

Research Article

The Effect of Human Resource Competence, Internal Auditor Role, Utilization of Information Technology and Application of Financial Accounting System on Formation Value of Regional Government Financial Reporting (A Study of the Regional Government Work Unit (SKPD), Aceh Province, Indonesia)

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Abstract: This study aims to examine the influence of human resource competencies, the role of internal auditors, the utilization of information technology and the application of the financial accounting system to the value of financial reporting information in the district government of East Aceh. The populations in this study were all regional work units within the East Aceh District Government, while the respondents were the head of the SKPD, the head of the accounting department and accounting staff, with total 66 respondents. This study uses primary data obtained from respondents through questionnaires. The method of analysis uses multiple linear regression analysis. The results of this study show that simultaneously the competence of human resources, the role of internal auditors, the utilization of information technology and the application of financial accounting systems affect the value of financial reporting information.

Keywords: Human Resource Competency, Internal Auditor's Role, Utilization Of Information Technology, Application Of Financial Accounting Systems And Financial Reporting Information Values.

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INTRODUCTION

Local governments play an increasingly important role in public services. The increasing public demand for good governance has encouraged the central government and regional governments to implement public transparency and accountability. The management of State finances can be realized through the submission of government financial accountability reports must meet the principles of reliability and timeliness prepared by following Government Accounting Standards in accordance with Government Regulation Number 24 of 2016.

Financial reports produced by local governments will be used by interested parties as a basis for decision making. Therefore, the information contained in the Local Government Financial Report (LGFR) must be useful and in accordance with the needs of the users. Information that is useful for users is information that has value, information will be useful if the information can support decision making and can be understood by users (Suwardjono, 2005: 167). The accounting information contained in the Financial

Statements of Regional Governments must have some of the required qualitative characteristics.

The qualitative characteristics of financial statements are normative measures that need to be realized in accounting information so that they can fulfill their objectives. The qualitative characteristics of government financial statements which are normative prerequisites as mentioned in the Government Accounting Conceptual Framework (PP No. 71 of 2010) include reliability and timeliness. The phenomenon of Government financial reporting in Aceh is an interesting matter to be studied further, from initial observations it turns out that in the Government financial reports there are still incompatible data and there are still many irregularities, in the preparation and management of regional finance an adequate system is needed.

Human resources as system users are required to have adequate accounting expertise or at least have the ability to continue to learn and hone skills in accounting. Here the ability of human resources itself is very instrumental in producing valuable information

(reliability and timeliness). The role of internal auditors in the local government environment has opened a new chapter about internal auditing that the role and function of the auditor are not only intended to find weaknesses that have been found or identified, but also serve as working partners of the regional government to facilitate each regional work unit in each work unit in order to achieve the goals and objectives of its operational activities effectively and efficiently.

The development of information technology is not only used by business organizations but also in public sector organizations including the government, in the explanation of Government Regulation No. 56 of 2005 concerning regional financial information systems stated that to follow up the development process in line with the principles of good governance, the government the center and regional governments are obliged to develop and utilize technological advancements to improve the ability to manage regional finance and channel regional financial information to public services. the application of a financial accounting system is a unit which if it is not implemented or there is one part of the system that is not implemented, it is difficult to obtain the qualitative characteristics of regional financial statements according to SAP, namely relevant, reliable, understandable, and comparable. As the understanding of the accounting system according to the Minister of Home Affairs No. 29 of 2007.

LITERATURE REVIEW

Government Financial Reporting

According to Suwardjono (2005: 18), financial reporting is an accounting structure and process that describes how financial information is provided and reported to achieve the country's economic and social goals. Based on Government Regulation Number 71 of 2010, local governments have an obligation to report on the efforts that have been made and the results achieved in the implementation of activities in a systematic and structured manner.

In Government Regulation Number 71 of 2010, the information presented in financial statements is generally intended to meet the information needs of all user groups. Despite having detailed access to information contained in the financial statements, government agencies must pay attention to the information presented in the financial statements for the purposes of planning, control and in making a decision.

Value of Information

According to Suwardjono (2005: 111), the value of information is the ability of information to increase user knowledge and confidence in decision making. Suwardjono (2005: 167) so that the benefits and objectives of the presentation of government financial statements can be fulfilled, the information presented is useful information for those interested in the information.

Human Resource Competencies

The quality of human resources with high and adequate education will be able to assist employees in completing tasks, especially in the preparation of budgets and regional financial accountability reports. Competence is a characteristic of someone who has skills (skills), knowledge (knowledge) and ability (ability) to carry out a job (Hevesi, 2005).

Internal Auditor's Role

The role of internal auditor is not merely an auditor, to increase its added value, the internal auditor can also act as a consultant for its audit. However, this role must not reduce its independence from the audit (STAN, 2007: 9).

Utility of information technology

Information technology in addition to being a computer technology (hardware and software) for processing and storing information, also functions as a communication technology for information dissemination. Computers as a component of information technology is a tool that can multiply the capabilities possessed by humans and computers can also do things that humans are unable to do.

Accounting System

Alam S (2004: 8), defines the accounting system as an accounting field that specializes in planning and implementing collection procedures, as well as reporting financial data. Accounting in this case must create a way in such a way as to facilitate internal control and create a flow of reports that are appropriate for the interests of management.

Research Hypothesis

From the problems raised and the objectives of the study regarding the competence of human resources, the role of internal auditors and control activities, the hypothesis proposed is as follows:

1. Competence of human resources, the role of internal auditors, utilization of information technology and the application of financial accounting systems have an effect on the value of information on financial reporting of local governments.
2. Competence of human resources influences the value of information on financial reporting of local governments
3. The role of internal auditors influences the value of information on financial reporting of local governments.
4. The use of information technology affects the value of information on regional government financial reporting.
5. The application of the financial accounting system influences the value of local government financial reporting information.

RESEARCH METHOD

This study aims to test hypotheses (testing hypothesis research) to see the effect of independent variables (human resource competencies, internal auditor's role, utilization of information technology and the application of financial accounting systems) to the dependent variable (financial reporting information value). The population in this study were all SKPD, while the respondents were the head of the SKPD, the head of the accounting department and accounting staff, amounting to 66 respondents. The research analysis method used is multiple linear regression (multiple regression model) which aims to test both partially and simultaneously the influence of human resource competencies, the role of internal auditors, the use of Information Technology and the Application of the Financial Accounting System to the information value of local government financial reporting.

FINDINGS AND DISCUSSIONS

Effect of HR Competence, Internal Auditor's Role, Utilization of Technology and Application of Financial Accounting Systems together on the Value of Financial Reporting Information

Based on the results of hypothesis testing the correlation coefficient (R) is 0.577 which indicates that the degree of relationship (correlation) between independent variables and the dependent variable is 57.7%. This means that the competence of human resources, the role of internal auditors, the use of technology and the application of financial accounting systems have a strong relationship with the value of financial reporting information. The coefficient of determination (R²) is 0.333 or 33.3%, this can be interpreted that the variation that occurs in the variable financial reporting information value of 33.3% is influenced or caused by changes that occur jointly on human resource competency variables, the role of internal auditors, the use of technology and the application of financial accounting systems, while 66.7% are caused by other variables not included in the regression model.

The Effect of Human Resource Competence on the Value of Financial Reporting Information

Test results regression coefficient $\neq 0$ so that it accepts the hypothesis. This study managed to find evidence of the next hypothesis about the influence of human resource competencies on the value of financial reporting information that is 0.425% positively and significantly.

The Effect of Internal Auditor Roles on the Value of Financial Reporting Information

Test results regression coefficient $\neq 0$ so that it accepts the hypothesis. This study succeeded in finding evidence of the next hypothesis about the influence of human resource competencies on the value of financial reporting information that is 0.220% positively and significantly.

The Effect of Technology Utilization on the Value of Financial Reporting Information

Test results regression coefficient is $\neq 0$ so that it accepts the hypothesis. This study succeeded in finding evidence of the next hypothesis about the influence of human resource competencies on the value of financial reporting information which is 0.051% positively and significantly.

The Effect of the Application of the Financial Accounting System on the Value of Financial Reporting Information

Test results regression coefficient $\neq 0$ so that it accepts the hypothesis. This study succeeded in finding evidence of the next hypothesis about the influence of human resource competencies on the value of financial reporting information that is 0.085% positively and significantly.

CONCLUSIONS

1. Competence of human resources, the role of internal auditors, the use of technology and the application of the financial accounting system simultaneously affect the value of financial reporting information
2. The competence of human resources partially influences the value of information on financial reporting.
3. The role of the internal auditor partially influences the value of information on financial reporting.
4. The use of technology partially influences the value of financial reporting information.
5. The application of the financial accounting system partially influences the value of information on financial reporting

LIMITATIONS

1. This study only examines East Aceh Regency SKPD, so that there are differences in research results and conclusions if research is done to add or replace different objects and research areas.
2. The instruments used in data collection are questionnaires, lack of caring and seriousness of respondents in answering all the questions, the problem of subjectivity from respondents can result in the results of this study vulnerable to the bias of respondents' answers, circumstances like this are things that cannot be controlled because it is beyond the ability of research.

RECOMENDATIONS

By paying attention to and increasing the competence of human resources, the optimal role of the internal auditor, the use of adequate technology and the implementation of a good financial accounting system, it is expected that the regional financial management, especially the accounting department, can carry out the tasks and accounting functions that ultimately lead to reliable and timely local government financial statements.

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