Analysis of the Effect of Human Resources Competency, Utilization of Technological Information, and Internal Control Systems on the Value of Financial Reporting Information

Indra Lila Kusuma[1*], Maya Widyana Dewi[2], Muhammad Tho'in[3]

[1,2,3]Institut Teknologi Bisnis AAS Indonesia, Surakarta, Indonesia
*Corresponding Author: lilasofyan79@gmail.com

ABSTRACT

This research aims to determine the influence of human resources competence, utilization of information technology, internal control system to the value of financial reporting information of local government in Sukoharjo district. The number of samples used in this study was as much as 69 respondents with purposive sampling methods. The collection of data by spreading the questionnaire to several OPD in Sukoharjo district which is in the financial or accounting section, and processed using SPSS statistic 20.0. hypothesis testing using multiple linear regression analysis. The results of this study showed that the competency of human resources and the utilization of information technology, partial no significant effect on the value of financial reporting information of local governments. While internal control system has a positive and significant impact on the value of financial reporting information of local government. Simultaneously, human resources competence, utilization of information technology, and internal control system affect the value of financial reporting information of local governments.

Keywords: human resources competence, utilization of technological information, internal control system, value of financial reporting

INTRODUCTION

The financial report in the Government Regulation on Regional Financial Management mandates that regional finances must be managed professionally, economically, and in compliance with laws and regulations. With the number of years, the demands of the community are increasing for good governance, therefore the performance of Regional Apparatus Organizations (OPD) must be increased in order to produce quality financial reports. One of the requirements for the fulfillment of quality financial reports and meeting qualitative characteristics is to obtain an Unqualified opinion on Regional Government Financial Reports that have been audited by the Supreme Audit Agency (BPK). The factors that are thought to have an effect on the value of quality financial reports are the competence of human resources, the use of information technology and internal control systems

The first factor is the competence of human resources. The ability of human resources is needed, a workforce who has good competence greatly affects the results of quality financial reports. Competence is the basis for a person to achieve high performance in completing his performance. With the competence of human resources, the time for making financial reports can be saved, because the faster the financial statements are presented, the better in terms of decision making. The second factor is the use of information technology which will make it easier for someone to make and compile quality financial reports and will open up opportunities for various parties to access and manage regional financial information quickly and accurately. The third factor is the internal control system. The level of quality of a local government financial report can be determined by how good the internal control is in the local government institution itself. If the internal control is weak or low, it will be difficult to detect

fraud in the financial reporting process so that the audit evidence obtained by local governments from accounting data information will not be competent.

RESEARCH METHOD

The population in this study was the Regional Apparatus Organization (OPD) of Sukoharjo Regency, amounting to 37 with 2 respondents each. So that the total population is 74 respondents. The sampling technique uses purposive sampling technique, in which the researcher determines the sampling by determining specific characteristics in accordance with the research objectives. The special characteristics taken are employees who work as treasurers and employees who work as head of the finance department. So the total number of samples is 74 respondents from 37 OPDs in Sukoharjo Regency

The type of data in this study is primary data using a questionnaire. While the data analysis techniques used descriptive statistical tests, validity tests and reliability tests. To test the hypothesis using multiple linear regression, t test, F test and coefficient of determination

The data analysis technique used is using multiple linear regression test, previously the data was tested with the classical assumption test. The following is a multiple linear regression equation:

$$NIPK = \alpha + \beta 1 SDM + \beta 2 TI + \beta 3 SPI + e$$

Information:

NIPK   : value of financial reporting
SDM   : human resource competence
TI   : utilization of technological Information
SPI   : Internal control system
α   : constanta
β   : coefisien Regresion
e   : *Error*

Selanjutnya dilakukan uji parsial (Uji -t), uji simultan (Uji-F) dan koefisien determinasi.

RESULT AND DISCUSSION
Table 1. Description of Questionnaire Distribution

Keterangan	Jumlah	Persentase
Kuesioner yang disebar	74	100%
Kuesioner yang diisi	71	96%
Kuesioner yang mengalami outlier	2	3%
Kuesioner yang dapat diolah	69	93%

Source: Primary data processed

Based on table 1, it is known that the questionnaires distributed by researchers were as many as 74 questionnaires, and the questionnaires were filled in as many as 71 or 96%, 2 or 3% outliers were used, while the questionnaires that could be processed or filled were 69 or 93%. So that the total sample used in this study were 69 questionnaires.

Table 2. Respondent Identity Description Age Characteristic

Age	Amount	Percentage
21-30 year	8	11,5%
31-40 year	35	50,8%
41-50 year	26	37,7%
> 50 Year	0	0%
Amount	69	100%

Source: Primary data processed

Based on Table 2, it is known that the dominating respondent age is 31-40 years old as many as 35 people or 50.8%. Then there were 26 people aged 41-50 years with a percentage of 37.7%, 21-30 years old as many as 8 people or 11.5% and no respondent had an age> 50 years or equal to 0%.

Table 3. Characteristics of Gender

Gender	Amount	Percentage
Male	42	60,9%
Female	27	39,1%
Amount	69	100%

Source: Primary data processed

Based on table 3, it is known that the average gender of respondents who dominate were male as many as 42 people with a percentage of 60.9% while female respondents were 27 people with a percentage of 39.1%.

Table 4. Final Educational Characteristics

Last Education	Amount	Percentage
SMA	0	0%
D3	10	14,4%
S1	55	79,8%
S2	4	5,8%
Amount	69	100%

Source : Primary data processed

Based on table 4, it is known that most of the respondents with the last education of S1 were 55 respondents or 79.8%. Followed by 10 respondents with a D3 education or 14.42%, 4 respondents or 5.8% with S2 education, and no respondent with high school education.

Table 5. Validity Test Results

No	Variabel	Comparison of r-count and r-table	information
1	Human Resource Competence	>	valid
2	utilization of technological information	>	valid
3	internal control system,	>	valid
4	value of financial reporting	>	valid

Source: Primary data processed

Based on table 5, it can be seen that the question items of all variables have r-count> r-table, which means that all of them are declared valid

Table 6. Reability Test Result

No	Variabel	Cronbach Alpha	Information
1	Human Resource Competence	0,793	reliable
2	utilization of technological information	0,824	reliable
3	internal control system,	0,809	reliable
4	value of financial reporting	0,628	reliable

Source: Primary data processed

Based on table 6, it can be seen that the question items of all variables have a Cronbach Alpha value of more than 0.60, meaning that all of them are declared reliable.

Table 7. Normality Test Results

Variabel	Kolmogorov-Smirnov	p-value	Information
Unstandardized Residual	1,097	0,180	normally distributed data

Source: Primary data processed

Kolmogorov-Smirnov calculation results show that the significance value (p value) is 0.180> 0.05. Thus, it can be concluded that the regression model is feasible because it fulfills the assumption of normality or it can be said that the distribution of research data is normally distributed.

Table 8. Multicollinearity Test Results

Variabel	Tolerance	VIF	Information
Human Resource Competence	0,747	1,339	Multicollinearity does not occur
utilization of technological	0,723	1,383	Multicollinearity does not occur

information			
internal control system,	0,870	1,149	Multicollinearity does not occur

Source: Primary data processed

Based on Table 8 above, it shows that each variable has a VIF value less than 10 and a tolerance value greater than 0.1. This shows that there is no multicollinear problem in the regression model, so it meets the requirements of the regression analysis.

Table 9. Heteroscedasticity Test Results

Variabel	Sig	Information
Human Resource Competence	0,904	heteroscedasticity does not occur
utilization of technological information	0,090	heteroscedasticity does not occur
internal control system,	0,059	heteroscedasticity does not occur

Source: Primary data processed

Based on table 9 above, it can be seen that each variable has a significance value (p-value) > 0.05, it can be concluded that each variable does not contain heteroscedasticity, so that it meets the requirements in the regression analysis.

Hypothesis test

Tabel 10.
Results of Multiple Linear Regression Analysis

Variabel	Koefisien Regresion	Std. Error	Beta	T-count	Sig
Konstanta	17,684	3,428		5,158	0,000
SDM	0,083	0,073	0,147	1,140	0,259
TI	0,059	0,103	0,076	0,580	0,564
SPI	0,213	0,077	0,331	2,768	0,007
R					0,438
R Square					0,192
Adjusted R^2					0,155
F-hitung					5,152
F-tabel					3,140
t-tabel					1,994

Alpha	0,05

Source: Primary data processed

From the results of multiple linear regression analysis in Table 10, the following equation can be obtained:

NIPK = 17,684 + 0,083 SDM + 0,059 TI + 0,213 SPI + e

a. A constant value of 17.684 indicates that if the Competence of Human Resources, Utilization of Information Technology, and Internal Control Systems is 0, then the value of Regional Government Financial Reporting Information is 17.684.
b. The regression coefficient value of the Human Resource Competency (HR) variable is 0.083. This means that if the Human Resource Competency variable has increased by 1 unit, the Value of Regional Government Financial Reporting Information will increase by 0.083.
c. The regression coefficient value of the Information Technology Utilization (IT) variable was 0.059. This means that if the Information Technology Utilization variable has increased by 1 unit, the Value of Regional Government Financial Reporting Information will increase by 0.059.
d. The regression coefficient value of the Internal Control System (SPI) variable is 0.213. This means that if the Internal Control System variable has increased by 1 unit, the Value of Regional Government Financial Reporting Information will increase by 0.213.

Uji Simultan (Uji F)

Table 11. F Test Results

Model	Sum of Squares	Df	MeanSquare	F	Sig.
Regression	35,131	3	11,710	5,152	0,003
Residual	147,738	65	2,273		
Total	182,870	68			

Source: Primary data processed

The results of the F test above can be seen that the F-count> F-table is 5.152> 3.140 and the significance value is 0.000 <0.05. This means that all independent variables (Human Resource Competence, Utilization of Information Technology, and Internal Control Systems) simultaneously have a significant effect on the Value of Information on Government Financial Reporting.

Uji Parsial (Uji-t)

Table 12. t Test Result

Variabel	t-count	t-table	Prob	Information
Human Resource Competence	1,140	1,994	0,259	H_2 rejected
utilization of technological information	0,580	1,994	0,564	H_3 rejected
internal control system,	2,768	1,994	0,007	H_4 accepted

Source: Primary data processed

The partial test results are as follows:
a. The results of the t test for the Human Resource Competency variable have a value of t-count <t-table (1.140 <1.994) with a significance level of> 0.05 (0.259> 0.05). Therefore, H_2 is rejected, so that Human Resource Competence does not have a significant effect on the Value of Local Government Financial Reporting Information.
b. The t-test results for the Information Technology Utilization variable have a t-count value <t-table (0.580 <1.994) with a significance level of> 0.05 (0.564> 0.05). Therefore H_3 is rejected, so the Use of Information Technology has no significant effect on the Value of Information on Regional Government Financial Reporting.
c. The results of the t test for the Internal Control System variable have a value of t-count> t-table (2.768> 1.994) with a significance level of <0.05 (0.007 <0.05). Therefore, H_4 is accepted, so that the Internal Control System has a positive and significant effect on the Value of Regional Government Financial Reporting Information.

Coefficient of Determination (*Adjusted* R^2)
Table 12. The Result Of The Coefficient Of Determination

R	R Square	Adjusted R Square	Std. Error of the estimate
0,438	0,192	0,155	1,508

Resource: Primary data processed

Based on the test results of the coefficient of determination in table 4.16, the Adjusted R-Square value is 0.155 or 15.5%. This shows that the variable Value of Local Government Financial Reporting Information can be explained by the variables of Human Resource Competence, Utilization of Information Technology, and Internal Control Systems by 15.5%, while the remaining 84.5% is influenced by other factors outside the research model.

Discussion
The Effect of Human Resource Competence, Utilization of Information Technology, and Internal Control Systems on the Value of Local Government Financial Reporting Information
The results showed that the human resource competency variables, the use of information technology, and the internal control system had a simultaneous effect on the value of local government financial reporting information. From the results of the F test, it is obtained that the value of F-count> F-table, namely 5.152> 3.140 and a significance value of 0.000 <0.05, so that H_1 is accepted. This means that quality human resources in OPD Sukoharjo Regency are used optimally and the use of existing information technology is also utilized optimally, and the internal control system has been implemented effectively, so as to improve the quality of the financial reporting information value of the local government of Sukoharjo Regency.

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

The results showed that the human resource competency variable had t-value <t-table (1.140 <1.994) with a significance level of> 0.05 (0.259> 0.05). Therefore H2 is rejected, so human resource competence does not have a significant effect on the value of government financial reporting information. Assessing the competence of human resources in carrying out a function, including in terms of preparing or presenting financial reports, it can be seen from how much specific knowledge and abilities each employee has as well as the attitudes and responsibilities of each employee towards their respective duties. The knowledge and abilities of each employee can be seen from the level of education and department of employees in the accounting / financial management section at OPD Sukoharjo Regency, Central Java Province.

The attitudes and responsibilities of each employee can be seen from the job description. Job descriptions are the basis for carrying out tasks properly. Without a clear job description, these resources are not able to carry out their duties properly. However, the results of this study indicate that the condition of human resources in the financial management section of the Sukoharjo Regency government is not sufficient and has not met the regulations for writing financial statements in accordance with the criteria of accounting standards. In addition, some employees at ODP Sukoharjo Regency, Central Java Province, have not implemented the separation of duties or responsibilities properly carried out by management, so that there can still be a duplication of tasks between one employee and another.

The results of this study are in accordance with previous research conducted by Mansur, et al. (2017) which shows that human resource competence has no effect on the value of local government financial reporting information.

The Effect of Information Technology Utilization on the Value of Local Government Financial Reporting Information.

The results showed that the information technology utilization variable had a t-value <t-table (0.580 <1.994) with a significance level of> 0.05 (0.564> 0.05). Therefore H3 is rejected, so the use of information technology does not have a significant effect on the value of government financial reporting information. Based on the explanation of Government Regulation no. 56 of 2005 concerning Regional Financial Information Systems states that to follow up on the implementation of the development process in line with the principles of good governance, local governments have the obligation to develop and take advantage of advances in information technology to improve the ability to manage regional finances. The government is also obliged to channel regional financial information to public services.

However, the test results in this study indicate the use of information technology by employees in preparing local government financial reports is underutilized. This is made possible by the government that is not ready to better implement information technology systems. In the process of financial management / accounting up to the preparation of financial reports, not all of them are computerized or some are still done manually. Even though there are quite a lot of computers that are connected to the internet, the employees still cannot take full advantage of the facilities for sending information and communication. The government in Sukoharjo Regency, Central Java Province, is still not maximally utilizing existing information technology, so that in the institution there are still many employees and employees who do not maximize the convenience of this information technology.

The results of this study are in line with research conducted by Pramudiarta and Juliarto (2015) which states that the use of information technology has no effect on the value of government financial reporting information.

The Effect of Internal Control Systems on the Value of Local Government Financial Reporting Information

The results showed that the internal control system variable had a value of t-count > t-table (2.768> 1.994) with a significance level of <0.05 (0.007 <0.05). Therefore H4 is accepted, so that the internal control system has a positive and significant effect on the value of government financial reporting information. The internal control system is a way to monitor the performance of an organization's human resources and plays an important role in preventing and detecting fraud. Permendagri No. 59 of 2007 concerning Guidelines for Regional Financial Management is a process designed to provide sufficient confidence in the achievement of local government objectives which are reflected in the reliability of financial reports, efficiency and effectiveness of implementing programs and activities as well as compliance with laws and regulations.

The results of this study indicate that the internal control system in the Sukoharjo regency government, Central Java is effective and in accordance with the regulations set by the government. In preparing the financial statements, careful attention has been made to pay attention to leaks or irregularities in the financial statements. Monitoring is carried out by the leadership by always reviewing and evaluating information and making improvements so that the leadership always has a further management plan or reduces the risk of existing violations. OPD in Sukoharjo Regency, Central Java Province, has used a comprehensive system in accordance with the objectives of Government Agencies and the objectives at the activity level by looking at the risk side of external and internal factors.

The results of this study are in accordance with previous research conducted by Hendra, et al. (2012), Armando (2013), and Pramudiarta and Juliarto (2015) which states that the internal control system variables affect the value of local government financial reporting information

CONCLUSION

Based on the research results, the following conclusions can be drawn:
a. From the results of simultaneous hypothesis testing or F-test, it is obtained that the value of F-count> F-table (5.152> 3.140) with a significance value of 0.000 <0.05. These results indicate that the competence of human resources, the use of information technology, and the internal control system simultaneously (simultaneously) affects the value of local government financial information. This is because quality human resources in OPD Sukoharjo Regency and the use of existing information technology are optimally utilized, while the internal control system has been implemented effectively.
b. Human Resources Competence does not have a significant effect on the Value of Local Government Financial Reporting Information. According to the results of partial hypothesis testing or t-test, the t-count value <t-table (1.140 <1.994) is obtained with a significance level of> 0.259 (0.259> 0.05). Therefore H1 is rejected, so that human resource competence has no significant effect on the value of local government financial reporting information. From this study, the researcher saw that there was a task assignment between one employee and another in the accounting / financial management section. The multiplication of duties is due to the absence of a clear separation of duties or responsibilities which has been carried out by management as well as possible. If there is a clear separation of duties, then these resources can carry out their duties properly.

c. The use of Information Technology has no significant effect on the Value of Information on Regional Government Financial Reporting. According to the results of partial hypothesis testing or t test, the t-value <t-table (0.580 <1.994) is obtained with a significance level of 0.564> 0.05. Therefore H2 is rejected, so the use of information technology has no significant effect on the value of local government financial reporting information. During the management process to financial reporting, government employees have not made full use of information technology. This can be shown by the manual process of making up to financial reporting.

d. Internal Control System has a positive and significant effect on the Value of Local Government Financial Reporting Information. According to the results of partial hypothesis testing or t-test, the t-value> t-table (2.768> 1.994) is obtained with a significance level of 0.007 <0.05. Therefore H3 is accepted, so the internal control system has a positive and significant effect on the value of local government financial reporting information. The positive influence indicates that the better the internal control system, the better the quality of financial reporting information. From the results of research that has been done, it shows that the internal control system in the Sukoharjo Regency government has been effective so that the risk of irregularities on financial reports can be minimized.

e. The results of the calculation of the coefficient of determination (adjusted R-Square) obtained a value of 15.5%. This shows that the magnitude of the influence of human resource competence, the use of information technology, and internal control systems on the value of local government financial information is 15.5%, while the remaining 84.5% is influenced by other factors not explained in this study.

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