

The Influence of Competency and Utilization of Information System toward Government Financial Report Quality in Bengkulu Province

Isma Coryanatam, and Aditya Sundawa

Bengkulu University, Bengkulu, Indonesia

Abstract. The purpose of this research was to prove the influence of competence and the utilization of information systems to the quality of the financial report of a work unit of the device area in Bengkulu Province. The research method used is descriptive quantitative. The data used in this research is the primary data obtained from the results of the questionnaire to the spread of financial managers in 36 units of work in the area of Bengkulu Province. The number of samples used are 114 people. Sampling method used is the census. Methods of data analysis used was multiple linear regression. From testing of hypothesis variables obtained that competence and the utilization of information systems are effect to the quality of the financial report of a work unit of the device area in Bengkulu Province.

Keywords: Competence · Utilization of information accounting system · Government financial report quality · Bengkulu Province

1 Introduction

Government Regulation (PP) No. 71/2010 concerning Government Accounting Standards section of the Government Accounting Conceptual Framework (KKAP, Appendix I: par. 35-40) explains that in order to meet financial objectives, the characteristics of the quality of financial statements are required, namely: relevant, reliable, comparable, and understandable

The regional government as the manager of public funds must be able to provide the necessary financial information that is accurate, relevant, timely, and trustworthy. Local governments are required to have a reliable accounting information system, if the accounting information system that is owned is still weak, then the quality of information generated from the system is also less reliable (Mardiasmo, 2005: 31).

The quality of Local Government Financial Statements (LKPD) can be reflected in the results of audits of the Supreme Audit Board (BPK). The results of the examination of the reporting on the financial statements are stipulated in the Decree of the BPK No. 4 / K / IXIII.2 / 9/2012 paragraph 13. There are four types of opinions that can be given by the examiner on the examination of the Regional Government Financial Report (LKPD), namely: 1). Fair Without Exception (WTP) contains a statement that the financial statements present fairly, in all material respects in accordance with Govern-

ment Accounting Standards (SAP). In accordance with the applicable Public Accountant Professional Standards (SPAP), the BPK can provide WTP opinion with explanatory paragraphs due to certain conditions so that the examiner must add an explanatory paragraph in the Inspection Report as a modification of the WTP opinion, 2) Fair With Exceptions (WDP) containing a statement that the financial statements present fairly, in all material respects in accordance with SAP, except for the impact of matters relating to those excluded, 3). Unreasonably includes a statement that the financial statements do not present fairly in all material respects in accordance with SAP, and 4). Statement of Refusing to Give Opinion or Not Giving Opinion (TMP) states that the examiner does not express an opinion on the financial statements.

Government financial reports are public rights that must be given by the government, both central and regional. Accountability can be interpreted as a form of obligation to account for the success or failure of the implementation of the organization's mission in achieving the goals and targets that have been previously determined, through a media of accountability that is carried out periodically (Stanbury, 2003 in Mardiasmo, 2006). This form of responsibility is stated in the government's financial statements.

To produce financial information that is useful for users, financial statements must be prepared by financial managers who have competence in the area of regional financial management and accounting systems (Tuasikal in Desmiyawati, 2014: 164). Competence can be seen from the background of education, training and from the skills expressed in the implementation of the task. Employees who have no accounting education background, do not attend accounting training and do not have adequate knowledge about accounting will encounter many difficulties and obstacles in the process of preparing financial statements (Desmiyawati, 2014).

Based on the background stated above, the problem can be formulated as follows:

- 1) Does the competence of financial managers affect the quality of OPD financial statements in Bengkulu Province?
- 2) Does the use of information systems affect the quality of OPD financial statements in Bengkulu Province?

1.1 Quality of Financial Statements

As explained earlier, the financial statements are a form of accountability for the allocation of a series of budgets for all activities or programs carried out by regional institutions / agencies. The financial statements must be of quality in accordance with the standards required in Government Regulation No. 71 of 2010 namely the fulfillment of four qualitative characteristics of financial statements. The following four characteristics are the normative measures needed to realize good accounting information on government financial statements. The four sizes are:

1. Relevant. The information contained in it can influence users' decisions by helping them evaluate past or present events and predict the future, as well as correcting the results of their evaluations in the past. Relevant information has the following elements:
 - a. Benefits of feedback (feedback value). The information presented can give users the possibility to emphasize a tool to correct their expectations (expectations) in the past.

- b. Predictive benefits (predictive value). The information presented can help users to predict the future based on past results and current events.
 - c. Timely (timeliness). Information presented in a timely manner can be influential and useful in decision making.
 - d. Complete. The information presented includes all accounting information that can influence decision making. The information contained in the financial statements is clearly disclosed so that mistakes in the use of the information can be prevented.
2. Reliable. The information in financial statements is free from misleading notions and material errors, honestly presents all facts, and can be verified. Reliable information meets the following characteristics:
 - a. Honest presentation. Information honestly describes transactions and other events that should be presented or can reasonably be expected to be presented.
 - b. Can be verified. The information presented in the financial statements can be tested, and if the test is carried out more than once by different parties, the results still show conclusions that are not much different.
 - c. Neutrality. Information is directed at general needs and does not favor the needs of certain parties.
 3. Can be compared. The information contained in the financial statements will be more useful if it can be compared with the financial statements of the previous period or the financial statements of other reporting entities in general.
 4. Can be understood, namely the information presented in financial statements can be understood by users and expressed in terms and forms that are tailored to the limits of understanding of users.

1.2 Competence

In connection with the opinion above, the Head of BKN in Decree Number 46A of 2007 concerning Civil Service Competencies states that competency is the ability and characteristics possessed by a Civil Servant in the form of knowledge, skills, and behavioral attitudes required in the implementation of his official duties, so that the Civil Servant These civilians can carry out their duties professionally, effectively and efficiently.

Furthermore, Spencer and Spencer (2003) suggested that competence can be measured from five characteristics, namely:

1. "Motives" is something where a person consistently thinks so that he takes action. Motives are drives, direct and select behavior towards certain actions or goals and from others. The indicators are: the desire to earn income, the desire to be responsible, the desire to obtain social status, the desire to establish cooperative relationships, the desire to achieve work performance, the desire to change fate, the desire to get superiors' praise, the desire to obtain a position, the urge to work on time and the drive to work with enthusiasm.
2. "Traits" are traits that make people to behave or how someone responds to something in a certain way, for example self-confidence, self-control, stress resistance, or hardiness. The indicators are: employee care for others; employee honesty in working; awareness of problems that occur; emotional attitude; humble; employee friendliness; to be responsible; said the words and put the public interest first.

3. "Self-Concept" is the attitude and values a person has. Attitudes and values are measured through tests to respondents to find out how the value (value) that someone has, what is interesting for someone to do something. Someone who is considered to be a "leader" should have leadership behavior so there needs to be a test of leadership abilities. The indicators: self appearance; diplomacy style; positive attitude; confidence; trustworthiness; work ethics; humorous; ability to control emotions; manners and leadership abilities.
4. "Knowledge" is information that is owned by someone for a particular field. Knowledge (Knowledge) is a complex competency, scores on knowledge tests often fail to predict HR performance because these scores fail to measure what knowledge and expertise should be done at work. Knowledge tests measure the test taker's ability to have the most correct answers, but cannot see whether someone can do the job based on the knowledge he has. The indicators: knowledge of administrative work procedures; knowledge of technical procedures; knowledge of the ins and outs of work; knowledge of the discipline; knowledge of laws and regulations; knowledge of audits; knowledge of supervision; knowledge of work standards and knowledge of sanctions.
5. "Skills" are the ability to carry out certain tasks both physically and mentally. The indicators are: skills to do work / tasks; employee managerial skills; employee technical skills; employee social skills; diplomacy skills; Skills cooperation is skills in using work equipment; decision making skills; administrative skills and the skills to make work reports.

Hypothesis 1 : The competence of financial managers affect the quality of OPD financial statements in Bengkulu Province

2 Utilization of Accounting Information Systems

Information technology has now become one of the key factors in the process of determining an organization's strategic policies (Koeswoyo, 2006). The use of information technology is a means of supporting or encouraging the organization to achieve its objectives. The use of information technology can be done effectively if members in the organization can use the technology properly. Effective use of technology can improve performance (Harianto, 2011). The effective use of information technology is expected to produce information in accordance with organizational needs.

One of the important information systems for organizations is the accounting information system. Accounting information system is a process that processes financial data and non-financial data through an information system into information that is used for decision making (Hall, 2009). The main purpose of accounting is to provide information for decision makers. Information system technology will make it easy for accountants to produce financial information that is reliable, relevant, timely, understandable, and tested that helps the decision making process of users of financial information. Through information systems that are supported by information technology in the form of accounting software and computers, it is expected that accounting information produced by the organization will be of high quality information.

Hypothesis 2 : The use of information systems affect the quality of OPD financial statements in Bengkulu Province

3 Research Methods

This type of research is a survey research with a quantitative approach. Umar (2008: 45) mentioned that quantitative design is useful for analyzing how a set of variables influences other variables and is also useful in experimental research, where the independent variables are treated in a controlled manner by researchers to see their effects on the dependent variable directly.

The population and sample in this study were financial management employees in the Regional Apparatus Organization (OPD) in Bengkulu Province consisting of Budget User Authorities (KPA), Financial Administration Officers (PPK), Treasurer of Expenditures and SIMDA Operators totaling 144 people in 36 OPD (Bengkulu Province Regional Financial Management Agency, 2017). The sample selection in this study uses the census method. Sugiyono (2016) defines the census as a sampling technique when all members of the population are used as samples. So, in this study all 144 KPA, PPK, Treasurers and SIMDA Operators in the OPD in Bengkulu Province were used as samples.

The type of data used in this study is primary data obtained through questionnaires (Cooper & Emory, 1995). Questionnaires are "collection techniques carried out by giving a set of questions or written statements to respondents to answer" (Sugiyono, 2016: 199). The questionnaire was delivered and taken by the researcher himself to the financial management staff in charge of carrying out the accounting / administration function, compiling and presenting financial reports to the Regional Organization of Organizations (OPD) in Bengkulu Province. The number of copies of the questionnaire distributed to each OPD was in accordance with the number of research samples.

Data analysis that will be carried out in this research is multiple regression analysis. Multiple regression analysis was performed to determine the effect of each independent variable on the dependent variable (Ghozali, 2016). In line with this understanding, Sugiyono (2016) states that multiple regression analysis is the pattern of influence of two sets of independent variables on a set of dependent variables. The multiple regression equation in this study is as follows:

$$Y = \alpha + b_1KPT + b_2PSI + \epsilon$$

Where :

Y: Quality of financial statements

α : Constants

b_1, b_2, b_3 : Regression coefficient

KPT: Competence

PSI: Utilization of information systems

ϵ : Error term

4 Research Result

The results of the regression analysis are used to test the hypothesis. Hypothesis testing is done on the effect of competence and the use of information systems on the quality of financial statements. The results of the regression analysis are summarized in Table 1 below.

Table 1. Regression Analysis Results.

<i>Variable</i>	<i>Value Coef</i>	<i>Koef (Standard-ized)</i>	<i>Standard Error</i>	<i>t-test</i>	<i>Sig.</i>
Competence (X1)	b ₁	0,334	0,131	4,527	0,000
Utilization of Information Systems (X2)	b ₂	0,510	0,157	7,646	0,000
Correlation of Multiple (R)		0,876			
Multiple Determination (R ²)		0,768			
Adjusted R ²		0,713			
F-count		180,688			0,000

Significance: 0.05 (%)

Source: 2017 Research Results, processed.

Hypothesis testing conducted in this study includes the F test and t test. An explanation of the two hypotheses testing is described below.

1. Test F

From the results of data analysis, the F-calculated value of 180.668 with a significance value of 0.000 was obtained. If the probability value (p) 0,000 is compared with an alpha value of 0.05, then the value of $p < 0.05$. These results indicate that the multiple regression model obtained from the study is fit, so it is worth continuing on at a later stage.

2. The Coefficient of Determination (R²)

From the results of data analysis, it is obtained the adjusted multiple coefficient value (Adjusted R²) of 0.713, which means that variations in the increase or decrease in the quality of OPD financial statements in the Government of Bengkulu Province are influenced by competence and information system utilization by 71.3%. While the remaining 28.7% is influenced by other factors outside the study.

3. Test t

a. First Hypothesis Testing (H1)

The partial effect test is also done by comparing the probability value (p) with alpha 0.05. If the value $p < \alpha$ 0.05, then the independent variable partially influences the dependent variable. The results of the first hypothesis testing (H1) note that competence has a significant effect on the quality of financial statements. This is evidenced by the t-value of 4.527 with a probability value (p) of 0.000. Because the value (p) 0,000 < alpha 0.05, it is concluded that the second hypothesis formulated in this study is accepted. The competency that must be possessed by financial managers is competence in accounting and financial statement preparation, because these competencies support the preparation of quality financial reports.

b. Second Hypothesis Testing (H2)

The results of testing the third hypothesis (H2) note that the use of information systems has a significant effect on the quality of financial statements. This is evidenced by the t-value of 7.646 with a probability value (p) of 0.000. Because the value (p) 0,000 < alpha 0.05, it was concluded that the fourth hypothesis formulated in this study was accepted. Effective utilization of SIMDA is able to help financial managers carry out

their duties. Therefore, every financial manager must be able to operate SIMDA properly and adequately.

5 Conclusion

Based on the results of research and discussion described in the previous chapter, conclusions can be summarized as follows:

1. Competence has a positive effect on the quality of regional financial reports. This result means that, the better the competency of financial managers in their field of work, the quality of financial reports in the regions will be easily achieved.
2. The use of information systems has a positive effect on the quality of regional financial reports. That is, the information system in regional financial management (SIMDA) makes the implementation of regional financial administration faster, more effective, efficient and able to encourage the creation of quality financial reports.

Research Implications

The results of this study can be considered by the Bengkulu Provincial Government in improving the quality of OPD financial reports through efforts to increase competence and utilization of information systems. These efforts include:

1) Placement of financial management employees must be based on special expertise competencies, such as accounting graduates, economics graduates so that in addition to carrying out good financial management can also improve the quality of reports prepared. In addition, if you place employees with other competencies, special training (education and training) regarding regional financial management must be given in accordance with current standards, so that employees understand the tasks regarding regional financial administration.

2) Information systems such as SIMDA-finance that are used by financial managers now provide enormous benefits in preparing financial statements. Therefore, any changes to the SIMDA-financial version must be accompanied by adequate SIMDA training, so that financial managers can create financial reports in accordance with the qualitative standards required in SAP.

Theoretically, the results of this study can be a reference for further researchers who are interested in researching and studying the same problem, so that it enriches the realm of science.

Research Limitations

The difficulty of meeting respondents is one of the limitations faced by researchers in the field so that the time to distribute questionnaires is slow. When researchers distributed questionnaires, some financial managers were carrying out the preparation of quarterly reports, so researchers had to wait for respondents' spare time to be able to fill out the questionnaire.

A limitation of further research is that questionnaires are not distributed directly by visiting the respondent's home address. This causes research time and data collection tends to be long, so the research is not timely.

Suggestion

Based on the limitations of the study that the difficulty of meeting respondents is one of the limitations faced by the authors in the field so that the time to distribute questionnaires is slow. Therefore, in subsequent studies for the collection of respondents must be scheduled in advance, so that the field data collection does not experience difficulties.

Furthermore, the method for distributing questionnaires by direct delivery to the home address of the financial manager can be done. This is to optimize the time the questionnaire is distributed, so that the study is completed on time.

References

- Cooper, D.R., & Emory, W., 1995. *Metode Penelitian Bisnis*. Penerbit Erlangga, Jilid 1. Jakarta
- Cooper, D.R., & Schindler, P.S. (2006). *Metode Riset Bisnis*, Volume 1, Edisi Sembilan, Alih Bahasa Budijanto dkk, Jakarta: McGraw-Hill Irwin
- Desmiyawati. (2014). Faktor-faktor yang Mempengaruhi Keandalan dan Ketepatan Waktu Pelaporan Keuangan (Studi Empiris pada OPD Pemerintah Riau). *Jurnal Akuntansi*, Vol. 2, No. 2, April 2014: 163-178 ISSN 2337-4314 Fakultas Ekonomi, Universitas Riau.
- Ghozali, Ahmad, 2016. *Analisis Multivariate dengan Aplikasi SPSS*, Andi Offset, Yogyakarta
- Hall, James A, 2009. *Sistem Informasi Akuntansi*, Edisi Keempat, Salmeha. Empat, Jakarta
- Hariato, Mustakim. 2011. Pengaruh Kualitas Sistem Informasi, perceived Usefulness, dan Kualitas Informasi Terhadap Kepuasan Pengguna Akhir Software akuntansi (studi empiris pada UKM di Surabaya yang menggunakan software akuntansi). Sekolah Tinggi Ilmu Ekonomi Perbanas. Surabaya.
- Keputusan Kepala BKN Nomor 46A Tahun 2007 tentang Kompetensi Pegawai Negeri Sipil, LAN, Jakarta
- Koeswoyo, 2006. *Reformasi Birokrasi Publik di Indonesia*, Pusat Studi Kependudukan dan Kebijakan UGM, Yogyakarta.
- Mardiasmo, 2005. *Akuntansi Keuangan Daerah*, Andi Offset, Yogyakarta
- , 2006. *Manajemen Keuangan Daerah*, Rajawali Press, Jakarta
- Peraturan Menteri Dalam Negeri Nomor 13 Tahun 2006 tentang Pedoman Pengelolaan Keuangan Daerah
- Peraturan Pemerintah Nomor 65 Tahun 2010 tentang Sistem Informasi Keuangan Daerah (SIKD)
- Peraturan Pemerintah Nomor 71 Tahun 2010 tentang Standar Akuntansi Pemerintahan
- Purwanto, Ngalm. 2002. *Psikologi Pendidikan*, PT. Raja Grafindo Persada, Jakarta
- Spencer, Lyle, M. Jr., & Signe N. Spencer, 2003. *Competence at Work*. John Wiley & Sons, Inc, New York.
- Sugiyono, 2016. *Metode Penelitian Bisnis*. Cetakan ke-17, Alfabeta. Bandung
- Sutawan, I Made E., Darmawan, Nyoman AS., & Yuniarta, Gede A., 2015. Pengaruh Stress Kerja, Motivasi dan Sistem Pengendalian Intern terhadap Kualitas Laporan Keuangan Koperasi (Studi Pada Koperasi di Kabupaten Buleleng), *e-Journal Akuntansi Universitas Pendidikan Ganesha* Vol. 3 No. 1 Tahun 2015

Sekaran, Umar, 2006. Metodologi Penelitian untuk Bisnis. Edisi 4, Buku 1, Salemba Empat. Jakarta.
Undang-Undang Nomor 17 Tahun 2003 tentang Keuangan Negara
Undang-Undang Nomor 32 Tahun 2004 tentang Pemerintahan Daerah

