THE INFLUENCE OF HUMAN RESOURCE COMPETENCE, UTILIZATION OF INFORMATION TECHNOLOGY, IMPLEMENTATION OF ACCRUAL-BASED GOVERNMENT ACCOUNTING STANDARD, AND THE IMPLEMENTATION OF GOVERNMENT INTERNAL CONTROL SYSTEM ON THE QUALITY OF GOVERNMENT FINANCIAL STATEMENT AT THE WORKING UNITS OF MINISTRY OF RELIGION OF NORTH SUMATERA PROVINCE

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ABSTRACT

This objective of the research is to find empirically the influence of human resource competence, utilization of information technology, the implementation of accrual-based government accounting standards, and the implementation of government internal control system on the quality of government financial statement. This research was conducted at the Regional of North Sumatera Province, using a sample of 72 respondents. Data collection method is using proportional random sampling, by determining the number of samples using Slovin Formula. Data in this study is categorized as the primary data. Hypothesis testing is using multiple regressions analysis and residual test by SPSS program. The result of the research shows that (1) the competence of human resources has asignificant positive effect on the quality of financial statement, the higher the competence of human resources, such as the level of education, knowledge, and skills in the preparation of the financial statements, the quality of the government financial reports generated tend to be better. (2) Utilization of information technology will accelerate the process of preparing and presenting the government financial statements at the working unit of Ministry of religion. (3) The application of accrual-based SAP has significant positive effect on the quality of financial statements, it will have appositive impact on improving the quality of government financial reports at the working unit of The Ministry of Religion. (4) Application of SPIP has a significant positive effect on the quality of government financial statements. By continuously strengthening SPIP, it will have an impact on improving the quality of the government’s financial report at the working unit of the Ministry of Religion of North Sumatera Province.

Keywords: Quality of Government Financial Statement, Human Resource Competence, Utilization of Information Technology, Implementation of Accrual Basis Government Accounting Standards, Implementation of Government internal Control System

INTRODUCTION

Financial accountability is the provision of information on activities in maintaining the accuracy of financial statements to interested parties. Central and local governments should be subject to information providers in the context of the fulfillment of the rights of the public, namely the right to know, the right to be informed and the right to be heard and to be listened to) (Mardiasmo, 2006).

Government financial reporting information is considered to be valuable if it can provide information to users of government financial reports that the information can be used for decision making, performance evaluation and accountability. Accountability can be seen from the opinion of the Supreme Audit Agency (BPK) on the financial statements.
The financial statements are a product produced by the field or discipline of accounting. Therefore, a competent Human Resources (SDM) is required to produce a quality government financial report. In addition, Information technology utilization affects the quality of accounting entity in financial reporting. The utilization of information technology by the government and local government is regulated in Article 13 of Government Regulation (PP) No. 56 of 2005 on Regional Financial Information System which is a substitute of PP. 11 of 2001 on Regional Financial Information System. As well as the application of Accrual-Based Government Accounting System (SAP) requires every reporting entity including ministries/agencies to report on the efforts that have been made and the results achieved in the systematic and structured implementation of activities in a reporting period for accountability, management, transparency, balance between generations and performance evaluations. Another thing that can improve the quality of financial statements is internal supervision. Internal supervision is one part of the internal control activities that function to conduct an independent assessment of the implementation of duties and functions of Government Agencies. Internal control system is also one of the criteria of giving opinion given by BPK.

Ministry of Religion as one of the extension agencies of the government in the administration and development of the religious field is also required to make the financial report of the institution as accountability of budget execution by accounting units either as accounting entity or reporting entity.

From 2011 to 2014, the Ministry of Religion has successfully maintained Unqualified Opinion (WTP) with an explanatory paragraph (DPP) on the results of BPK's audit of the Ministry of Religion Financial Report (LKKA). However, in 2015, the results of LKKA audit decline to be reasonable with the Exception (WDP) (LHP BPK RI, 2016). Head of Finance Bureau of the Ministry of Religion Syihabuddin Latief said that the main cause of the decreasing opinion of BPK audit results against LKKA Year 2015 and several obstacles of LKKA preparation are: 1) human resources in the preparation of Financial Report at the level of working unit and region not yet adequate, marked by many employees on accounting/finance section with no accounting education background. 2). In addition, the tools and skills of using IT such as computers are still lacking in both quantity and quality. 3.) Presentation of Financial Statements is not in accordance with SAP (Government Accounting Standards) 4). And the weakness of the financial supervision system and the non-compliance with laws and regulations.

A number of studies have been conducted to determine the factors that affect the quality of government financial statements. Research conducted by (Wiraputra, 2014) shows the influence of SAP understanding and educational background on the preparation and presentation of local government financial reports have a positive effect. The results of this study also support the findings (AlimBudiono, and Fidelis, 2004), as well (Indriasih, 2014). The results of the study (Kiranayanti and Erawati, 2016) stated that the Competence of Human Resources (HR), Internal Control System (ICS), and Accrual based Accounting comprehension have a positive and significant influence on the quality of local government financial report. In contrast to (Inapty and Martiningsih, 2016) stating that the implementation of SAP, the competence of the Apparatus, the role of internal audit and internal control system has no effect on the quality of financial statement information. While research (Sugiarto and Alfian, 2014) and (Kusuma, 2013) (Inapty, and Martiningsih, 2016) suspect that information technology variables affect the level of accounting accruals applied to governments.

From several previous research gaps related to this research and the decrease of BPK's opinion on LKKA and the still limited research in the field of government, the authors are interested in conducting research entitled "The Influence of Human Resource Competence,
Utilization of Information Technology, Implementation of Accrual-Based SAP, And Implementation of Government Internal Control System on the Quality of Government Financial Statement at the Working Unit of Ministry of Religion of North Sumatera Province." This research is a development of research conducted by (Sudiarianti, 2015), with the addition of variable utilization of information technology because it is a significant variable and the inconsistency in previous research. Besides other differences with previous research is place, time research and research methods.

Based on the background and problems presented above, the purpose of this study is to obtain empirical evidence of the Financial Report Quality of the Regional Office of the Ministry of Religion of North Sumatra Province and the factors that influence it. From the purpose of this study, the hypothesis proposed are: Human Resources Competence, Information Technology utilization, Implementation of accrual-based SAP, and Application of SPIP have a positive impact on the quality of Government financial statements at the working unit of the Ministry of Religion of North Sumatra Province.

TINJAUAN PUSTAKA

Stewardship Theory

According to (Donalson & Scannel, 1993) the theory of Stewardship is defined as a situation in which managers have no personal interest but are more concerned with the principal. Associated with the quality of LKKA with Stewardship's theory of financial information produced more qualified, the Government acting as a manager has the obligation to provide useful information for users of government financial information which acts as a principal in assessing accountability and making decisions, whether economic, social or political. The government is required to provide the best services for the community thus the government environment management is more dominant act as Steward.

Quality of Financial Statement

Based on Government Regulation Number 8 Year 2006 article 1 paragraph (1) concerning Financial Reporting and Performance of Government Institutions, it is mentioned that the financial statements are the responsibility of the State/Regional financial management for a period. The quality of the Ministry's financial statements (LKKL) can be reflected from the results of the BPK audit.

Criteria of giving opinion based on Law Number 15 Year 2004 regarding Audit of State Financial Management and Responsibility, professional statement of auditor concerning fairness of financial information presented in financial statements based on criteria (a) conformity with government accounting standard, (b) adequate disclosures, (c) compliance with statutory regulations, and (d) effectiveness of internal control systems.

In PP 71/2010, the financial statements are prepared to provide relevant information on the financial position and all transactions conducted by a reporting entity during one reporting period. Government financial reports use Government Accounting Standards (SAP). SAP aims to regulate the presentation of general purpose financial statements in order to improve the comparability of financial statements to the budget both between periods and entities. Government financial reports should provide useful information to users in assessing accountability and making decisions whether economic, social or political decisions.
Competence of Human Resources

Competence according to (Boyatzis, 1982) is a combination of knowledge, skills, and abilities in a particular career field that allows a person to perform tasks or functions according to his expertise. Competence is the mastery of a set of knowledge, skills, values and attitudes that lead to performance and reflected in the habit of thinking and acting in accordance with the profession.

There are five characteristics that form competencies such as: (1) Knowledge factors include technical, administrative, humanitarian, and systemic problems. (2) Skills; refers to a person's ability to perform an activity. (3) Self-concept and values; which refers to one's attitudes, values and self-image, such as one's belief that he is successful in a situation. (4) Personal characteristics; refers to the physical characteristics and consistency of responses to situations or information, such as self-control and the ability to remain calm under pressure. (5) Motives are emotions, desire for psychological needs or other drives that trigger action.

The definition of competence in this study is ownership of the nature or part of a deep personality and attachment to a person or behavior, which can be predicted on various circumstances and tasks of work as an incentive to have the achievement and the desire to work in order to perform the task effectively and efficiently.

In the Decision of the Head of the State Personnel Board Number 46A of 2003 dated November 21, 2003 said that Competence is the ability and characteristics possessed by a Civil Servant such as knowledge, skills, and behavioral attitude required in the performance of his duties so that the Civil Servant can perform his duties professionally, effectively and efficiently.

Utilization of Information Technology

Information technology is a tool used to process data, including processing, obtaining, compiling, and storing data in various ways to produce quality information.

According to ITTA (Information Technology Association of America), the definition of Information Technology is a study, design, implementation, development, support or management of computer-based information systems, especially in computer hardware and software applications.

Information technology today can include computers (mainframes, mini, micro), software, databases, networks (internet, intranet), electronic commerce, and other types related to technology (Wilkinson, 2000).

The influence of the utilization of information technology on the quality of financial statements is very obvious from the beginning of the budgeting process to the accountability of the financial statements. Utilization of such information technology as the use of computer and software optimally will have an impact on faster transaction processing and the calculation also improve the quality of financial reporting more reliable because the utilization of technology will reduce material errors (Primayana, 2014).

Implementation of Accrual-Based Government Accounting System

Government Accounting Standards (SAP) are the accounting principles adopted in preparing and presenting government financial statements. Based on Government Regulation Number 71 Year 2010 SAP is accrual based. The Accrual Basis is an accounting basis that recognizes the effect of transactions and other events at the time the transactions and events occur, regardless of when cash or cash equivalents are received or paid. The mandate of this
rule also requires the adoption of accrual-based SAP to the government no later than the fiscal year 2015.

This of course does not have no constraints. Some States that apply accrual basis accounting standards face constraints early in the implementation of accrual basis accounting standards (Christensen, 2002). In Malaysia, there are constraints in the lack of professional and qualified accountants. To improve the accounting staff the Government of Malaysia provides incentives for its accounting staff. These incentives include annual fees and scholarships for government accountants for courses leading to professional accounting expertise. (Saleh & Pendlebury, 2002).

Indonesia also faces obstacles in applying this accrual based government accounting standard. Some of the obstacles faced by the government in the application of SAP is the inadequate quality of human resources. In order to improve the quality of human resources, several ways in fact have been done by the Financial and Development Supervisory Board, such as assistance in the preparation of financial statements and reviews of financial reports, training of financial reporting using the application of Management Information System (SIMDA), and scholarship program for civil servants (PNS) within the local / central government in the field of accounting education of the government sector.

**Implementation of Government Internal Control System**

The internal control structure is defined as a process executed by the executive (including regional heads, agencies / agencies and personnel) designed to provide reasonable assurance about achievement of three objectives: (1) Reliability of financial statements, (2) Compliance laws and regulations, (3) Effectiveness and efficiency of operations. (Bastian, 2006). In Government Regulation Number 60 Year 2008 states that internal control is an integral process on actions and activities carried out continuously by the leadership and all employees to provide reasonable assurance on the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, security of wealth countries, and compliance with laws and regulations.

**CONCEPTUAL FRAMEWORK**

![Conceptual Framework Diagram](image)

**Figure 3.1 Conceptual Framework**
RESEARCH METHODS

Types of Research
This type of research is a causal research, ie explanatory research that will prove the relationship between variables. Aims to test the hypothesis and explain the relationship between variables phenomenon (Erlina, 2011). This research will examine the independent variable which is between competency variable of human resource, the variable of information technology utilization, the variable of accountancy system implementation of government based on accrual and internal government control system to dependent variable that is the quality of government financial reporting.

Location and Time of Study
This research took place at the Office of the Ministry of Religion of North Sumatra Province precisely at the Working Unit of the Ministry of Religion Office of North Sumatra Province consisting of Committing Officer (PPK), and Treasurer which has been implemented in October 2017.

Population and Sample Research
Population in this research is financial manager at all Satker of Regional Office of Ministry of Religion of Province of North Sumatera with amount of 256 work unit. The number of samples used as respondents in the study are all Budget User / PPK and Treasurer in the work unit amounted to 72 samples.

Method of Collecting Data
Research data needed in this research is primary data sourced from the answers of the respondents who used as sample research. To collect research data used research instruments in the form of questionnaires.

Data Analysis Method
Methods of data analysis use multiple regression analysis (multiple regression analysis). The model of multiple regression equations used to test hypotheses is

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e \]

Dimana:
- \( Y \) = Quality of Government Financial Report
- \( \alpha \) = Constanta
- \( X_1 \) = Competence of Human Resource
- \( X_2 \) = Utilization of Information Technology
- \( X_3 \) = Implementation of Accrual-Based SAP
- \( X_4 \) = Implementation of SPIP
- \( \beta_1, \beta_2, \beta_3, \beta_4 \) = Regression Coefisien
- \( e \) = error

Hypothesis test with multiple linear regression analysis will give good result if the regression model fulfills all the following classical assumption that is (1) multicollinearity, to detect multicollinearity in a model can be seen if Variance Inflation Factor (VIF) \( \geq 10 \) or Tolerance value \( \leq 0.10 \); (2) heteroscedasticity, done through statistical test with Glejser test with probability criterion significance of > 0.05 then a data said free from deviation of
heteroskedasticity (Ghozali, 2016); and (3) normality, done by Kolmogorov-Smirnov test that is by comparing probability with certain significance level that is probability > 0.05, then data distribution is normal. The accuracy of the sample regression model in estimating the actual value can be measured from the feasibility of the model, including from the coefficient of determination, the F statistic and the statistical value t. The statistical calculation is called statistically significant if the significance of the test results is in the critical area: < 0.05. Conversely, it is not statistically significant if the significance value of the test results lies outside the critical area: > 0.05 (Ghozali, 2016).

RESULT AND DISCUSSION

Normality Test

Normality test is done by means of statistical analysis One-Sample Kolmogorov-Smirnov Test with test results show sig value (2-tailed)> α (0.822> 0.05). Thus it can be concluded that through statistical tests proved residual data is normally distributed.

Multicollinearity Test

The multicollinearity test is performed by analyzing the correlation matrix of the independent variables (Ghozali, 2016). The results of the tests conducted in this study indicate that the tolerance value of colinierity statistic of each variable is greater than 0.1 and the value of Variance Inflation Factor (VIF) of each variable is smaller than 10. From the test results can be concluded that the regression model which will be tested free from multicolinearity problems.

Heteroscedasticity Test

Statistical analysis for heteroscedasticity test in this study using Glejser test with criteria if the probability significance of > 0.05 then the regression model does not contain any heteroskedastisitas (Ghozali, 2016). Sig. value is known of each independent variable is greater than the trust level (α) of 0.05. This shows that in the regression model there is no heteroscedasticity, meaning that the variance of the residual one observation to another observation remains (homoscedasticity).

Results of Hypothesis Test

Hypothesis test results are shown in the table below.

<table>
<thead>
<tr>
<th>Table 5.14 Hypothesis Test</th>
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<tbody>
<tr>
<td>Variable</td>
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<tr>
<td>Constanta</td>
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<tr>
<td>Competence of HR (X1)</td>
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<tr>
<td>Utilization of IT (X2)</td>
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<tr>
<td>Accrual Basis (X3)</td>
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<td>SPIP (X4)</td>
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<td>F</td>
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<tr>
<td>R</td>
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<tr>
<td>Adjusted R²</td>
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Dependen Variable: Quality of Financial Statement (Y)

Coefficient of Determination (Adjusted R²)

The test results show the coefficient of determination - adjusted R2 - of 0.694. It means that 69.4% variable of financial statement quality can be explained by competency
variable of human resource, utilization of information technology, implementation of accrual government accounting standard and internal government control system while the rest of 30.6% is explained by other variable outside this research.

**Statistic Test F (Simultaneous Test)**

F test statistic with significance value 0.00 is smaller than $\alpha = 5\%$ then Ho is rejected or hypothesis proposed (H1) accepted. This means that it can be concluded that human resource competency variables, utilization of information technology, application of accrual government-based accounting standards and internal government control system simultaneously have a significant effect on variable quality of government financial report.

**Statistic Test t (Partial Test)**

Based on the test results with the criteria of decision making using significance value of $\alpha = 0.05$ (5\%) and t table value of 1.669 then the partial influence of each independent variable to the dependent variable is described as follows: Human resource competency variable has a level of significance 0.000 smaller than $\alpha = 0.05$ and the value of t count of 4.006 is greater than t table 1.669 and the regression coefficient is positive then H1a accepted so it can be concluded that the variable competence of human resources significantly influence the variable quality of government financial statements.

Variable of utilization of information technology has a significance level of 0.000 smaller than $\alpha = 0.05$, and the value of t arithmetic of 4.204 is greater than t table 1.669 and the regression coefficient is positive then H1b accepted so it can be concluded that the variables utilization of information technology significant variable quality of government financial statements.

Variable of implementation of government accounting standard have significance level equal to 0.002 less than $\alpha = 0.05$, and t value equal to 3.258 bigger than t table 1.669 and coefficient of regresi which have positive value h1c accepted so that can be concluded that variable of application of accountancy standard of government influence significant to variable quality of government financial report.

Variable of implementation of internal control system of government have significance level equal to 0.003 less than $\alpha = 0.05$, and t value equal to 3.050 bigger than t table 1.669 and coefficient of regresi which have positive value H1d accepted so that it can be concluded that variable application of internal control system government significant effect on variable quality of government financial report.

**CONCLUSION**

Based on the results of the analysis and discussion described in the previous chapter it can be concluded that competence of human resources has a significant positive effect on the quality of government financial statements. One important factor in producing quality financial reports is the availability of skilled human resources, and having accounting skills, this skill can be achieved through the improvement of skills, knowledge, education and training, especially for government officials who have responsibility in the preparation and government financial reports. Utilization of Information Technology positively significant to the quality of Government Financial Statements The higher the utilization rate of information technology, it will accelerate the process of preparing and presenting the government financial statements. So the resulting government financial statements can be more accurate, relevant, and accountable. Application of SAP has significant positive effect on the quality of government financial report. The better implementation of SAP performed by the work unit in the preparation of financial statements will have a positive impact on improving the quality of government financial reports, especially in the office of the Ministry of Religion of North
Sumatra Province. Implementation of Government Internal Control System has a significant positive effect on the quality of government financial report. The Work Unit should strengthen the effectiveness of SPIP continuously in order to maintain and improve the quality of government financial reports.

BIBLIOGRAPHY


