



The Influence of Human Resource Competence, Implementation of Government Accounting Standards, and Use of Information Technology On The Quality of Local Government Financial Reports (Study on district/city governments in the former Pekalongan Residency)

Anggi Gede Pangestuweni^{1*}, Catur Ragil Sutrisno², Rika Adriyana³

¹ Department of Accounting, Faculty of Economics and Business, Universitas Pekalongan, Pekalongan, 51111, Indonesia

² Department of Accounting, Faculty of Economics and Business, Universitas Pekalongan, Pekalongan, 51111, Indonesia

³ Department of Accounting, Faculty of Economics and Business, Universitas Pekalongan, Pekalongan, 51111, Indonesia

ABSTRACT

This study aims to empirically examine the impact of human resource competencies, the application of government accounting standards and human resource competencies on the quality of Banten Provincial Government financial statements and utilization of information technology on the quality of local government financial reports in the ex-Karesidenan Pekalongan. This study used a sample of 100 respondents. The data collection method used a questionnaire, while the data analysis techniques used were descriptive statistical analysis, data quality test, classical assumption test, model fit test, and hypothesis testing using multiple linear regression analysis with the help of SPSS 26. The results showed: (1) human resource competence has a positive effect on the quality of local government financial reports (2) the application of government accounting standards has a positive effect on the quality of local government financial reports (3) the use of information technology has a positive effect on the quality of local government financial reports. This research is a development of previous researchers by adding variables, namely the utilization of information technology.

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* Corresponding Author at Department of Management, Faculty of Economics and Business, Universitas Pekalongan, Jl. Sriwijaya No. 3 Kota Pekalongan, 51111, Indonesia
E-mail address: anggipangestuweni@gmail.com

1. Introduction

Financial statements are known as reports that are prepared systematically regarding the financial position and transactions carried out by a reporting entity, including local governments. Local government financial statements are intended to provide information regarding the reporting entity's cash flow, budget realization, financial performance, and financial status. This information is intended to assist users in decision making and assessments related to resource allocation.

Local government financial reports must be of high quality, human resources who have knowledge and skills in government accounting, local financial management, and the application of



government accounting standards are also needed to produce high-quality local government financial reports. The quality of LKPD is influenced by the ability of human resources, which is determined by their performance, experience, and knowledge. The resulting financial reports will be of higher quality if the resulting human resources are increasingly competent.

The regional government financial report is one form of accountability of government administration to the public. Accountability to the public needs to be supported by a written accountability report in accordance with applicable laws. The preparation of regional government financial reports is guided by PP No. 71 of 2010 concerning Government Accounting Standards which regulates the presentation of quality financial reports.

Additional elements that may impact the quality of financial reports include the use of information technology. With sophisticated technological equipment, it will accelerate performance and provide maximum results for the company (Muhardono et al., 2022). Accessibility of information technology is expected to help the financial reporting process, so that relevant, trustworthy, and reliable financial reports are created. Based on Government Regulation No. 65 of 2010 concerning the Regional Financial Information System, regional governments must create and use advances in information technology in order to increase their capacity in managing regional finances.

The many cases of bribery in Indonesia to BPK auditors are evidence that there is still a lack of SAP implementation and low human resources owned by local governments. The WTP opinion is one of the things that local governments want to achieve. By achieving the WTP label, it is intended as if they want to convey to the public that the local government they lead is free from corrupt practices. In fact, this is not the case. One of the financial reporting cases that occurred in Indonesia in 2023 was the Sumbawa Regional Hospital case. This year, the BPK no longer gave a WTP opinion but changed it to WDP to the Sumbawa Regional Hospital. This is suspected of being a corruption case caused by a lack of maintaining transparency and accountability in regional financial governance. Meanwhile, in the LHP (Audit Result Report), the BPK mentioned the potential for deviations due to suboptimal internal control, HR competence, and lack of SAP implementation in preparing financial reports

1. Literature Review

Grand theory The basis of this research is part of agency theory, namely Stewardship theory (Hendri & Erinos, 2020). Stewardship theory when associated with the quality of local government financial reports has a positive relationship. The government acting as a manager has an obligation to provide relevant information for users of financial information, while the government acting as a principal in assessing accountability and making decisions, both economic, social, and political decisions. The government is expected to provide the best service to the community, therefore management in government is more dominant in acting as a steward (Rachmawati & Anik, 2020).

Based on the description above, the following hypothesis was obtained for this research:

1. The influence of human resource competence on the quality of local government financial reports

Regional financial management can run well if each regional work unit has quality human resources supported by an accounting education background, often attends training and education and has experience in the financial field. This is necessary to ensure that regional work units prepare financial reports with higher quality. (Kusnadi et al., 2022). Based on research Sarwono et al., (2022) There is a positive influence between HR competency and the quality of local government financial reports. This means that the better the HR competency possessed by SKPD, the higher the quality of the financial reports produced. Research Hendri & Erinos (2020), Ridzal et al., (2022), And Winarni et al., (2020) also stated that the human resource



competency variable has a positive effect on the quality of local government financial reports. So that a hypothesis can be formulated, namely:

H1: Human resource competence has a positive effect on the quality of local government financial reports.

2. The impact of implementing government accounting standards on the quality of local government financial reports

Implementing accounting standards can have a positive impact on the quality of financial statements by helping to ensure that they are complete, well-written, and of high quality. According to Risnanto et al., (2023) Quality financial reports require accounting standard references to have an impact on improving quality in the form of conformity or consistency, can be used as a comparison of data for the coming or previous year, has openness of information content, relevance, and reliability of financial reports. This is in line with research Winarni et al., (2020), Risnanto et al., (2023) And Hendri & Erinos (2020) which states that the implementation of SAP has a positive effect on the quality of financial reports. So that a hypothesis can be formulated, namely:

H2: The implementation of government accounting standards has a positive effect on the quality of financial reports.

3. The influence of the use of information technology on the quality of local government financial reports

The use of technology can have a positive influence in supporting the competence of human resources in preparing financial reports. The use of information technology will significantly accelerate the presentation of regional government financial reports and transaction data processing. Through the use of information technology, the government as a steward can provide information easily to the principal, namely by maximizing the use of the internet network, so that the principal will find it easier to access information provided by the government. This is consistent with previous research, namely research from The Last Supper (2022), Ridzal et al., (2022) which states that the variable of information technology utilization has a positive effect on the quality of financial reports.

H3: The use of information technology has a positive effect on the quality of financial reports.

2. Method, Data, and Analysis

This study uses causal research as its research methodology. The object of this study is SKPD (Regional Work Unit) employees in districts/cities in the former Pekalongan Residency. The researcher took SKPD employees as objects because SKPD employees are involved/related to the preparation of financial reports. This study uses primary data, namely the data source of this study was obtained by distributing questionnaires to the intended respondents.

The determination of the number of samples in this study was carried out by means of statistical calculations, namely using the Slovin formula. The Slovin formula is used to determine the sample size from a population whose number is known, namely 806 SKPD employees involved in the preparation of financial reports in each OPD/SKPD in the district/city in the former Pekalongan Residency. The level of precision set in determining the sample is 10%, because this study has a population of less than 1000. Slovin's formula:

$$n = \frac{N}{1 + Ne^2}$$

Information :

n = sample size

N = population size

e = level of error or critical value that can still be tolerated (e = 0.1)

The value of e = 0.1 (10%) for a large population

The value of e = 0.2 (20%) for a small population



Based on the Slovin formula, the number of research samples is:

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{806}{1 + 806(0,1)^2}$$

$$= 88.96 \text{ (rounded to 100)}$$

The research sample involved 100 SKPD employees who presented and managed financial reports for districts and cities in the former Pekalongan Residency.

3. Result and Discussion

1. Descriptive Statistics

Table1. Descriptive Statistics Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Human Resources Competence (X1)	100	12.00	30.00	25.1800	3.48845
Government Accounting Standards (X2)	100	22.00	55.00	46.5700	6.29936
Utilization of Information Technology (X3)	100	12.00	30.00	26.5400	3.59972
Financial Report Quality (Y)	100	16.00	40.00	34.8400	4.42837
Valid N (listwise)	100				

Source: SPSS 26.0 Data Processing Results

Based on table 1, it can be seen that human resource competency consists of 6 question items. Each respondent has a varied answer, namely a minimum value of 12, a maximum value of 30, an average of 25.18 and a standard deviation of 3.488. Then the variable of the application of Government Accounting Standards with 11 question items, has a minimum value of 22, a maximum value of 55, an average answer of 46.57 and a standard deviation of 6.299. Furthermore, the variable of the use of information technology has 6 question items, with a minimum value of 12, a maximum value of 30, an average of 26.54 and a standard deviation of 3.599. The variable of the quality of local government financial reports has a minimum value of 16, a maximum value of 40, an average of 34.84 and a standard deviation of 4.428.

2. Data Quality Test

a) Validity Test

Table2. Validity Test Results

No.	Variables	Question Items	Pearson Correlation	Sig (2-tailed)	Information
1.	Quality of Local Government Financial Reports	Y_1	0.847	0,000	Valid
		Y_2	0.839	0,000	Valid
		Y_3	0.835	0,000	Valid
		Y_4	0.854	0,000	Valid
		Y_5	0.739	0,000	Valid
		Y_6	0.799	0,000	Valid
		Y_7	0.713	0,000	Valid
		Y_8	0.808	0,000	Valid



2.	HR Competence	X1_1	0.849	0,000	Valid
		X1_2	0.810	0,000	Valid
		X1_3	0.843	0,000	Valid
		X1_4	0.796	0,000	Valid
		X1_5	0.740	0,000	Valid
		X1_6	0.766	0,000	Valid
3.	SAP Implementation	X2_1	0.812	0,000	Valid
		X2_2	0.836	0,000	Valid
		X2_3	0.763	0,000	Valid
		X2_4	0.768	0,000	Valid
		X2_5	0.716	0,000	Valid
		X2_6	0.739	0,000	Valid
		X2_7	0.789	0,000	Valid
		X2_8	0.772	0,000	Valid
		X2_9	0.766	0,000	Valid
		X2_10	0.824	0,000	Valid
		X2_11	0.765	0,000	Valid
4.	Utilization of Information Technology	X3_1	0.804	0,000	Valid
		X3_2	0.791	0,000	Valid
		X3_3	0.861	0,000	Valid
		X3_4	0.779	0,000	Valid
		X3_5	0.856	0,000	Valid
		X3_6	0.842	0,000	Valid

Source: SPSS 26.0 Data Processing Results

Based on table 2, it can be seen that all statements are said to be valid because each statement's significance value is <0.05 .

b) Reliability Test

Table3. Reliability Test Results

No.	Variables	Cronbach's Alpha	Information
1.	Quality of Regional Financial Reports	0.920	Reliable
2.	HR Competence	0.887	Reliable
3.	SAP Implementation	0.932	Reliable
4.	Utilization of Information Technology	0.900	Reliable

Source: SPSS 26.0 Data Processing Results

Based on table 3, the reliability results of the Cronbach's alpha calculation value on the variable show a number >0.70 , so the reliability can be accepted. In this study, all variables show a value of Cronbach's alpha >0.70 , so it can be concluded that each variable is declared reliable.



3. Classical Assumption Test

a) Normality Test

Table 4. Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.26450754
Most Extreme Differences	Absolute	.070
	Positive	.070
	Negative	-.046
Test Statistics		.070
Asymp. Sig. (2-tailed)		.200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: SPSS 26.0 Data Processing Results

In table 4 it can be seen that the One-Sample Kolmogorov-Smirnov Test value is 0.70 with an asymp.sig value of 0.200 > 0.05. So it is concluded that the data is normally distributed.

b) Multicollinearity Test

Table 5. Multicollinearity Test Results
Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Human Resources Competence (X1)	.362	2.760
	Government Accounting Standards (X2)	.241	4.152
	Utilization of Information Technology (X3)	.371	2.698

a. Dependent Variable: Quality of Financial Reports (Y)

Source: SPSS 26.0 Data Processing Results

Based on table 5, it can be seen that the tolerance value for each variable is ≥ 0.10 and the VIF value is ≤ 10 . So it can be concluded that all independent variables do not experience multicollinearity symptoms.

c) Heteroscedasticity Test

Table 6. Heteroscedasticity Test Results
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,832	1.177		3.257	.002
	Human Resources Competence (X1)	-.047	.069	-.113	-.679	.499
	Government Accounting Standards (X2)	-.001	.047	-.006	-.032	.975
	Utilization of Information Technology (X3)	-.032	.066	-.079	-.482	.631

a. Dependent Variable: Abs_Res

Source: SPSS 26.0 Data Processing Results

Based on the analysis of table 6, it can be concluded that all independent variables have a significance value > 0.05, so it can be said that there are no symptoms of heteroscedasticity.



d) Goodness of Fit Test

Table 7. Test Results Goodness of Fit

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1433.769	3	477,923	90,375	.000b
	Residual	507,671	96	5.288		
	Total	1941.440	99			

a. Dependent Variable: Quality of Financial Reports (Y)

b. Predictors: (Constant), Utilization of Information Technology (X3), Human Resource Competence (X1), Government Accounting Standards (X2)

Source: SPSS 26.0 Data Processing Results

Based on the results of the goodness of fit test in table 7, the F count is 90.375 and the p value is 0.000. Because the significance is <0.05, it can be said that the regression model is feasible or fit to be used for this study.

4. Multiple Linear Regression Analysis

Table 8. Multiple Linear Regression Analysis Test Results

		Coefficientsa				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.629	1,875		2,469	.015
	Human Resources Competence (X1)	.280	.110	.221	2,548	.012
	Government Accounting Standards (X2)	.332	.075	.472	4.438	.000
	Utilization of Information Technology (X3)	.290	.105	.236	2,750	.007

a. Dependent Variable: Quality of Financial Reports (Y)

Source: SPSS 26.0 Data Processing Results

Based on table 8, the multiple linear regression equation obtained in this study is:

$$y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

$$y = 4,629 + 0,280X_1 + 0,332X_2 + 0,290X_3 + e$$

The multiple linear regression equation above can be interpreted as:

- The value of the constant in this study is 4.629. This means that if the value of the HR competency variable (X1), SAP implementation (X2), and utilization of information technology (X3) are considered constant, then the level of quality of local government financial reports is 4.629.
- The regression coefficient value of the HR competency variable is 0.280. This means that if HR competency is good, it will affect the quality of local government financial reports.
- The regression coefficient value of the SAP implementation variable is 0.332. This means that if the SAP implementation is good, it will affect the quality of local government financial reports.
- The regression coefficient value of the information technology utilization variable is 0.290. This means that if the utilization of information technology is good, it will affect the quality of local government financial reports.

5. Hypothesis Testing (t-Test)

Based on table 8, it can be concluded that the hypothesis testing is as follows:

- The value of B = 0.280 and the significance value of the HR competency variable is 0.012, the value is below the criterion number which is <0.05. Based on these results, it can be



- interpreted that the HR competency variable has a positive effect on the quality of local government financial reports. So it can be concluded that H0 is rejected and H1 is accepted.
2. The value of $B = 0.332$ and the significance value of the SAP implementation variable is 0.000, the value is below the criterion number which is <0.05 . Based on these results, it can be interpreted that the SAP implementation variable has a positive effect on the quality of local government financial reports. So it can be concluded that H0 is rejected and H2 is accepted.
 3. The value of $B = 0.290$ and the significance value of the information technology utilization variable is 0.007, the value is below the criteria number which is <0.05 . Based on these results, it can be interpreted that the information technology utilization variable has a positive effect on the quality of local government financial reports. So it can be concluded that H0 is rejected and H3 is accepted.

4. Conclusion and Suggestion

Based on the explanation and description that has been presented, the following conclusions were obtained from this research:

1. Human resource competence has a positive effect on the quality of local government financial reports. This shows that the quality of financial reports produced increases along with the level of human resource competence possessed by OPD/SKPD employees. This study concludes that OPD/SKPD employees in the former Pekalongan Residency have adequate human resource competence to produce relevant, reliable, understandable, and comparable financial reports.
2. The implementation of Government Accounting Standards has a positive effect on the quality of local government financial reports. It can be said that if the Government Accounting Standards are good, then the quality of the financial reports produced will experience an increase in quality. This study concludes that the implementation of Accounting Standards in OPD/SKPD in the former Pekalongan Residency has been running well in accordance with the principles of PSAP (Statement of Government Accounting Standards).
3. The use of technology affects the quality of local government financial reports. This can be interpreted that if the use of technology has been carried out optimally, then the quality of the financial reports produced will also be better. This study concludes that the use of information technology in OPD/SKPD in the former Pekalongan Residency is good, as evidenced by the large number of financial management employees who are already able to use computers and networks as a medium for presenting financial reports.

For further researchers, it is suggested to use a questionnaire method accompanied by oral interviews in data collection, with the aim of producing more accurate research. Further researchers are also advised to expand the study area and increase the number of respondents so that the research produced is more reliable.

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