



JURNAL AKSI

Akuntansi dan Sistem Informasi

<http://aksi.pnm.ac.id>

Accountability: Implications of the Effect of Understanding Government Accounting Standards and Internal Control Against Quality of Financial Statements

Latifah Sukmawati Yuniar¹⁾, Nina Yusnita Yamin²⁾ and Jurana³⁾

^{1),2),3)} Universitas Tadulako Palu

ARTICLE INFO

Keywords:

Accountability, Quality of Financial Statements, Internal Control, Government Accounting Standards

Article History:

Received: 24-06-2021

Accepted: 15-08-2021

Corresponding author:

Latifah Sukmawati Yuniar

E-mail:

latifahsukmawati90@gmail.com

ABSTRACT

This study aims to determine and analyze the influence of understanding of Government Accounting Standards (SAP) and Internal Control on the Quality of Financial Statements and their implications for accountability. The population in this study is all Regional Organization (OPD) Parigi Moutong District Government with deliberate sampling. PLS analysis is used to test both the measurement model and the structural model. The results showed that partially understanding of Government Accounting Standards and Internal Control had a positive and significant effect on the Quality of Financial Statements. While the Quality of Financial Reports also has a positive and significant effect on accountability. This shows that quality financial statements will have implications for the increasing accountability of an entity.

INTRODUCTION

Changes in the government system from centralization to decentralization encourage the need for improvements in management and accountability, so in the current era of regional autonomy the regions are given the authority to manage and manage all government affairs outside the central government's affairs, this regional autonomy is expected to improve efficiency, effectiveness and accountability [8].

In order to assess the effectiveness of the implementation of the intended plan, regional governments need to make a report on the results of the implementation of the Regional Budget to take responsibility for the implementation of local government programs.

The accountability report is one of the obligations of the regional government in the context of accountable and transparent regional financial management which is manifested in the form of financial statements. A financial report is a form of accountability for financial management of a country or region during a period [13]. Financial statements consist of Budget Realization Reports, Balance Sheets, Cash Flow Reports and Notes to Financial Statements. The preparation of the Regional Government Financial Reports (LPKD) above must be guided and based on Government Accounting Standards (SAP) [16].

Financial statements can describe the position and financial performance of an entity. the purpose of government financial reporting is

p-ISSN: 2528-6145, e-ISSN: 2541-3198 Accredited Third Grade by Ministry of Research, Technology of The Republic of Indonesia, Decree No: 148/M/KPT/2020

Cite this as: Latifah Sukmawati Yuniar, Nina Yusnita Yamin and Jurana. (2021). Accountability: Implications of the Effect of Understanding Government Accounting Standards and Internal Control Against Quality of Financial Statements. JURNAL AKSI (Akuntansi dan Sistem Informasi), 6 (2), 86-90

to resolve the decision and to show the accountability of the reporting entity for the resources entrusted to it. To create accountability, the financial statements submitted must also be of quality.[8] Local government financial statements are said to be of high quality if they fulfill 4 conditions, namely relevant, reliable, comparable and understandable [14].

Human resources are the key to the success of an agency or company because human resources in an institution have a high value due to ability, knowledge and skills. Regarding the preparation of quality regional financial reports, it is necessary to pay attention to the quality of human resources involved with the preparation of local government financial reports, the preparation of regional financial reports should be prepared by human resources who have an understanding of Government Accounting Standards [9].

Another thing that can affect the quality of local government financial reports is the internal control system. If the internal controls are implemented efficiently and effectively, the resulting financial reporting will be reliable, the assets belonging to the region will remain safe and the laws and regulations will be implemented, creating good governance. So that the internal control system is one of the factors that affect financial reporting to be more reliable [1]. The internal control system has a function to provide adequate confidence in achieving effectiveness and efficiency in the accounting process, especially in creating the reliability of financial statements. So that the implementation of an internal control system can improve reliability, objectivity of information, prevent inconsistencies and facilitate the financial statement audit process. The better the government internal control system, the better the quality of the financial reports produced by the government [7]. The elements of internal control consist of the control environment, risk assessment, control activities, information and communication and monitoring [15].

Understanding of accounting standards and internal controls affects the quality of financial statements. With the understanding of government accounting standards and internal controls can reduce the level of errors in calculations and save time in the process of preparation. Thus it is expected that the resulting financial statements can meet the information expected and be able to improve the quality of results and the availability of timely financial reports [18].

This study aims to determine and analyze the influence of understanding of Government Accounting Standards (SAP) and Internal Control

on the Quality of Financial Statements and their implications for accountability.

MATERIALS AND METHODS

This study uses quantitative descriptive research. The population in this study were all Regional Organizational Organizations (OPD) in Parigi Moutong Regency which amounted to 50 OPDs. Sampling uses purposive with the criteria for the amount of budget ceiling above 1 billion so that the sample in this study amounted to 33.

Operational variable

Dependent variable

The dependent variable in this study is Accountability. Accountability is the realization of the obligation of a government agency to account for the successful implementation of the organization's mission in achieving the goals and objectives that have been set through periodic accountability [6].

Independent variable

The independent variables in this study are:

1. Understanding of Government Accounting Standards, namely an understanding of the principles applied in an effort to improve the quality of government financial reports in Indonesia.[3]
2. Internal Control System, which is an integral process in actions and activities carried out continuously by the leadership and all employees to provide adequate confidence in achieving organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with statutory regulations legislation [15].

Intervening variable

Intervening variables are variables that affect between dependent variables into indirect relationships.[5] The intervening variable in this study is the quality of financial statements.

Data analysis

This study uses data analysis using the Partial Least Square (PLS) method. PLS is a method of solving structural equation modeling (SEM), which in this case (according to research purposes) is more appropriate than other SEM techniques such as AMOS and LISREL. The PLS model can be used when the basic design theory of the model is weak and variable indicators are not the norm [4]; further stated that PLS can be used with a large number of samples and can be applied to all data scales.

RESULTS AND DISCUSSION

This study consisted of 33 respondents, from the results of testing the respondents showed that the agency had implemented SAP well this can be seen from the average value of the SAP Variable answer of 4.77. Similarly, the Internal Control is obtained at 4.68 and the Accountability variable is 4.18; as well as the quality of the agency's financial statements, namely an average of 4.07 indicating a good response from the respondents.

Determination Coefficient of Efficiency R2

R2 value determines the predictive strength of the model. WarpPLS 6.0 provides R2 for the dependent variable in the research model. R2 values measure the relationship of latent variables (LV) in explaining variance to total variance. Table 1 shows R2 for each endogenous variable defined in the proposed theoretical model.

Table 1
Value's R2 and adjusted R2

Variable	R2	Adj R2
Quality of financial statements (KLIK)	0.350	0.307
Accountability (AKT)	0.192	0.166

Hypothesis testing

After the validity of the structural model is confirmed, the next step is to assess the path of the proposed structural model. Figure 1 shows the structural model and analytical results. Each path corresponds to each hypothesis proposed in this thesis. The test of each hypothesis is achieved by looking at the sign, size and statistical significance of the path coefficient (b) between the latent variable and the dependent variable. The higher the path coefficient, the stronger the LV effect on the dependent variable.

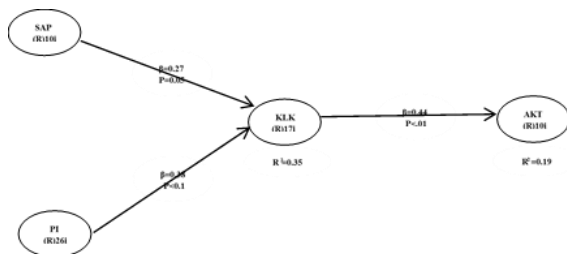


Figure 1
The results of the research model

The path coefficient shows all positive values. The following table shows the proposed hypothesis and the results are supported or not.

Table 2
Hypothesis testing

Hypothesis	Beta	SE	sig	Information
H1 : SAP on KLIK	0.266	0.104	0.046	Accepted
H2 : PI on KLIK	0.378	0.099	0.007	Accepted
H3 : KLIK on AKT	0.439	0.101	0.002	Accepted

1. SAP Variables on the Quality of Financial reports

The test results with PLS obtained for SAP variables to the Accountability coefficient have a positive direction and a significance value of 0.046. By using a significance limit of 0.05, the significance value of 0.046 is smaller than 0.05. Thus it can be concluded that the hypothesis states that SAP has a positive and significant effect on the Quality of Financial reports which means that Hypothesis 1 is accepted. The direction of the positive regression coefficient means that the application of SAP has a significant positive effect on the Quality of Financial reports.

The results of this study support the research conducted by [2], [17], [10], and [11] which states that understanding accounting standards has a positive effect on the quality of financial statements. From the results of this study, it can be concluded that when understanding government accounting standards is good, the quality of financial reports of local governments is also higher. Preparation of financial statements that are in accordance with government accounting standards are financial statements that meet the qualitative characteristics of financial statements so that the financial statements produced will be of high quality.

2. Internal Identification Variables on the Quality of Financial reports

The results of testing with PLS are obtained for the Internal Control variable (PI) on the Accountability coefficient having a positive direction and a significance value of 0.007. By using a significance limit of 0.05, the significance value of 0.007 is smaller than 0.05. Thus it can be concluded that the hypothesis which states that Internal Control has a positive and significant effect on the Quality of Financial reports which means that Hypothesis 2 is accepted. The direction of the positive regression coefficient means that internal control has a significant positive effect on the quality of financial statements. This is in line with the research conducted by [17] which shows that the internal control system has a positive and significant effect on the Quality of Financial reports.

Based on the results of this study and based on research conducted by previous researchers, it can be concluded that the higher the level of implementation of the internal control system, the higher the quality of financial reports produced by local governments. With the implementation of an internal control system, the local government will

have a clear authorization of the separation of duties. There are no government employees who function concurrently in preparing financial reports so that each function can be carried out properly and minimize unethical actions that can affect the financial statements of the local government.

3. Quality Variables of Financial Reports on Accountability

The results of testing with PLS obtained for the variable Quality of Financial reports on Accountability have a coefficient having a positive direction and a significance value of 0.002. By using a significance limit of 0.05, the significance value of 0.002 is smaller than 0.05. Thus it can be concluded that the hypothesis which states that the quality of financial statements has a positive and significant effect on Accountability means that Hypothesis 3 is accepted. The direction of the positive regression coefficient means that the Quality of Financial Reports has a significant positive effect on Accountability.

This supports the research conducted by [12] and [11] which shows that the quality of financial statements has a positive effect on the performance accountability of government agencies. Based on these results, the existence of good and quality financial statements will indicate an increase in accountability or accountability for the financial statements that have been made.

Fit model

Index model or fit which is a useful device size that is related to the quality of the model. The model index calculated by WarpPLS is the average path coefficient (APC), average R² (ARS) and average inflation variance factor (AVIF). The fit index is calculated as the average: (absolute value of) the flow coefficient in the model, the value of R² in the model, and the variation of factors in the model. WarpPLS to analyze the proposed hypothesis model. WarpPLS produces ARS, APC, and AVIF as indicators fit models.

Table 3
Fit Model Test

Size	Value	Information
ARS	0.271 (sig = 0,021 < 0,05)	Accepted
APC	0.361 (sig < 0,05)	Accepted
AVIF	1,871 < 3,3	Ideal
GoF	0,431 > 0.36	High

Based on these values indicate that the PLS model has shown a good model.

CONCLUSIONS AND SUGGESTION

Based on the analysis and discussion conducted, the results of this study can be concluded that the Understanding of Government Accounting Standards has a positive effect on the Quality of Financial Reports, Internal Control has a positive effect on the quality of financial statements and the variable quality of financial statements has an effect on Accountability.

REFERENCES

- [1] Arens, Alvin A. 2011. *Auditing dan Jasa Assurance*. Jakarta: Erlangga.
- [2] Azlim, Darwanis dan Usman A.B (2012). Pengaruh penerapan good governance dan standar akuntansi pemerintah terhadap kualitas laporan SKPD di Kota Banda aceh. *Jurnal Akuntansi Pasca Sarjana Universitas Syiah Kuala* Vol.1, No.1.
- [3] Bastian, Indra (2006). *Akuntansi Sektor Publik: Suatu Pengantar*. Jakarta: Erlangga.
- [4] Ghozali, Imam (2008). *Structural equation modeling metode alternative dengan partial least square*. Edisi 2 Semarang: Badan Penerbit UNDIP.
- [5] Indriantoro, N dan bambang S (2002). *Metodologi penelitian bisnis*. BPFE Yogyakarta.
- [6] Instruksi Presiden No. 7 Tahun 1999 tentang Akuntabilitas Kinerja Instansi Pemerintah.
- [7] Mahaputra, I. P., & Putra, I. W. (2014). Analisis Faktor-faktor Yang Mempengaruhi Kualitas Informasi Pelaporan Keuangan Pemerintah Daerah. *E-Jurnal Akuntansi Universitas Udayana*, Vol. 8, No.2, 230-244.
- [8] Mardiasmo. 2004. *Akuntansi Sektor Publik Edisi Kedua*. Yogyakarta:Penerbit Andi.
- [9] Nassarudin, Fadilah, 2008. Pengaruh Pendidikan, Pelatihan dan Pengalaman Kerja Terhadap kualitas Penyajian Informasi Akuntansi pada PT Bank Negara Indonesia, Tbk (Studi pada kantor cabang BNI di Provinsi Sulawesi Selatan): *Jurnal Icksan Gorontalo* volume 3 Nomor 1. Pp. 1411-1419.
- [10] Ningtyas, Pravitasari E. dan Dini W. (2015). Pengaruh efektifitas penerapan standar akuntansi pemerintah terhadap kualitas laporan keuangan pemerintah daerah. *Jurnal Ilmu dan Riset akuntansi* Vol.4, No.1.

- [11] Nugraeni dan M. Budiantara. (2015). Pengaruh standar akuntansi pemerintah terhadap kualitas laporan keuangan dan implikasinya terhadap akuntabilitas kinerja instansi pemerintah. *Jurnal Dinamika Ekonomi & Bisnis*, Vol.12, No,1.
- [12] Pamungkas, B. (2012). Pengaruh penerapan akuntansi sektor public dan pengawasan terhadap kualitas laporan keuangan dan implikasinya terhadap akuntabilitas kinerja instansi pemerintah. *Jurnal Ilmiah Ranggagading*, Vol.12, No.2, 82-93.
- [13] Peraturan Pemerintah No. 8 Tahun 2006 tentang Pelaporan Keuangan dan Kinerja Instansi Pemerintah.
- [14] Peraturan Pemerintah RI No. 71 Tahun 2010 Tentang Standar Akuntansi Pemerintah.
- [15] Peraturan Pemerintah Nomor 60 Tahun 2008 Tentang Sistem Pengendalian Intern Pemerintah.
- [16] Soleh Chabib dan Rohcmansjah Heru., 2010, *Pengelolaan Keuangan dan Aset Daerah*, Bandung, Fokusmedia.
- [17] Udiyanti, A.T.A dan Nyoman A.S.D. (2014). Pengaruh penerapan standar akuntansi pemerintah system pengendalian internal dan kompetensi staf akuntansi terhadap kualitas laporan keuangan pemerintah daerah. *E-Journal S1 Akuntansi Universitas Pendidikan Ganesha*, Vo.2, No.2.
- [18] Yuliani, Safrida, Nadirsyah, & Usman Bakar. 2010. *Pengaruh Pemahaman Akuntansi, Pemanfaatan Sistem Informasi Akuntansi Keuangan Daerah dan Peran Internal Auditor terhadap Kualitas Laporan Keuangan Pemerintah Daerah*. *Jurnal Telaah & Riset Akuntansi*, 3: 206-220.