in the work unit/satker	4,23	84,60	Good
15	Implementation of procedures for issuing information financial quality has been prepared in a simple, straightforward, clear and flexible manner	4,40	88.05	Good
	Means	4,29	85,76	Good

Based on the table above, it can be seen that the variable quality of financial statement information, statement item number 1 with the highest respondent achievement level is 93.56%, while the lowest respondent achievement level is statement number 11 which is 76.78%. This means that the presentation of financial report information for agencies is needed by users of financial reports, while the information produced in the quality of SKPD financial reports does not meet the needs of users of government financial reports. Overall, the quality of financial report information can be categorized as good only with a TCR of 85.76%.

2. Regional Government Internal Supervision

Supervision of government administration is needed to ensure that the implementation of government activities goes according to plan and in accordance with the provisions of the applicable laws and regulations, in realizing good governance and clean government, supervision is also needed to support the administration of government that is effective and efficient, transparent, accountable, as well as clean and free from KKN practices.

No	Statement Items	Means	TCR %	Category
1	The scope and frequency of supervision includes internal control, finance, assets, implementation of activities and monitoring of achievement of organizational goals and objectives, taking into account/considering the stages of activities supervised.	3.98	79.54	Enough Good
2	Implementation of supervision aims to perform coaching source Power man on unitswork / satker.	3.83	76.55	Enough Good
3	The supervision team is carried out by competent personnel, as well as led by official Which adequate qualifications and experience.	4.07	81.38	Good
4	The scope and frequency of evaluations are based on results risk assessment and ongoing monitoring	3.95	79.08	Enough Good
5	Evaluation reports always present constraints and	4.08	81.61	Good

	recommendations to overcome the problems encountered.			
6	The person in charge of the activity has prepared an activity guideline as a reference in each activity as means of risk assessment	3.85	77.01	Enough Good
7	Supervision is carried out periodically according to the stages set schedule or activities	2.67	53.33	Not good
8	monitoring activities have produced output in the form of a monitoring report.	2.71	54.25	Not good
9	The head of the agency has appointed a special team or task to evaluate the follow-up of audit results and other review results	2.94	58.85	Not good
10	The results of the implementation of supervision are immediately reported in a timely manner to the head of a government agency or assignor.	3.06	61.15	Not good
11	The results of the implementation of the evaluation given to the supervisory activities are immediately notified to employee.	3.02	60.46	Not good
12	The results of supervision are reported in writing to followed up by each institution	2.92	58.39	Not good
13	Evaluation activities have produced output in the form of monitoring report	2.66	53.10	Not good
14	Evaluation is carried out when there are activities such as major changes in management plans or strategies, expansion or furloughing of government agencies, or operational changes or processing of financial and budgetary information.	2.59	51.72	Not good
15	Evaluation activities have produced output in the form of monitoring report	2.69	53.79	Not good
	Means	3.27	65.35	Pretty good

From the table above it can be seen that the Local Government Internal Control variable can be said to be a fairly good level of respondent achievement. This can be seen in statement item number 5, namely with the highest respondent achievement level of 81.61%, while the lowest respondent achievement level is statement item number 14 with the respondent's achievement rate of 51.72%. This means that proper Local Government Internal Supervision according to the correct procedures can improve the work of agencies that are better. Overall the Local Government Internal Supervision is categorized as quite good with a TCR of 65.35%.

Discussion result

1. The influence of the application of Government Accounting Standardson Information QualityFinancial Report of the City of Bukittinggi SKPD

This study aims to see how much influence the application of Government Accounting Standards has on the quality of financial reporting information. From the results of testing the hypothesis it was found that there is a significant influence between the application of Accounting Standards to the quality of financial reporting information of the Regional Government Unit (SKPD) of Bukittinggi City. These results are supported by Santoso's research (2008) which suggests the results that theoretically the Application of Public Sector Accounting on the Quality of Government Agencies' Financial Reports. Therefore it is necessary to study the practical implementation of the Application of Public Sector Accounting on the Quality of Government Agencies' Financial Reports, whether it has been carried out in accordance with the applicable regulations.

The explanation above explains that the presentation of government financial reports must refer to government accounting, because government financial management has been implemented in Indonesia in accordance with SAP. This standard has been confirmed by the issuance of Government

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Regulation Number 24 of 2005 concerning Government Accounting Standards on June 13, 2005. This is the government's response to demands for the importance of accountable and transparent management of state finances so that government accounting objectives can be applied properly. The government accounting objectives according to Nordiawan (2006:7) are 1) accountability objectives, 2) managerial objectives, 3) supervisory objectives.

2. The Effect of Local Government Internal Oversight on the Information Quality of SKPD Financial Reports in Bukittinggi City

This study aims to see how much influence Local Government Internal Control has on the quality of financial report information. From the results of testing the hypothesis it was found that there was a significant influence between the Regional Government Internal Control on the quality of information on the financial reports of the Regional Device Units (SKPD) of the City of Bukittinggi. The results of the study prove that supervision over the administration of government is necessary to ensure that the implementation of activities goes according to plan and in accordance with the provisions of the applicable laws and regulations. The aim is to realize good governance and clean government, so supervision is needed to support the administration of government that is effective and efficient, transparent, accountable, clean and free from KKN practices.

Internal control is a process influenced by management that is created to provide adequate assurance in achieving effectiveness, efficiency, compliance with applicable laws and regulations, and the reliability of presentation of government financial reports. An explanation of this is reinforced by the opinion of Mulyadi (2001: 163) who says that internal control includes organizational structure, methods and measures that are coordinated to maintain organizational wealth, check the accuracy and reliability of accounting data, encourage efficiency and encourage compliance with management policies.

4. CONCLUSION

Internal control is a process influenced by management that is created to provide adequate assurance in achieving effectiveness, efficiency, compliance with applicable laws and regulations, and the reliability of presentation of government financial reports. An explanation of this is reinforced by the opinion of Mulyadi (2001: 163) who says that internal control includes organizational structure, methods and measures that are coordinated to maintain organizational wealth, check the accuracy and reliability of accounting data, encourage efficiency and encourage compliance with management policies.

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