

The Effect of Human Resources Competence, Application of Local Government Accounting Systems, and Internal Control Systems on the Quality of Local Government Financial Reports

Ali Imransyah¹, M. Ardiansyah Syam², Syahril Djaddang³

^{1,2,3}Master of Accounting, Universitas Pancasila, Jakarta, Indonesia

ali.imran.syahgf@gmail.com, ardiansyah_syam@yahoo.com, syahril@univpancasila.ac.id

Abstract

This research was conducted to determine the factors that effect the quality of local government financial reports. The factors were "the effect of human resources competence, the application of the regional government accounting system, and the internal control systems on the quality of the West Bandung district government financial report with the utilization of accounting information technology as moderation variable". The population in this research are employees of the regional work unit (SKPD) in West Bandung district. The saturation sampling technique used in this study was 63 SKPD staff. The data collection in this study used a questionnaire. Data were processed using multiple linear regression analysis. The results of hypothesis testing is the human absorption competency, the application of government accounting systems, utilization information technology, and internal control systems partially has a positive effect on the quality of the financial statements of the Government of West Bandung district.

Keywords

human resources competency;
 government accounting system;
 internal control system; and
 accounting information
 technology utilization; SKPD
 financial report quality



I. Introduction

The public sector has various meanings, because this is a consequence of the wide area of the public sphere in Indonesia, therefore each discipline (political, economic, legal and social) has a different perspective. From an economic point of view, the public sector is a unified entity whose activities are related to efforts to produce public goods and services in the context of meeting public needs.

In Indonesia, the recording of accounting information in the public sector can be defined as a technical and analytical mechanism carried out by the management of non-private funds in higher institutions and ministries, non-private and private sector cooperation projects, Social Foundations, and NGOs, BUMD, BUMN and Local Government.

Various tasks from the public sector that can also be carried out by the private sector, such as, to produce types of public services, public transportation, education, tax collection, communication services and others, but certain functions of the public sector functions cannot be replaced by the private sector, for example the function of the private sector. government bureaucracy. The consequences of accounting in the public sector are in some ways different from that of the private sector. In practice, public sector organizations in Indonesia are now characterized by the emergence of the phenomenon of strengthening accountability demands on these public organizations, both at the central and regional levels.

Accountability is a form of obligation to account for the success or failure of implementing the organization's mission in achieving predetermined goals and objectives, through an accountability medium that is carried out periodically (Stanbury, 2003 in Mardiasmo, 2006).

The government is a reporting entity that must make financial statements as a form of accountability because: (a) the government controls and controls significant resources; (b) the use of these resources by the government can have a broad impact on the welfare and economy of the people; and (c) there is a separation between management and ownership of these resources (Partono, 2000). As a form of accountability in the administration of government which is regulated in Law Number 17 of 2003 concerning State Finances and Law Number 32 of 2004 concerning Regional Government. Concrete efforts to realize transparency and accountability in government financial management, both central and local governments, are to submit accountability reports in the form of financial reports. Government financial reports produced must comply with the principles of a timely manner and are prepared in accordance with Government Accounting Standards in accordance with Government Regulation Number 24 of 2005. Government financial reports are then submitted to the DPR/DPRD and the general public after being audited by the Supreme Audit Agency (BPK).

Financial statements are records of a company's financial information in an accounting period that can be used to describe the company's performance (SAK, 2009). According to the 2009 Financial Accounting Standards issued by the Indonesian Institute of Accountants, the purpose of financial statements is to provide information regarding the financial position, performance, and changes in financial position of a company that is useful for a large number of users in making decisions. However, financial statements do not provide all the information that users may need in making economic decisions because they generally reflect financial effects and past events, and are not required to provide information.

In financial management, the government carried out reforms by issuing Law Number 17 of 2003 concerning State Finances, it was stated that the Governor/Regent/Mayor conveyed the accountability for the implementation of the APBD to the DPRD in the form of financial reports that required the form and content of the accountability report for the implementation of the State Revenue and Expenditure Budget (APBN) or Regional Revenue and Expenditure Budget (APBD) are prepared and presented with government accounting standards set by government regulations. The government also issued Law no. 32 of 2004 concerning Regional Government. Law No. 33 of 2004 which changed the accountability or accountability of local governments from vertical accountability (to the central government) to horizontal accountability (to the community through the DPRD).

In 2012 – 2013, West Bandung Regency still received a Fair with Exception (WDP) opinion from the BPK. The problems discussed are still the same, namely due to incomplete asset transfer documents during the expansion of West Bandung from Bandung Regency (Grace, 2016).

The West Bandung Regency Government has again won a Fair With Exception (WDP) opinion from the Supreme Audit Agency of the Republic of Indonesia (BPK RI) representing West Java on the 2014 Regional Government Financial Report (LKPD). which must be further improved. In particular, it concerns the administration of assets in several SKPDs, which until now there is still no common ground (August, 2015).

Furthermore, the West Bandung Regency Government received the title of Fair with Exceptions (WDP) by the Supreme Audit Agency of the Republic of Indonesia (BPK RI) for the Audit Result Report (LHP) on the 2015 Regional Government financial statements. Chairman of the West Bandung Regency DPRD (KBB), Aa Umbara Sutisna assessing that asset management is the main problem for the West Bandung Regency Government in

obtaining an Unqualified Opinion (WTP), for more than eight years the issue of transferring assets from Bandung Regency to West Bandung Regency has never been resolved. It is said that certified assets are still small compared to uncertified land assets (Oche, 2016) .

In 2017, West Bandung Regency still received the WDP opinion from the BPK. The problem is compounded by the discovery of problems regarding maintenance expenditures that are not supported by details. Then the procurement of goods and services that are not in accordance with the books to the burden of vaccine supplies without details.

This problem still lasted until 2018. In 2018 West Bandung Regency still received WDP opinions from the BPK. The problem is due to the discovery of other receivables in the process of claiming compensation and claims for compensation that have not been deposited into the regional treasury which has been equipped with a Certificate of Absolute Liability (SKTJM), but is not supported by adequate guarantees.

Director of the Center for Political, Economic and Development Studies of West Bandung Regency Kholid Nurjamil said that the Regency Government must continuously improve the quality or competence of human resources, especially in making financial reports in accordance with government accounting standards. Thus, they will be able to make reports according to actual activities, and also have an understanding of the regulations so that there will be compliance (Mukhlis, 2018).

This shows that the financial reporting of local governments is still not fully believed to be fair by the BPK. Efforts that have been made by BPKP in order to improve the quality of financial reporting accountability are providing assistance or assistance in preparing financial reports and placing BPKP employees who are employed in local government agencies in West Java. Benefits of this research Can add knowledge and insight about what factors affect the quality of the government's financial statements West Bandung Regency. The purpose of this study was to examine and analyze the effect of human resource competence on the quality of local government financial reports.

II. Review of Literature

2.1 Grand Theory

Grand Theory is also called macro because these theories are at the macro level, talking about structure and not talking about micro phenomena. The chosen Grant Theory is about Agency theory.

Agency Theory

In connection with the phenomenon that occurred, to solve this problem, I propose an agency theory with the consideration of a conflict of interest between the principal in this case is the Regional People's Representative Council and the public with an agent in this case the Regional Government which has different interests, namely DPRD and the public who want a the realization and honesty of the Regional Government in reporting the financial position and realization of the budget as well as other reports in accordance with the requirements of the Law on Regional Government and the interests of the Regional Government to obtain results from transparent financial reports and an unqualified opinion (WTP) from BPK RI.

Agency relationship is a contract in which one or more people (principals) instruct another person (agent) to perform a service on behalf of the principal and authorize the agent to make the best decision for the principal (Jensen and Meclink, 1976). various organizations are included in government organizations and focus on the issue of information inequality/asymmetry between managers (agents/government) and the public (represented by principals/boards). Principals must monitor the work of agents, so that organizational goals

can be achieved efficiently and achieve public accountability (Lane, 2002). Public accountability can be interpreted with the obligation of the holder of the trust (agent) to be responsible, present, report,

Regarding agency problems, the researcher chose agency theory because the practice of financial reporting in public sector organizations is a concept based on agency theory. In financial reporting, the government that acts as an agent is the one who has the obligation to provide useful information to users of financial information who act as principals in assessing accountability and making decisions, both economic, social and political decisions, either directly or indirectly through their representatives. In a democratic government, the relationship between the government and users or users of financial statement information can be described as an agency relationship (Faristina, 2011).

There are at least 2 goals and benefits of the theoretical mechanism, including:

- a. Evaluating the results of the performance between the principal and the agent, whether the cooperation has gone according to what has been agreed or not.
- b. Improve the ability of both the principal and the agent in evaluating the conditions under which a decision must be made.

Agency theory basically only concerns things like the following:

- a. Board oversight of the government
- b. Costs associated with agency relationships
- c. Minimize and avoid agency costs

Agency theory has been practiced in the public sector, especially the central and local governments. Public sector organizations aim to provide maximum service to the community for the resources used to meet the needs of many people. The government cannot manage and allocate resources alone, so the government gives authority to other parties to manage resources. Budgeting is an important mechanism for resource allocation due to the limited funds available to the government.

2.2 Middle Theory

Middle theory is where the theory is at the middle level which focuses on macro and micro studies. The Middle Theory chosen is regarding the Accountability of Local Government Financial Reports.

Local Government Financial Report Accountability

In connection with the phenomenon that occurred, to solve this problem, I propose the Accountability of Local Government Financial Reports with consideration because the Accountability of Local Government Financial Reports (LKPD) in Setiawan (2012) is important because it is a form of accountability of local governments to the implementation of the APBD. To find out the accountability of local government financial reports, it is necessary to conduct an audit (audit). The audit of LKPD accountability is carried out by BPK RI as an examiner of the management and responsibility of state finances as described in Law 28 of the Republic of Indonesia Number 15 of 2006 concerning the Supreme Audit Agency. In the implementation of government politics in the regions, it is not possible to only prioritize one aspect (economics) but it is important to pay attention to other aspects, namely environmental sustainability so that the implementation of green government is very important in supporting environmental sustainability in the political process of government in the regions (Dama, 2021). The Government of the Republic of Indonesia was formed to protect the whole of the Indonesian people (Angelia, 2020).

III. Research Methods

3.1 Research Design

Research is a process of searching for something systematically over a long period of time by using the scientific method and applicable rules to produce a good research. To be able to produce good research, a research design is needed to support and provide systematic research results. Research design is all the processes needed in planning and carrying out research, which helps research in collecting and analyzing data.

The research design according to Mc Millan in Ibnu Hadjar is the plan and structure of the investigation used to obtain empirical evidence in answering research questions. Another definition says that the research design is a plan or design made by the researcher, as an activity to be carried out.

This research is a quantitative research, namely the relationship between the variables X and Y by testing the hypothesis. The type of research data is primary data, namely research data obtained or collected directly from the Regional Government of West Bandung Regency obtained from interviews and questionnaires that have been filled out by employees who work in the finance/accounting section of the existing regional work units (SKPD) in West Bandung Regency. The proposed data analysis method is using Moderated Regression Analysis (MRA).

3.2 Data Collection Methods and Data Sources

The type of data used in this research is primary data. Questionnaire survey is a survey method using research questionnaires. The questionnaire is a set of questions that are arranged systematically and standardized so that the same question can be asked to each respondent. Questionnaires are an effective data collection tool because standard data can be obtained that can be accounted for for the purposes of a thorough analysis of the characteristics of the population studied (Supranto, 2000). This research questionnaire was submitted directly to the respondent or asked for help from one of the employees in each SKPD to coordinate the distribution and collection of questionnaires to the SKPD. The questionnaire was made in the form of using a Likert scale.

In addition to the questionnaire, this research also uses the interview method, which is a data collection technique by asking for information orally to research subjects. Interviews will be conducted at the time of filling out the questionnaire to the respondents which aims to support the research. This research is a quantitative research. This type of research data is primary data, namely research data obtained or collected directly from the original source. While the primary data sources in this study were obtained from the answers to the questionnaires distributed to respondents.

3.3 Population and Sample

a. Population

Population is a generalization area consisting of objects or subjects that will be certain quantities and characteristics determined by research to be studied and then drawn conclusions (Sugiono, 2002). The population in this study is the manager of the work unit or structural officials at the Regional Work Unit of West Bandung Regency. The number of SKPD in West Bandung Regency is 52 SKPD consisting of 20 services, 9 bodies, 6 assistants, 12 divisions, 1 office, 1 DPRD secretariat, RSUD, 1 Inspectorate, 1 Civil Service Police Unit, and 23 sub-districts. This election was carried out in the West Bandung Regency Government because in 2018 Kab. West Bandung received a Fair With Exception (WDP) opinion. Therefore, researchers are interested in conducting research in West Bandung Regency.

b. Sample

The sample is part of the population (part or representative of the population under study). Sampling of respondents was carried out by purposive sampling. Purposive sampling is used because the information to be taken comes from a source that was deliberately selected based on the criteria set by the researcher (Now, 2020). The sample was selected based on certain criteria so that it can support this research.

c. Data Types and Sources

This research is a quantitative research. This type of research data is primary data, namely research data obtained or collected directly from original sources (without intermediaries). While the primary data sources in this study were obtained from the answers to the questionnaires distributed to respondents.

IV. Discussion

4.1 Results

a. Characteristics of Respondents Based on Gender

The gender of the respondents is used to determine the involvement of gender in regional financial management in the SKPD of West Bandung Regency. The research sample for 63 respondents based on gender can be seen in the following table:

Table 1. Demographics of Respondents by Gender

Gender	Amount	Percentage
Man	31	49%
Woman	32	51%
Total	63	100%

Source: Primary Data Processed, 2020

The table shows that most of the respondents who participated in this study were female, as many as 32 respondents (51%), while 31 respondents (49%).

b. Characteristics of Respondents Based on Respondent Age

The age of the respondent is expected to describe the level of experience. The research sample for 63 respondents based on age can be shown in the following table:

Table 2. Demographics of Respondents by Age

Gender	Amount	Percentage
31 – 40 years	34	54%
41 – 50 years	26	41%
>50 years	3	5%
Total	63	100%

Source: Primary Data Processed, 2020

Based on Table 2, most of the respondents who participated in this study were respondents aged 41-50 years, which was 54%.

1. Characteristics of Respondents Based on Education Level

The education level of the respondents is expected to be used as an indicator to determine the level of individual capacity participating in regional financial management in the SKPD of West Bandung Regency. The research sample of 63 respondents seen from the level of education can be shown in the following table:

Table 3. Demographics of Respondents by Education Level

Education	Amount	Percentage
Diploma	5	8%
S1	52	82%
S2	6	10%
Total	63	100%

Source: Primary Data Processed, 2020

Judging from the level of education, the majority came from S1 graduates, as many as 52 (82%). This means that the mindset of financial managers is sufficient enough to be able to carry out their duties as regional financial managers with the skills and abilities they have in accordance with their level of education. Then 5 people (8%), diploma graduates and the remaining 6 (10%) have the latest master's education.

2. Characteristics of Respondents by Field of Work

The description of the research sample of 63 respondents based on the Field of Work can be seen in the table below:

Table 4. Demographics of Respondents by Education Level

Field of work	Amount	Percentage
Accounting, Finance and or Treasurer	57	90%
Fixed Assets (BMN)	5	8%
Budgeting	1	2%
Total	63	100%

Source: Primary Data Processed, 2020

The occupations of respondents who participated in this study were Accounting, Finance and/or Treasurer as many as 57 people (90%), fixed assets (BMN) as many as 5 people (1%), and Budgeting as many as 10 people (2%).

3. Analysis Prerequisite Test Results

a. Normality Test Results

Normality test aims to determine the distribution of data in a variable used in a study whether the data is feasible or not for analysis. The data is said to be normally distributed if the coefficient of asymp sign (2-tailed) is greater than $\alpha = 0.05$. The results of the normality test can be seen in the following table:

Table 5. Normality Test Results

Kolmogorov-Smirnov	asyp. Sig.	Information
0.91	0.200	Normal

Source: Primary Data Processed, 2020

Based on the normality test table above, the Asymp value is obtained. Sig. of 0.200. This value is greater than which is 0.05. It can be concluded that this study has a normal data distribution.

b. Linearity Test Results

The linearity test is intended to determine whether the regression model used has a linear pattern or not. Two research variables are said to have a linear relationship if they have a significance value of more than 0.05. The results of the linearity test can be seen in the following table:

Table 6. Linearity Test Results

Variable	Deviation from Linearity	Information
Human Resources Competence	0.009	Happening Linear
Implementation of the Government Financial Accounting System	0.033	Happening Linear
Implementation of Internal Control System	0.013	Happening Linear

Source: Primary Data Processed, 2020

From the results of the linearity test in the table above, it can be seen that all of the above variables have a significance value of Deviation from Linearity greater than 0.05, so that all variables in this study have a linear relationship.

4.2 Discussion

This study aims to examine the Competence of Human Resources, Application of Local Government Accounting Systems, and SPIP on the Quality of LKPD with the Utilization of Accounting Information Technology as a moderating variable.

a. The Influence of Human Resource Competence on the Quality of LKPD

The results of testing hypothesis 1 (H1) indicate that Human Resource Competence has a positive effect on the quality of LKPD. This can be proven by the value of t arithmetic which is greater than t table ($2.171 > 2.006$) with a significance value of ($0.034 > 0.05$). The regression coefficient value of 0.594 which has a positive direction indicates the higher the Human Resource Competence, the higher the LKPD Quality. The coefficient of determination (r Square) of 0.072 indicates that 7.2% of LKPD quality is influenced by Human Resource Competence, while the remaining 92.8% is influenced by other variables outside of this study.

The results of this study are in line with previous research conducted by:

1. Yosefrinaldi (2013) which states that Human Resource Capacity has a positive effect on the Quality of Local Government Financial Reports.
2. In addition, the results of this study also support the results of research from Soimah (2014) which states that Human Resource Competence has a positive effect on the Quality of Financial Reports for the Regional Government of North Bengkulu Regency.
3. Reni Yendrawati (2013) which states that the capacity of human resources has a positive effect on the quality of information on local government financial reports at the Social Service of the Special Region of Yogyakarta.
4. Sri Wahyuni, isti Fadiah, and Diana Sulianti Tobing (2018) which state that human resource competence affects the quality of financial reports.
5. Dela Aprilia Safitri, Maslichah, and Afifudin (2019) which states that partially human resource competence has a positive and significant effect on the quality of financial reports.

Human Resource Competence is the ability of human resources to carry out their duties and responsibilities within the organization with the provision of adequate education, training and experience to achieve organizational goals effectively and efficiently. Employees who have high Human Resource Competence will be able to understand accounting logic well and then use their knowledge and understanding in preparing financial reports in accordance with accounting principles and established rules so that the resulting financial statements are free from misstatement (reliable) and of good quality. In addition, experienced human resources will be able to work quickly, so that the resulting financial reports can be timely (relevant) and of high quality. Based on descriptive data, it shows that the Human Resource Competence in West Bandung Regency SKPD is moderate, most of the respondents' answers are on a scale of 3. Based on the respondent's assessment data, the average answer agrees to the training and experience indicators, and disagrees to the educational background indicator accountancy. This shows that the knowledge and ability of respondents in the field of accounting comes from training and experience. With their knowledge and abilities, most respondents feel they can carry out their duties and responsibilities in managing or compiling a quality LKPD, this can be seen from the average number of answers agreeing to the responsibility indicator.

b. The Influence of the Implementation of the Local Government Accounting System on the Quality of LKPD

The results of testing hypothesis 2 (H2) indicate that the application of the local government accounting system has a positive effect on the quality of the LKPD. This can be proven by the value of t arithmetic which is greater than t table ($10.806 > 2.006$) with a significance value of 0.000 ($0.000 < 0.05$). The regression coefficient value of 1.262 which has a positive direction indicates the higher the application of the local government accounting system, the higher the quality of the LKPD. The coefficient of determination (R Square) of 0.657 indicates that 65.7% of LKPD quality is influenced by the application of the local government accounting system, while the remaining 34.3% is influenced by other variables outside of this study.

The results of this study are in line with previous research conducted by:

1. Yusniar, Darwanis, Syukriy Abdullah (2016) who stated that the government accounting system had a positive and weak effect on the quality of the Aceh government's financial reports.
2. Ikang Murapi (2016) which states that the Application of the Local Government Accounting System (SAKD) has a positive effect on the quality of information on local government financial reports in Central Lombok Regency
3. Aditya Sanjaya (2017) which states that the regional financial accounting system has a positive and significant effect on the quality of local government financial reports in Kampar Regency.
4. Nurillah (2014) who was able to prove that the regional financial accounting system had a positive and significant effect on the quality of government financial reports.
5. Permadi (2013) which states that the regional financial accounting system affects the quality of the local government financial reports produced.

With the financial accounting system, it will be easier for users of the accounting system to process financial data and work in accordance with government accounting standards that have been applied to the financial accounting system, so that the financial reports produced will have good quality. In the context of signaling theory, the implementation of SAKD by the government has shown a good signal to the community, so that the community can continue to support the current government's performance, so that government activities can run well. So, it can be concluded that the Regional Government has

implemented SAKD in the context of accountability for the implementation of the APBD. Thus, the more SAKD is applied, the better the procedures for implementing local government financial reporting. So that in the context of accountability the implementation of the APBD is of high quality. On the other hand, if SAKD is not applied, the procedures for implementing local government financial reporting in the context of accountability for the implementation of the APBD are of low quality.

c. The Influence of SPIP on LKPD Quality

The results of testing hypothesis 3 (H3) show that SPIP has a positive effect on the quality of LKPD. This can be proven by the t arithmetic value which is greater than t table ($2.033 > 2.006$) with a significance value of 0.000 ($0.000 < 0.05$). The regression coefficient value of 0.566 which has a positive direction indicates the higher the SPIP, the higher the LKPD quality. The coefficient of determination (r Square) of 0.062 indicates that 6.2% of LKPD quality is influenced by SPIP, while the remaining 93.8% is influenced by other variables outside of this study.

The results of this study are in line with previous research conducted by:

1. Neco Fransiska, Aris Eddy Sarwono, and Dewi Saptantinah Puji Astuti (2016) which stated that the part in the weaknesses of the internal control system such as: weaknesses in accounting and reporting control systems, weaknesses in the control system for the implementation of budget and expenditure revenues, and weaknesses in the internal control structure. joint influence on the quality of financial statements. The existence of this simultaneous influence is shown in the results of the statistically processed analysis, which shows a significant value of 0.000
2. Yusniar, Darwanis, Syukriy Abdullah (2016) who stated that internal control had a positive and weak effect on the quality of the Aceh government's financial reports.
3. Imelda Latjandu, Lintje Kalangi, Jantje J. Tinangon (2016) which states that on the effectiveness of internal control, $t_{count} = 2.605 > t_{table} = 2.00100$ so that the effectiveness of internal control has a significant effect on the quality of local government financial reports in the Talaud Islands district.
4. Khoirina Kencana Ningrum (2018) which states that the internal control system has a significant effect on the quality of local government financial reports in Kebumen district.
5. Arlia Sari Artana (2016) which states that the internal control system has a significant effect on the quality of local government financial reports.

Government Internal Control System (SPIP) is a process designed by management to provide adequate assurance or confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations. An effective Government Internal Control System will protect the organization from human weaknesses, reduce errors and irregularities that will occur, so that the information produced in financial reports can meet the qualitative characteristics of financial reports and will increase stakeholder confidence.

The indicator to measure the SPIP variable is based on PP. 60 of 2008, namely the control environment, risk assessment, control activities, information and communication and monitoring. Based on the respondent's answer data, the average respondent answered agreed to each assessment indicator, which means that the five elements of control have been implemented effectively. This shows that SPIP in West Bandung Regency is good.

d. Effect of Information Technology Utilization as a moderating variable on the relationship between Human Resource Competence and LKPD Quality

The results of testing hypothesis 4 (H4) indicate that the use of Information Technology can strengthen the influence of Human Resource Competence on the Quality of LKPD. This can be proven by the t arithmetic value which is smaller than t table ($10.176 < 2.006$) with a significance value greater than 0.05 ($0.000 > 0.05$). This shows that the use of Information Technology can be used as a moderating variable.

The results of this study are in line with previous research conducted by:

1. Reni Yendrawati (2013) which states that the capacity of human resources has a positive effect on the quality of information on local government financial reports at the Social Service of the Special Region of Yogyakarta.
2. Sri Wahyuni, isti Fadiah, and Diana Sulianti Tobing (2018) which state that human resource competence affects the quality of financial reports.
3. Dela Aprilia Safitri, Maslichah, and Afifudin (2019) which states that partially human resource competence has a positive and significant effect on the quality of financial reports

Utilization of Information Technology is as a strong desire of employees to become members of a group, a high willingness to work for the organization, and a certain belief in and acceptance of the values and goals of the organization. Utilization of Information Technology is built on the basis of workers' trust in the values of the organization, the willingness of workers to help realize organizational goals and loyalty to remain members of the organization. Conceptually, if human resources with capacity have good use of Information Technology, then they will feel bound to the existing organizational values, so that what they do always leads to the achievement of organizational goals, namely using their capacity to produce quality financial reports. Utilization of Information Technology cannot strengthen the influence of Human Resource Competence on the Quality of LKPD, possibly due to the lack of rewards for outstanding employees, promotions in the Field of Work that are not in accordance with the provisions, the income received does not match the workload, and the work environment is not conducive to support employees in their work so that the abilities of employees are not used optimally. In line with the opinion of Minarsih (2009) which states that awards, promotions in the field of work, and the work environment can affect job satisfaction and productivity.

V. Conclusion

Based on the results of the analysis and discussion of research, it can be concluded that the competence of Human Resources (HR) has a positive effect on the Quality of Local Government Financial Reports (LKPD). The application of the local government accounting system has a positive effect on the quality of the LKPD. The Government Internal Control System (SPIP) has a positive effect on the quality of LKPD. Utilization of Accounting Information Technology (TIA) can strengthen the influence of HR Competence on the Quality of LKPD. Utilization of Accounting Information Technology (TIA) cannot strengthen the influence of SAPD on LKPD Quality. Utilization of Accounting Information Technology (TIA) can strengthen the influence of SPIP on LKPD Quality.

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