

Effect of Compliance with Application of Government Accounting Standards, Quality of Human Resources and Utilization of Information Technology on the Quality of Financial Statements (Survey of Tangerang City Government Regional Organizations)

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| Received: 10.05.2019 | Accepted: 18.05.2019 | Published: 30.05.2019

DOI: [10.21276/sb.2019.5.5.7](https://doi.org/10.21276/sb.2019.5.5.7)

Abstract

This study aims to analyze the effect of compliance with the application of government accounting standards, the quality of human resources and the use of information technology on the quality of financial statements, the method or type of research used in this study is quantitative research that emphasizes quantitative causality relationships that emphasize causality (Relations cause and effect). Samples to be used in this study as many as 86 employees, namely the Head of Financial Subdivision and Treasurer / Administration who are directly involved in the preparation of financial statements. The data collection technique that will be used is primary data collection by conducting direct interviews. The primary data comes from the results of data collection in the form of a questionnaire. The results of this hypothesis test show: (1) the influence of compliance with the application of government accounting standards has a positive and significant effect on the quality of financial statements, (2) the quality of human resources does not have a positive and significant effect on the quality of financial statements, (3) the use of information technology has a positive effect and significant to the quality of financial statements.

Keywords: Compliance with the application of government accounting standards, quality of human resources, utilization of information technology and quality of financial statements.

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INTRODUCTION

In this reform era, every country definitely needs a good government or can be called a good government, including Indonesia. With the passage of regional autonomy, which is part of the reform of the life of the central government to local governments, central government policies have changed some areas into regional policies, including policies in regional financial management as mandated in government regulation number 58 of 2005 concerning regional financial management.

Mandate of law no. 32 of 2004 concerning the regional government stated that the transfer of the authority of financial management to the regions created a large demand from the community to the regional government to implement good governance. The demands of the community must be responded by the government by making changes to increase accountability in the management of regional finance

that is effective, efficient, and obedient to legislation [1].

The government has consistently made efforts to improve the quality of state financial accountability with the issuance of Government Regulation Number 71 of 2010 concerning Government Accounting Standards which serves to improve the quality of performance accountability the government which came into force in 2015 as a reference for the compilers of financial statements, whether the financial statements are prepared in accordance with accounting standards and principles that must be applied in presenting quality financial statements.

Phenomena that occur in the application of Government Accounting Standards based on PP No. 71 of 2010, the head of Audit Board of the Republic of Indonesia Harry Azhar Azis [2] stated that the Regional Government was still slow in pursuing the quality of financial reports, the assessment was based on the fact that there were still a few Regional Governments whose

Financial Reports received Unqualified Opinion, quality of human resources (Antara News.Com).

Minister of Internal Affairs Tjahjo Kumolo [3] stated that the application of accrual-based accounting systems that were implemented starting in 2015 had not run optimally, there were several obstacles faced including human resources, in terms of quantity of human resources in accounting and information technology that was not adequate (Zonalima .com)

Another reality that occurs according to the Deputy Finance Minister Mardiasmo [4] that local governments and ministries / agencies are currently seeking to improve accrual-based financial reporting quality for accountability in policy making by improving the quality of Human Resources (News one media Holdings).

Compliance with the application of government accounting standards is intended to present accurate data in measuring government performance by implementing every transaction and event based on applicable government accounting standards. In government accounting standards, it can show how the government finances activities and fulfills its funding needs, allows report users to evaluate the ability of the current government to finance activities and fulfill their obligations, and more clearly shows the government's financial position and changes in its financial position. In addition, it can provide more opportunities for the government to demonstrate the successful management of the resources it manages, and is useful for evaluating government performance in terms of efficiency and effectiveness in the use of resources.

There are several studies related to the quality of financial statements, namely the effect of the application of government accounting standards based on the results of research Siska Marini Pilander *et al.*, & Ayu Eka Damayanthi states that accrual-based government accounting systems are very helpful implementation in improving the quality of financial statements [5, 6].

Related research regarding the influence of the quality of human resources on the quality of financial statements is the research conducted by Erwin Siahaya [7] which explains that the quality of HR has a positive and significant effect on the quality of local government financial reports. This research is also supported by Nurlis [8] who concluded that human resource competency has a positive influence on the quality of financial reporting. And supported by Hari Setiyawati Research (2013) regarding Internal Accountants 'Competence, Managers' Commitment to Organizations and the Implementation of the Internal Control System on Quality of Financial Reporting, the results of his research state that Internal Accountant Competence has a significant effect on Quality of Financial Reporting.

Different things found in the research of Rama Dhonal, Sri Rahayu and Yudi [9] state that the quality of human resources does not affect the reliability of financial statements and this research is supported by Syarifudin, A [10] stating that Human Resources Competence has no significant effect on the quality of Regional government financial report.

Other studies related to the influence of information technology on the quality of financial statements, namely research conducted by Liza Mutiana, Yossi Diantimala and Zuraida [11] states that information technology influences the quality of financial reports and this research is in line with Nilam Sari, Amir Hasan, and Volta Diyanto [12] which states that the utilization of information technology has a significant influence on the quality of the Regional government financial report. This is different from the results of Nurlis [8] 's research stating that the use of information technology does not affect the local quality of government financial reporting and is supported by research by Rama Dhonal, Sri Rahayu and Yudi [9] stating that information technology utilization does not affect the financial report timeline.

The research was conducted in the Tangerang City local government because the City of Tangerang was considered successful in compiling and presenting local government financial reports with the highest achievements in government accounting and financial reporting, in 2011-2015 the Audit Board of the Republic of Indonesia gave unqualified opinions (except 2014 unqualified with explanatory) on Regional government financial report Tangerang City government which shows that the Tangerang city government financial report is very good or quality (BPK RI IHPS: 2016) And again won an unqualified opinion for the eleven consecutive times of the Provincial Audit Board of the provincial representative office Banten at the submission of reports on the results of audits of the regional government financial statements for 2017. The condition is interesting for researchers to find out how much influence the compliance of the application of government accounting standards, the quality of human resources and the use of information technology on the quality of financial statements.

Based on the background described above, the researcher tries to examine the effect of compliance with the application of Government Accounting Standards on the quality of financial statements, examines the effect of the quality of human resources on the quality of financial statements, examines the effect of using information technology on the quality of financial statements.

LITERATURE REVIEW

Compliance with Application of Government Accounting Standards

Compliance

Compliance comes from obedient basic words, which according to the Indonesian language general dictionary 2008, obedience means to obey, according to the command, obey the law, obey the rules and be disciplined. Whereas compliance means obedience, obedience, submission, or obedience to the teachings or rules.

This compliance approach is used to ensure that all required governance obligations can be fulfilled without unnecessary overlapping efforts and actions from regulators [13].

Government Accounting Standards

Government Accounting Standards based on government regulation number 71 of 2010 article 1 paragraph (3) are accounting principles applied in preparing and presenting government financial reports. It can be concluded that SAP is a requirement that has legal strength in an effort to improve the quality of financial statements

According to Baldrice Siregar [14] that government accounting standards are accounting principles applied in compiling and presenting government financial reports.

From the opinions of experts above, it can be concluded that government accounting standards are the accounting principles applied in compiling and presenting government financial reports.

Principles of Government accounting standards

Principles of Government Accounting Standards based on Government Regulation of the Republic of Indonesia number 71 of 2010: 1) Base of Accounting, 2) Historical Cost, 3) Realization, 4) Substance Over Form, 5) Periodicity, 6) Consistency, 7) Full Disclosure, 8) Fair Presentation

Human Resources

Definition of human resources according to experts, according to Harsuko [15]: Human resources are human beings who work in an environment of an organization (personnel, labor, employees or employees), human potential as an activator of the organization in realizing its organization in realizing its existence and potential which is assets and function as capital (non material) in business organizations that can be realized into real potential physically and non-physically in the existence of organizations.

Quality of Human Resources

The quality of human resources based on Harsuko [15] consists of: 1). The quality of the cognitive domain, illustrated by the level of individual intelligence, 2). Affective quality, illustrated by the level of faith, character, integrity, personality, and other independence characteristics, 3). The quality of the

psychomotor domain is illustrated by the level of skill, productivity, and skill in utilizing opportunities and innovating.

Information Technology

According to Martana [16], information technology comes from two words of technology and information. The definition of information is the result of processing, manipulation and organizing or structuring from a group of data that has a knowledge value for its users. A broader definition of information technology is a technology that is used to process data, including processing, obtaining, compiling, storing, manipulating data in various ways to produce quality information.

The purpose and function of information technology

Sutarman [17] which is quoted by Dezan Firman Gunawan [18], argues that the objectives of information technology are: 1). To solve the problem, 2). To open creativity and, 3). To increase effectiveness and efficiency in doing work.

The function of information technology according to Sutarman [17] is : 1) Capture, 2) Processing, 3) Saving, 4) Retrieving, 5) Transmission.

Information Technology Grouping

According to Susanto [19] information system components can be grouped as follows: 1) Hardware, 2) Software, Software is a collection of programs that are used to run certain computer applications. 3) Human (Brainware), 4) Procedure, 5) Database, 6) Network Communication.

Financial statements

Understanding of financial statements according to Hery [20] is the result of an accounting process that can be used as a tool to communicate financial data or company activities to interested parties.

And according to Winwin and Abdullah [21] the definition of financial statements is a report that provides financial information that can be used by users as material for decision making. Quality financial reporting is financial reporting that produces output in the form of financial information that is useful for decision making.

According to Robinson *et al.*, [22] Financial reporting quality of information contained in financial reports. High quality financial report provide decision that represent the economic reality of the company.

Qualitative Characteristics of Financial Statements

According to Dwi and Mahfud [23] the regional government financial statement characteristics consist of: 1). Relevant means that the financial statements of local governments contain information

that can be linked to the intent of its users, 2). Reliable means that information in the financial statements of local governments is free from misleading and material errors, presenting every reality honestly, verifiably and neutrally, 3). Can be compared means the information contained in financial statements can be compared with previous financial statements or other local government financial statements with the terms of setting the same accounting policy, 4). Understandable, meaning that the

information presented in financial statements can be understood by users of financial statements and expressed in forms and terms that are adjusted to the limits of the user's understanding of the report.

Conceptual Framework

The thinking frame can be seen in Figure-1 below:

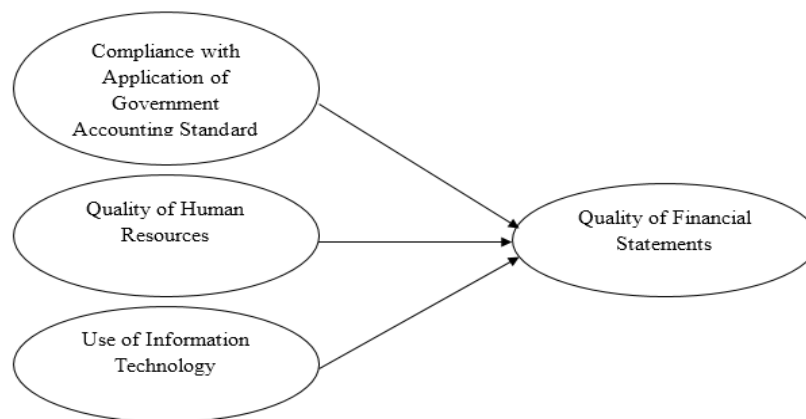


Fig-1: Conceptual Framework

Hypothesis Development

Based on the description of the discussion of the problem, theory, concept and frame of mind described above, the authors draw the research hypothesis as follows:

- Ha1: Compliance with the application of Government accounting standards influences the quality of financial statements.
- Ha2: The quality of human resources affects the quality of financial statements
- Ha3: Information technology utilization has an effect on the quality of financial statements

RESEARCH METHODS

Based on the problems studied, the method or type of research used in this study is quantitative, according to Sugiyono [24] quantitative research methods are research methods based on positivism philosophy, used to examine certain populations or samples, collecting data using research instruments, data analysis is quantitative / statistical, with the aim to test the predetermined hypothesis.

This research is a quantitative research that emphasizes causality. The causality relationship is research who wants to see whether a variable that acts as an independent variable has an influence on other variables that are the dependent variable [25].

The population in this study were employees under the financial sub-field within the Tangerang City Government Government Regional Organizations, which amounted to 228 employees.

Sugiyono [24] states that the definition of sample size is the sample size is the amount to be taken to carry out a study of a number of predetermined populations. The sample criteria that will be used by the author are: 1). Head of financial sub-division, 2). Treasurer / Assistant treasurer who is directly involved in the reporting process. Sampling in this study using nonprobability sampling method (non random selection), which will be used as samples in this study were 86 employees who are in the area of Tangerang City Government (BPKD: 2018).

Table-1: Sampling Criteria

No	Criteria	Total people
1	Research Population	228
2	Treasurer of Salary	(43)
3	Verification	(43)
4	Treasurer of Administration / Administration that is not a Respondent	(43)
5	Treasurer of Acceptance Number of Samples	<u>(13)</u> 86

RESULTS

The sample used in this study were 85 employees from 86 employees where 1 person head of the financial subfield of the Social Service had retired, judging from the rate of return of this questionnaire including very high at 98.84%. Profile Respondents based on the level of education show that the majority of employees working in the Regional Government of Tangerang City are 53 graduates or 62.35%, Postgraduate 20 people or 23.53%, followed by Diploma graduates which are 8 people or 9.41%, while who came from high school graduates there were 4 people or 4.71%. So that it can be concluded that the quality of human resources is good but not in accordance with the educational background which is in the field of Accounting and Finance.

Government Accounting Standards are measured by 8 dimensions that are reflective, which are described in the Table-2. It can be seen that compliance with the application of Government Accounting Standards has an average score of 4.34 so that it can be interpreted as very good

The quality of Human Resources is measured by 3 dimensions that are reflective, which are described in the Table-3. It can be seen that the Quality of Human Resources has a mean of 4.33 so it can be interpreted as very good.

Information Technology Utilization is measured by 5 dimensions that are reflective, which are described in the table 4. It can be seen that Information Technology Utilization has a mean of 4.42 so it can be interpreted as very good.

Financial Report Quality is measured by 5 dimensions that are reflective in nature, which are described in the Table-5. It can be seen that the Quality of Financial Statements has an average of 4.35 so it can be interpreted as very good.

Data from questionnaires distributed to respondents were processed using SPSS version 25 of 2017 which produced a statistical description of the research variables calculated based on the mean value of the respondents' answers.

Based on the results of the validity test it can be concluded that all variables consisting of Compliance with the Implementation of Government Accounting Standards, Quality of Human Resources, Use of Information Technology and quality of financial statements are valid or can be maintained because they have a correlation value above 0.213, validity of each variable can be seen in the following Table-6.

Based on the SPSS output reliability test can be seen that the value of Cronbach's Alpha is greater than 0.6 so it can be concluded that the statements in the research instrument on the X and Y variables have good reliability. Test the reliability of each variable can be seen in the following Table-7.

Based on the output on the normality test it can be seen that the regression model for the X and Y variables Kolmogorov-Smirnov Test is 0.063 and the significance value is 0.200, this means that H_0 is accepted which means the residual data is normally distributed with a significance value > 0.05 . The normality of each variable can be seen in the following table 8.

Based on the output of the multicollinearity test in table 4.6 below, it can be seen that the VIF value of each variable is less than 10 or the value of the Tolerance is greater than 0.10. So it can be concluded that this model does not occur multicollinearity in the regression model in the following Table-9.

From the graph below, it appears that the points spread randomly, do not form a clear pattern and spread both above and below the number 0 on the Y axis. This means there is no heteroscedasticity or homoskedasticity occurs in the regression model. So that a decent regression model is used to predict the quality of the report based on its independent variables in the following Figure-2.

Hypothesis testing

From the results of data processing using the SPSS version 25 program in table 4.10 above, it is known that $F_{count} = 28, 218$. When compared with the value of F_{table} using probability 0.5, the value of $F_{table} = 0.05$ ($k: n - k$) is known = $F(3: 82) = 2.72$. These results indicate that the regression model is being

tested as a whole fit, to test the overall significance, it can be seen in the following Table-10.

The t statistic test basically shows how far the influence of one variable adheres to the application of government accounting standards, the quality of human resources and the utilization of information technology individually and significantly influences the variable quality of financial statements. If the significance value is t (p-value) < 0.05 , then the alternative hypothesis is accepted and vice versa if the significance value is t (p-value) > 0.05 then the alternative hypothesis is rejected. From the results of data processing using the SPSS version 25 program in table 4.12 above, it is known that F count = 28, 218. When compared with the value of F table using probability 0.5, the value is known (t table = $t(\alpha / 2; nk-1) = t(0.025; 81) = 1.990$, it can be seen in the following Table-11.

Based on the results of testing the hypothesis H1, H2 and H3 with the t test seen in table 4.11 above, then:

a. Testing the first hypothesis (Ha1)

It is known that the Sig value for the effect of X1 on Y is $0.001 < 0.05$ and the value of t arithmetic is $3.540 > t$ table 1.990 so it can be concluded that Ha1 is accepted which means that the Compliance of Government Accounting Standards has a positive and significant effect on the Quality of Financial Statements.

b. Second Hypothesis Testing (Ha2)

It is known that the Sig value for the effect of X2 on Y is $0.149 > 0.05$ and the value of t count is $1.458 < t$ table 1.990 so it can be concluded that Ha2 is rejected which means the Quality of Human Resources does not have a positive and significant effect on the Quality of Financial Statements.

c. Third hypothesis testing (Ha3)

It is known that the Sig for the effect of X3 on Y is $0,000 < 0,05$ and the value of t count is $3,801 > t$ table 1,990 so it can be concluded that Ha3 is accepted which means that Information Technology Utilization has a positive and significant effect on the Quality of Financial Statements.

Table-2: Average Values and Categorization of Research Dimension Compliance Variable Application of Government Accounting Standards

No	Dimensions	Score	Category
1	Accounting base	4,59	Very high
2	Historical Value	4,26	Very high
3	Realization	4,17	High
4	Substance outperforms the formal form	4,21	Very high
5	Periodesitas	4,54	Very high
6	Consistency	4,34	Very high
7	Full disclosure	4,29	Very high
8	Fair Presentation	4,35	Very high
Average value		4,34	Very high

Source: Primary Data Processed

Table-3: Average Values and Categorization of Research Dimension Variable Quality of Human Resources

No	Dimensions	Score	Category
1	Intelligence	4,13	High
2	Integrity, level of faith and discipline	4,47	Very high
3	Skills, productivity and skills	4,38	Very high
Average value		4,33	Very high

Source: Primary Data Processed

Table 4: Average Values and Categorization of Research Dimension Variable Utilization of Information Technology

No	Dimensions	Score	Category
1	Hardware	4,60	Very high
2	Software	4,39	Very high
3	Human	4,31	Very high
4	Procedure	4,32	Very high
5	Network Technology	4,48	Very high
Average value		4,42	Very high

Source: Primary Data Processed

Table-5: Average Values and Categorization of Research Dimension Quality Variable Financial report

No	Dimensions	Score	Category
1	On time	4,24	Very high
2	Understood	4,45	Very high
3	Can be compared	4,20	High
4	Relevant	4,41	Very high
5	Reliable	4,43	Very high
Average value		4,35	Very high

Source: Primary Data Processed

Table-6: Validity Test Results

Variable	Dimensions	Indicator	Loading Factor	Description
Compliance with Application of Government Accounting Standards (X1)	1. Accounting Base	1. Implement accrual-based accounting standards	0,612	Valid
	2. Historical Value	1. Asset Assessment	0,537	Valid
		2. Assessment of Obligations	0,536	Valid
	3. Realization	1. Revenue Recognition	0,665	Valid
		2. Realization of Revenue	0,593	Valid
		3. Expense Recognition	0,651	Valid
		4. Shopping Recognition	0,584	Valid
5. Inventory Recognition		0,717	Valid	
6. Inventory Listing		0,723	Valid	
4. Subtitles outperform formal forms	1. Transactions are fairly presented	0,553	Valid	
	2. Other events are fairly presented	0,584		
5. Periodicity	1. Financial accounting and reporting activities are divided into reporting periods	0,537	Valid	
6. Consistency	1. Application of the same accounting method	0,688	Valid	
	2. Changes in accounting methods are disclosed in Notes to financial statements	0,636	Valid	
7. Complete disclosure	1. Information in the financial statements is presented in full	0,671	Valid	
8. Fair Presentation	1. Fair Presentation of Financial Statements	0,564	Valid	

Quality of Human Resources (X2)	1. Intelligence	1. Having knowledge and skills	0,562	Valid
		2. Expertise Training and Development	0,642	Valid
		3. Educational background	0,510	Valid
		4. Placement of employees	0,567	Valid
	2. Integrity, level of faith and discipline	1. Have responsibility	0,640	Valid
		2. Having integrity, honesty and trustworthiness	0,700	Valid
		3. Work in accordance with TUPOKSI	0,733	Valid
		4. Obey the rules and regulations	0,723	Valid
	3. Skills, productivity and skills	1. Having a mindset, perspective, and a variative approach	0,630	Valid
2. The number of qualified and capable staff at work		0,682	Valid	
Use of Information Technology (X3)	1. Hard Ware	1. Availability of Computers and supporting equipment	0,628	Valid
	1. Soft Ware	1. Availability of Accounting application software	0,680	Valid
		2. The accounting process uses the accounting application system	0,706	Valid
		3. The accuracy of the final report	0,718	Valid
		4. Integrated financial application system	0,743	Valid
	2. Humans	1. Availability of experts for system maintenance	0,806	Valid
	2. Availability of human resources who understand and carry out information technology	0,722	Valid	
Quality of Financial Statements (Y)	3. Procedure	1. Operational standards for procedures as guidelines	0,697	Valid
	4. Data Base	1. Database	0,707	Valid
	5. Network Technology	1. Support the Internet Network	0,731	Valid
		2. Simplify accessing each application.	0,788	Valid
		3. Access power speed	0,823	Valid
Quality of Financial Statements (Y)	1. Timely	1. Financial statements are presented on time	0,718	Valid
		2. Delay the process of disbursing the budget for OPD that is late in submitting financial reports	0,258	Valid
	2. Understandable	1. The financial statements contain complete, easy to understand accounting information	0,686	Valid
	3. Can be Compared	1. Financial statements can be compared with the previous period	0,753	Valid
		2. Financial statements can be compared with other work units	0,711	Valid
	4. Relevant	1. Financial reports are prepared and presented in accordance with accrual-based government accounting standards	0,816	Valid
2. Has the benefit of feedback		0,758	Valid	
5. Default	1. Honest Presentation	0,696	Valid	
	2. Don't take sides	0,818	Valid	
	3. Verifiable	0,732	Valid	
	4. Free from material errors	0,761	Valid	

Source: SPSS version 25 (2017) Processing Results

	3. Procedure	1. Operational standards for procedures as guidelines	0,697	Valid
	4. Data Base	1. Database	0,707	Valid
	5. Network Technology	1. Support the Internet Network	0,731	Valid
		2. Simplify accessing each application.	0,788	Valid
		3. Access power speed	0,823	Valid
Quality of Financial Statements (Y)	1. Timely	1. Financial statements are presented on time	0,718	Valid
		2. Delay the process of disbursing the budget for OPD that is late in submitting financial reports	0,258	Valid
	2. Understandable	1. The financial statements contain complete, easy to understand accounting information	0,686	Valid
	3. Can be Compared	1. Financial statements can be compared with the previous period	0,753	Valid
		2. Financial statements can be compared with other work units	0,711	Valid
	4. Relevant	1. Financial reports are prepared and presented in accordance with accrual-based government accounting standards	0,816	Valid
		2. Has the benefit of feedback	0,758	Valid
	5. Default	1. Honest Presentation	0,696	Valid
		2. Don't take sides	0,818	Valid
		3. Verifiable	0,732	Valid
4. Free from material errors		0,761	Valid	

Source: SPSS version 25 (2017) Processing Results

Table-7: Test Results

Variabel	Cronbach's Alpha	Critical Value	Description
Compliance with Application of Government Accounting Standards	0,883	0,60	Reliable
Quality of human resources	0,812	0,60	Reliable
Use of Information Technology	0,920	0,60	Reliable
Quality of financial statements	0,905	0,60	Reliable

Source: SPSS version 25 (2017) Processing Results

Table-8: Results of Total Normality Test Variables X and Y One-Sample Kolmogorov-Smirnov Test

N		Unstandardized Residual
Normal Parameters a,b	Mean	0,0000000
	Std. Deviation	3,41008090
Most Extreme Differences	Absolute	0,063
	Positive	0,053
	Negative	-0,063
Test Statistic		0,063
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

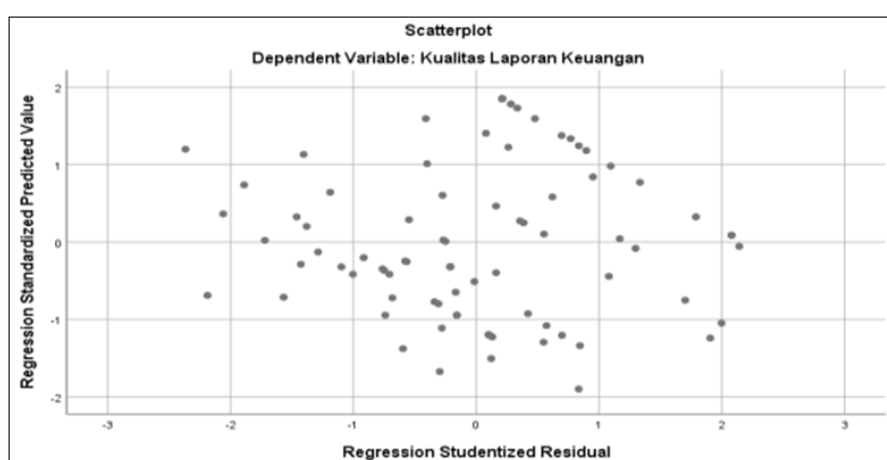
d. This is a lower bound of the true significance.

Sumber : Hasil Pengolahan SPSS versi 25 (2017)

Table-9: Total Multicollinearity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
	(Constant)	5,554	4,773		1,164	0,248		
	Compliance with Application of Government Accounting Standards (X1)	0,239	0,067	0,331	3,540	0,001	0,691	1,447
	Quality of human resources (X2)	0,180	0,123	0,145	1,458	0,149	0,612	1,635
	Use of Information Technology (X3)	0,344	0,091	0,380	3,801	0,000	0,604	1,656

Source: SPSS version 25 (2017) Processing Results

**Fig-2: Heteroscedasticity Test****Table-10: Results of Model Conformity (Test F) ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1020,887	3	340,296	28,218	.000b
	Residual	976,807	81	12,059		
	Total	1997,694	84			

Source: SPSS Version 25 (2017) Processing Results

- Dependent Variable: Quality Financial Statements (Y)
- Predictors: (Constant), Use of Information Technology (X3), SAP Compliance (X1), Quality of Human Resources (X2)

Table-11: Partial Test Results (t-Test)

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	5,554	4,773			1,164	0,248
	Compliance with Application of Government Accounting Standards (X1)	0,239	0,067	0,331		3,540	0,001
	Quality of Human Resources (X2)	0,180	0,123	0,145		1,458	0,149
	Use of Information Technology (X3)	0,344	0,091	0,380		3,801	0,000

DISCUSSION

Compliance with the application of government accounting standards has a positive and significant effect on the quality of financial statements. The quality of the Financial Report will be very good if the central government or local government obeys, submits, or complies with the rules and all the governance obligations in the preparation of financial reports which are reflected in Government Accounting Standards which are references in the compiler of financial statements.

Compliance with the application of government accounting standards guarantees that financial statements have been prepared in accordance with applicable provisions wherein the government accounting standards there are basic principles in producing quality financial reports as a provision that is understood and adhered to by the financial report compiler in carrying out its activities.

The results of the study show that the Quality of Human Resources does not affect the quality of financial statements. This happens because: 1) The lack of ability and number of staff or employees with an accounting background, most of them are not of Accounting background, based on the results of surveys, interviews and observations of the average employee with an accounting background from each Government Regional Organizations in Tangerang City, there are approximately 1 employee, while the position under the financial sub-sector usually consists of 1 financial subdivision head with 5 staff members who accompany even a high school education background., 2) Respondents in this study did not understand enough about the problem under study because they did not have an educational background in the field of Accounting. 3) Respondents in the study were not responsible for the overall Tangerang City government financial report presenters which are currently the responsibility of the Financial Management Agency Area under the administration and accounting field consolidating financial statements from 43 Government Regional Organizations in the area of Tangerang City, 4) In completing the Financial Statements of each Government Regional Organizations using an accrual-based accounting application system so that the final results of the report can only be obtained by inputting transactions and usage accounting application does not require quality Human Resources, 5) In the completion of financial statements each Government Regional Organizations is accompanied by Regional financial management and every month the Regional financial management controls for completion of reports up to the 10th of each month and delays the disbursement of activity funds for Government Regional Organizations that do not submit Financial reports on time.

With the limited quality of human resources, the Tangerang City Government again won the

Unqualified Opinion for the eleven consecutive times of the Supreme Audit Agency for the 2017 Regional Government Financial Statements, this is proof that the quality of human resources does not affect the quality of financial statements.

Based on the results of hypothesis testing shows that the use of information technology affects the quality of financial statements. The use of information technology helps various parties to utilize, manage, access financial information effectively, efficiently, accurately, reliably and on time in preparing financial reports so as to produce quality financial reports.

Indicators consist of accounting systems according to Government accounting standards, internet networks, computerized financial reports, and have Accounting software related to Government accounting standards which since 2015 the Tangerang City Government uses Accrual-based Accounting software and proved to be very positive and significant in producing quality financial reports.

CONCLUSION AND SUGGESTION

Based on the results of the study, it could be concluded that this study is able to prove the hypothesis: 1. Compliance with the Implementation of Government Accounting Standards influences the Quality of Financial Statements, this can be seen from the preparation of the Financial Statements of all Government Regional Organizations in Tangerang City government obedient, submissive or obedient to the basic principles of Government Accounting Standards which are references in compiling Government financial statements produce quality financial reports. 2. The Quality of Human Resources does not affect the Quality of Financial Statements. This occurs because of the lack of capacity and the number of staff or employees with an accounting background, the Tangerang City Government once again won a Unqualified Opinion for the eleven consecutive times from The Supreme Audit Agency for the 2017 Regional Government Financial Statements. 3. Utilization of Information Technology has an effect on the Quality of Financial Reports, meaning by using the accounting system information technology in accordance with Government Accounting Standards, internet networks, computerized financial reports, and having Accrual-based Accounting proved to be very influential in producing quality financial reports.

Based on the results of the discussion and conclusions above, the researcher can provide the following suggestions: 1. To improve the quality of the financial report of the head of the Financial Sub-Sector and employees who depend on the sub-sector of finance must have an educational background in the field of Accounting or finance and continue to carry out education and training on the latest regulations in making Government Financial Reports. 2. To improve

the Quality of Financial Reports it is necessary to increase financial applications that can accommodate the needs of the Regional Government and applications that can complement Financial Reports such as Balance Sheets, Operational Reports, Changes in Equity Reports, Budget Realization Reports, and applications provided manually. 3. In Quality Improvement of Resources Training and education given Scholarships from the Regional Government of Tangerang City to employees who have the ability and quality are not only given in the form of Training and Training.

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