The Effect of use of Regional Financial Accounting Systems (SAKD) and Government Internal Control System (SPIP) on the Quality of Regional Government Financial Statements (Survey on West Bandung District Government)

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In this study, researchers want to see how the use of the Regional Financial Information System has affected the quality of regional government financial statements, and whether it is being used to its full potential. By using or utilizing the Regional Financial Accounting System and the Government's Internal Control System, accountability will be increasingly highlighted. The used of regional financial accounting systems and government internal control systems are independent variables and the quality of local government financial reports is the dependent variable. The research method used in this study is the explanatory method. The type of data used is primary data, with the method of collecting data through questionnaires and data analysis using multiple linear regression at a significance level of 5%. The population in this study is part of the SKPD finance at the West Bandung District Government office. The number of questionnaires distributed in this study was 40 copies and the questionnaires returned were 40 copies. The results indicate that partially or simultaneously the Benefits of Regional Financial Accounting Systems and the Government's Internal Control System have a significant effect on the Quality of Local Government Financial Reports.

Key words: Quality of local government financial reports, Used of regional financial Accounting systems, Government internal control systems.
Chapter 1 Introduction

Background

Accountability is usually something that is discussed in relation to the principal / agent. Much of the literature on public accounting and public administration defines accountability in terms of the functions claimed to be carried out and the benefits claimed for their existence. (Degeling, Anderson, and Guthrie, 1996; Fatula, 2018).

In terms of the authority of each regional government, regional autonomy is the right, authority and obligation of the autonomous region to regulate and manage government affairs in the interests of the local community in accordance with the laws and regulations (Law 32/2004). The Regional Government carries out the management of the government that is in accordance with its authority, this is an profusion of authority from the central government to the regional government. (Madiasmo, 2006; Sanchez, 2018)

Still relevant is Law Number 32 of 2004 concerning Regional Governments. Both the central government and regional governments are engaged in concrete efforts to realize transparency and accountability in government financial management by submitting accountability reports in the form of financial statements. The government financial reports produced must fulfil the principles on time and be prepared by following Government Accounting Standards in accordance with Government Regulation Number 24 of 2005. Government financial reports are then submitted to the DPR / DPRD and the general public after being audited by the Supreme Audit Agency (BPK). The components of the financial statements submitted include Budget Realization Reports, Balance Sheets, Cash Flow Reports, and Notes to Financial Statements.

The regional financial report is basically an assertion or statement from the management of the local government to other parties, namely the existing stakeholders regarding the financial condition of the local government, in order to be able to provide useful and quality information to interested parties; the information presented in financial reporting must fulfill qualitative characteristics so that it can be used in decision making (Olkiewicz, 2018).

Qualitative characteristics of information in financial statements can be fulfilled with reports that are presented fairly based on generally accepted accounting principles. Fairness representation is expressed in the form of opinion by considering the conformity criteria with Government Accounting Standards (SAP); adequacy of disclosures; compliance with laws and regulations and the effectiveness of internal control (BPK, 2009). Things that might affect the quality of local government financial statements are the benefits of applying the Regional Financial Accounting System based on government accounting standards aimed at increasing accountability and reliability of government financial managers through the

The instrumental character of accountability that is emphasized here provides a starting point for an explanation that states that design practice tends to strengthen the potential for the colonization of economic and accounting discourses in public policy forums. The problem here is the limited interest and concern given to designing a system of accountability and the advantages generated that are given to the financial dimensions of the main agent relations. Thus, while much attention is paid to the issue of efficiency and disciplinary technological operations that guarantee managerial control, the problem of the effectiveness and availability of services, and the accountability of service providers to their clients, it is regulated due to consideration (Degeling, Anderson, and Guthrie, 1996).

One of the criteria for giving opinion is an evaluation of the effectiveness of SPI. Internal control of the central government and local government is designed based on Government Regulation Number 60 of 2008 concerning the Government Internal Control System (SPIP). SPI includes five control elements, namely: control environment, risk assessment, control activities, information and communication, and monitoring. SPI is declared effective if it is able to provide adequate confidence in achieving effectiveness and efficiency in achieving entity goals, reliability of financial reporting, security of state assets, and compliance with applicable laws and regulations. The created control environment should create positive behaviour and be conducive to implementing SPI designed to be able to recognize whether the SPI is adequate and able to detect weaknesses.

The weaknesses of Internal Control which are most commonly found in examining financial statements are weaknesses in accounting and reporting controls, including not / not yet done or not yet accurate and the preparation process is not in accordance with the provisions.

Based on Government Regulation (PP) Number 60 of 2008 states that internal control includes various policies, namely:

1. Related to financial records
2. Provide adequate assurance that financial statements have been prepared in accordance with government accounting standards, as well as receipts and expenditures in accordance with adequate authorization
3. Provide adequate confidence in asset security which has a material impact on the government's financial statements.
If the application of SPI runs well, the financial statements produced will have good information value, and vice versa if the implementation of SPI does not work well then the possibility of the report produced will not have good information value (Bastian, 2010).

Problems in the management and accountability of regional finance are still found in irregularities, irregularities and untruths, and even irregularities in the management of assets which have implications for the opinion of the Supreme Audit Agency (BPK) on the Regional Government Financial Statements (LKPD). Based on Law No.15 of 2004 concerning Examination of Management and Responsibility of State Finance, the BPK provides Opinions on LKPD in the form of Unqualified Opinion (WTP) or Unqualified Opinion, Fair With Exception (WDP) or Qualified Opinion, Unqualified (TW) or Adverse Opinion, and Doesn't Give Opinion (TMP) or Opinion Disclaimer (Purwita, 2013).

Table 1: List of BPK Audit Opinions for West Bandung Regency LKPD2013-2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Fair With Exceptions</td>
</tr>
<tr>
<td>2014</td>
<td>Fair With Exceptions</td>
</tr>
<tr>
<td>2015</td>
<td>Fair With Exceptions</td>
</tr>
<tr>
<td>2016</td>
<td>Fair With Exceptions</td>
</tr>
<tr>
<td>2017</td>
<td>Fair With Exceptions</td>
</tr>
</tbody>
</table>

Source: www.bpk.go.id

The table shows that the opinions given by the BPK on LKPD in West Bandung Regency in the past 5 years are reasonable with exceptions. Problems regarding assets are still a difficult problem to solve. As is known, towards the age of 12 years, West Bandung Regency Government still has thousands of assets that do not yet have certificates. Data from the KBB Regional Financial and Asset Agency mentions that of the 1,600 new fields, 40% only have certificates. A number of these assets are mostly overflows from the parent area, namely Bandung Regency. Regional asset ownership is currently only holding on to asset transfer letters from Bandung Regency. November 21, 2018 (www.Pikiran-Rakyat.com).

Another problem is related to the issue of maintenance spending that is not supported by the details. Then, the procurement of goods and services that are not in accordance with accounting. The failure of the Regional Government of West Bandung Regency in gaining WTP opinion shows that there is no progress made by the Regency Government on previous BPK recommendations. December 7, 2018 (www.m.detik.com).
Formulation of the problem

2. Does the Government's Internal Control System affect the Quality of the Financial Statements of the West Bandung Regency Government.

Chapter II
Literature Review
Theoretical basis

Financial Accounting System

According to (Tanjung, 2009) Regional Financial Accounting is:

"Regional Financial Accounting is the process of identifying, measuring, recording and reporting economic (financial) transactions from regional government entities (Regencies, Cities, or Provinces) that are used as information in the context of economic decision making by external parties of the regional governments that need it."

Permendagri Number 59 of 2007 concerning Guidelines for Regional Financial Management Article 232 says that the regional financial accounting system is:

"A series of procedures start from the process of collecting data, recording, summarizing, up to financial reporting in the framework of accountability for the implementation of the APBD which can be done manually and using Computer applications."

Based on Government Regulation No. 58 of 2005, the regional government accounting system is a series of procedures ranging from data collection, recording, summarizing, and reporting on financial position and financial operations of regional governments.

The regional government accounting system is carried out by the Regional Finance Management Officer (PPKD) based on Minister of Home Affairs Regulation 59/2007 concerning Regional Financial Management; that the regional government accounting system at least includes the following:
1) Accounting Procedure for Cash Receipts

The accounting procedure for cash receipts is carried out by the accounting function of the SKPD. The accounting function is based on evidence of cash receipt transactions recording into a cash receipt journal by including a description of the opponent's account from the cash receipt in question, and periodically the journal is posted into the account book in question.

Evidence of transactions used in cash receipt accounting procedures, according to Permendagri Number 59 of 2007, is proof of transfer, bank credit notes, transfer orders. Books that are used to record cash receipt accounting procedures include cash receipt journal books, ledgers, subsidiary ledgers.

2) Accounting Procedures for Cash.

The accounting procedure for cash receipts is carried out by the accounting function on SKPKD. The accounting function is based on evidence of cash receipt transactions taking notes into the cash receipt journal by including a description of the opponent's account from the cash receipt in question, and periodically posting the journal into the account book in question.

Evidence of transactions used in cash expenditure accounting procedures according to the Minister of Home Affairs Number 59 of 2007 is a Fund Disbursement Order (SP2D), Bank Debit Note.

Proof of transaction is completed with: Letter of Provision of Funds (SPD), Payment Order (SPM), Report of cash disbursement from expenditure treasurer, Payment receipt and receipt of goods / services. Books used to record cash expenditure accounting procedures include cash disbursement logbooks, ledgers, subsidiary books.

3) Asset Accounting Procedures

The asset accounting procedure is carried out by the accounting function on SKPKD. Accounting function based on evidence of memorial transactions. Proof of the memorial must at least contain information on the type and / or service of events. Memorial evidence is recorded in public journals, and periodically the journal is posted into the account ledger.

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Proof of transactions used in asset accounting procedures in the form of memorial evidence are accompanied by minutes of receipt of goods, declaration of deletion of goods, mutation letter of goods, news of destruction of goods, news of handover of goods, minutes of assessment, minutes of completion of work.

4) Accounting procedures other than

Accounting procedures other than cash are carried out by the accounting function SKPKD. Accounting function based on evidence of memorial transactions. Proof of the memorial must at least contain information regarding the type and / or service of events, account code, description of transactions and / or events, amount of rupiah. Memorial evidence is recorded in public journals, and periodically the journal is posted into a related account ledger. Proof of transactions used in accounting procedures other than cash in the form of memorial evidence are accompanied by minutes of receipt of goods, declaration of deletion of goods, declaration of goods mutation, minutes of destruction of goods, news of handover of items, minutes of assessment, minutes of completion of work.

5) Presentation of Financial Statements.

Mardiasmo (2002) reveals that the purpose of financial statements is made, in terms of company management, financial statements are a means of controlling and evaluating managerial and company performance. Furthermore, Mardiasmo explained that from an external viewpoint, financial statements are a form of accountability mechanism and as a basis for decision making. The financial statements consist of LRA, balance sheet, CALK, cash flow statement, operational report, report on changes in more budget balances, reports on changes in equity.

The financial accounting system is a procedure that starts from collecting data, recording data, summarizing data and then compiling and presented it in a financial report, with characteristics (Source: Ministry of Internal Affairs Number 59 of 2007).

**Definition of Internal Control**

COSO in Bodnar and Hopwood (2006) defines Internal Control, namely:

“Internal control is process- effected by on entity’s board of director, management, and other personal-designed to provide reasonable assurance regarding achievement of objectives in the following categories:
a. Readability of financial reporting
b. Effectiveness and efficiency of the operation, and
c. Compliance with applicable laws and regulations.”

Meanwhile according to the government itself, PP No. 60 of 2008 concerning the Government's Internal Control System 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, the reliability of financial reporting, safeguarding State assets, and compliance with laws and regulations.”

From these definitions an internal system and function is a control carried out by external parties to ensure the achievement of organizational goals through various effective and efficient activities and compliance with laws and laws that apply to the achievement of good governance.

**Public Financial Report**

According to PSAP No. 1 Financial Report is a structured report on financial position and transactions carried out by a reporting entity.

According to PSAK 02 Financial statements are reports that describe the financial impact of transactions and other events classified in several large groups according to their economic characteristics.

According to Bastian (2010) Public Sector financial statements are reports that represent the financial position of transactions carried out by a public sector entity.

**Use of Regional Financial Reports**

Based on Government Regulation No. 71 of 2010 concerning Government Accounting Standards (SAP), there are several main groups using government financial reports, namely:

a. Society
b. People's representatives, supervisory institutions and examining institutions
c. Parties who play a role in the process of donations, investments and loans
d. Government
Accountability and Transparency

The phenomenon that occurs in the development of Public Sector Accounting in Indonesia today is the demand for public institutions to be more accountable, both at the center and in the regions. Accountability can be translated as a form of accountability of a successful public organization or failure in carrying out its missions in order to achieve the goals and objectives that have been set in advance, through a media that will be accounted for periodically. (Stanbury, 2003).

The dimensions of public accountability include legal accountability and honesty, managerial accountability, program accountability, policy accountability, and financial accountability. Managerial accountability is the most important part of creating the credibility of local government management. Not fulfilling the principle of accountability can have broad implications. If the community considers the regional government to be not accountable, the public can demand changes in government, replacement of officials, and so on. Low levels of accountability also increase the risk of investing and reduce the ability to compete and make efficiency (Mardiasmo, 2006).

Governmental Accounting Standards Board (GASB, 1999) in Concepts Statement No. 1 on Objectives of Financial Reporting states that accountability is the basis of financial reporting in government based on the right of the public to know and receive explanations for the collection of resources and their use. The statement shows that accountability allows the community to assess government accountability for all activities carried out. Concepts Statement No. 1 also emphasizes that government financial reports must be able to assist users in making economic, social and political decisions by comparing actual financial performance with budgeted ones, assessing financial conditions and operating results, helping to determine the level of compliance with laws and regulations related to financial issues and other provisions, and help in evaluating the level of efficiency and effectiveness.

Framework

This study aims to determine whether or not the influence of the relationship of related variables, namely the quality of financial statement information with independent variables, namely the regional financial accounting system and the government's internal control system. This research framework is used to facilitate the way of thinking about the problems discussed. The following is a framework that describes the research model and the relationships between variables used in the study.
Research Hypothesis

The hypothesis proposed in this study is as follows:

H2 : The Government's Internal Control System affects the Quality of Reports Regional Government Finance.

Chapter III
Object and Research Methodology
Object of research

According to (Nuryaman and Veronica, 2015) suggesting the object of research are as follows:

“Research Objects are characteristics inherent in the subject of research. This characteristic if given a meal value the value will vary (different) between individuals with each other. In a study, the object of research is called the research variable.
Meanwhile, the subject of research in the research method is the unit of analysis or unit of observation that will be studied.”

In this study, the object of research is the Benefits of the Regional Financial Accounting System and the Government's Internal Control System. The subject of this research is the Regional Government of West Bandung Regency 2013-2017.

**Research Population and Samples**

**Research Population**

According to (Nuryaman and Veronica, 2015) are all the people, events, or something on group of people, events or something that becomes interest of researchers for investigation. From the above understanding it can be said that the population is an object or subject that is in an area that meets certain requirements related to research problems. In this study the population in the study is a part of the financial SKPD in the Regional Government of West Bandung Regency as many as 100 people.

**Research Samples**

According to (Nuryaman and Veronica, 2015) suggesting the sample is as follows :

“The sample is part of the number and characteristics of the population. If the population is large, and researchers are not likely to learn all that exists in the population, such as limited funds, energy, and time, researchers can use samples taken from that population.”

The technique that will be used in this study, researchers use probability sampling techniques. Probability sampling is a sampling technique that provides equal opportunities / opportunities for each element (member) of the population to be chosen as sample members (Sugiyono, 2017).

Then the sample in this study is 40 respondents who are part of the financial SKPD in the Regional Government of West Bandung Regency. Simple random sampling is the technique of taking members of a population sample randomly regardless of the strata in that population (Sugiyono, 2017).

**Research methods**

According to (Nuryaman and Veronica, 2015) suggesting the understanding of research methods are as follows:
“Research method is a field of science that studies scientific methods / methods in carrying out research activities. The method, among other methods of data collection, sample determination, hypothesis testing, and so on.”

**Research design**

According to (Nuryaman and Veronica, 2015) research design is a blueprint / blue print for researchers about the method procedures that will be used at each stage of research activities, namely procedures for data collection, measurement of research variables and data analysis. In this study, the plan and structure of research are made so that research problems can be solved. Then the research design is a procedure or stages of research that will be used so that this research reaches the desired thing.

**Types of research**

The data collection techniques that I use include the following:

a. Field Study is a data collection in the data obtained is primary data obtained by the author directly from the parties that have relevance to the object under study, by means of observation, namely the technique of collecting data obtained by conducting observations directly about the object to be studied and collect written data or documents needed. (Ahmad Mansur, 2011).

b. Literature Study (Library Research) is a technique of collecting data obtained is secondary data obtained by the author by studying or studying books, laws, or other sources from the internet related to the problem being studied . (Ahmad Mansur, 2011)

**Data Processing Techniques**

From the data obtained, the author will do data processing techniques that include:

a. Evaluate available data to find out how the benefits of the Regional Financial Accounting System and the Government's Internal Control System affect the Quality of Regional Government Financial Reports.

b. Perform statistical tests and hypotheses using the SPSS program. (Nuryaman and Veronica, 2015)

c. The author will draw conclusions from the results of statistical tests and hypotheses.
**Variable Measurement**

In operationalizing these variables all are measured by measuring instruments in the form of questionnaires that meet the requirements of the Likert scale type in determining the length and short an interval that is defined as a benchmark. Likert scale is one method that is designed to determine the score by giving questions to respondents and choosing one of the answers. Testing the variables studied in each answer will be given a score (Cooper, 2008) Assessment is based on the type of question, in each item given five answer choices containing the research criteria of the five alternative answers are as follows:

According to (Sekaran U., 2011) the Likert scale is designed to examine how strongly the subject agrees or disagrees with the statement on:

### Table 2: Alternative Value Scale Answer

<table>
<thead>
<tr>
<th>Alternative Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Disagree (STS)</td>
<td>1</td>
</tr>
<tr>
<td>Disagree (TS)</td>
<td>2</td>
</tr>
<tr>
<td>Simply Agree (CS)</td>
<td>3</td>
</tr>
<tr>
<td>Agree (S)</td>
<td>4</td>
</tr>
<tr>
<td>Strongly Agree (SS)</td>
<td>5</td>
</tr>
</tbody>
</table>

**Source:** (Nuryaman and Veronica, 2015)

### Table 3: Instrument Skala Likert

<table>
<thead>
<tr>
<th>Alternative Answer</th>
<th>Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Disagree</td>
<td>1</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
</tr>
<tr>
<td>Simply Agree</td>
<td>3</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>5</td>
</tr>
</tbody>
</table>

**Source:** (Sekaran U., 2011)
So that through these calculations, it can be seen the level of respondents' answers on each item question with the following interpretation:

**Gambar Garis Continuum**

**Data analysis method**

*Test Validity and Reliability Test*

**Validity test**

Validity is a measure that shows the validity and validity of an instrument (Arikunto, 2010). Validity shows how well an instrument is made measures the particular concept you want to measure. An abash measuring device will have high validity, so should it. To test the validity of a measuring instrument or research instrument, first find the value (price) of the correlation by using the product moments Pearson correlation coefficient formula, according to (Narimawati, 2010) as follows:

\[
r = \frac{n \sum XY - (\sum X)(\sum Y)}{\sqrt{n \sum X^2 - (\sum X)^2} \sqrt{n \sum Y^2 - (\sum Y)^2}}
\]

Information:
- \(r\) = Correlation Coefficient
- \(n\) = Number of Respondents
- \(Y\) = Total Yi X Total Item Score
- \(X\) = Number of Scores for Each Item \(Xi\)

After the correlation value \((r)\) is obtained, then the calculated value is calculated to test the level of validity. The research measuring instruments used according to (Narimawati, 2010) are as follows:

\[
t = \frac{r \sqrt{(n-2)}}{\sqrt{1-r^2}}
\]

Information:
- \(r\) = Correlation Coefficient
n = Number of Respondents

After the tcount is obtained, the next step is to compare the tcount value with the ttable value at a significant level of = 0.05 and the degree of freedom (dk) = n-2. The rules of decision are:

a. If tcount > ttable, then the measuring instrument or research instrument used is valid.
b. If tcount <table, then the measuring instrument or research instrument used is invalid.

But in this study item validity is measured by comparing the value of r count and r table, that is, r count can be from the output of cronbach alpha in the correlated item - total correlation column. If the value of r count> r table, then the item or question or indicator is declared valid.

**Reliability Test**

A measuring instrument is said to be reliable if the test has a level of reliability in relation to determination and consistency. Reliability refers to an understanding that an instrument is sufficiently reliable to be used as a data collection tool because the instrument is good (Arikunto, 2010). So, reliability is the level or degree of consistency of the test (accuracy). To test the reliability or reliability of a measuring instrument or instrument in this study, the alpha cronbach coefficient was used. The reliability coefficient shows the quality of the entire data collection process for research. The Cronbach alpha coefficient is shown as follows:

\[ r_{xx} = \frac{k}{k-1} \times \left( 1 - \frac{\sum S_i}{S_e} \right) \]

Information:
K = Number of manifest variables that form latent variables.
R = Average correlation between manifest variables.

The purpose of calculating the reliability coefficient is to determine the level of consistency of the respondents' answers. The magnitude of this coefficient ranges from zero to one. The greater the value of coefficient, the higher the reliability of the measuring instrument and the level of consistency of the answer.

- If r <0.20, the level of reliability is very weak, or the level of reliability is meaningless
- If r is between 0.20 - 0.40 then it is interpreted that the level of reliability is low but sure.
- If \( r \) is between 0.40 - 0.70 then it is interpreted that the level of elegance is quite significant.
- If \( r \) is between 0.70 - 0.90 then it is interpreted that the level of reliability is high.
- If \( r > 0.90 \) then it is interpreted that the level of reliability is very high.

Reliability test was carried out on measuring instruments in the form of questionnaires used in this study on independent variables and dependent variables. The reliability test for this research variable was carried out using the help of the SPSS software data processing tool.

**Testing of Classical Assumptions**

**Normality test**

Normality Test aims to test whether in a regression model, the dependent variable and the independent variable or both are normally distributed, as stated by (Indrawati, 2015) stating that:

"The normality test aims to test whether in the regression variable the disturbance or residual variable has a normal distribution. The normality test is carried out to determine the nature of data distribution which functions to determine whether the samples taken are normal or not by testing the distribution of the analysed."

**Heteroscedasticity Test**

Heteroscedasticity test is to see whether there are inequalities in variance and variable residuals to other variables. A good regression model is not heteroscedasticity (Indrawati, 2015).

**Analysis of Multiple Linear Regression**

According to (Ghozali, 2013) states that multiple linear regression analysis is as follows: "Multiple linear regression analysis is basically to test the effect of the relationship between two or more independent variables (explanatory) on one dependent variable, while also showing the direction of the relationship between independent variables and the dependent variable."

Multiple linear regression analysis will be conducted if the number of independent variables is more than one. In this study there is one dependent variable (Y) and two independent variables (X). The multiple linear regression equation according to (Sugiyono, 2017) can be formulated as follows:

\[ Y = a + b_1 X_1 + b_2 X_2 + \varepsilon \]
Information:
Y = Financial Report
A = Constant
B = Regression Coefficient
X1 = Benefits of Regional Financial Accounting Information Systems
X2 = Government Internal Control System
\[ \varepsilon \] = Error

Chapter IV
Research Results and Discussion

Research result

The data analysed in this study were as many as 40 respondents, namely employees in the Regional Government of West Bandung Regency.

Table 4: Characteristics of Respondents by Length of Work

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 years</td>
<td>15</td>
<td>37.5%</td>
</tr>
<tr>
<td>6-10 years</td>
<td>16</td>
<td>40%</td>
</tr>
<tr>
<td>11-15 years</td>
<td>1</td>
<td>2.5%</td>
</tr>
<tr>
<td>&gt; 15 years</td>
<td>8</td>
<td>20%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>40</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Data processed, 2019

Most respondents work between 6-10 years, which is as much as 40%. This shows that most employees of the West Bandung Regency Government can be quite experienced.

Table 5: Characteristics of Respondents by Position

<table>
<thead>
<tr>
<th>No</th>
<th>Education Level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Head of Sub Division of Finance</td>
<td>5</td>
<td>12.5%</td>
</tr>
<tr>
<td>2</td>
<td>financial staff</td>
<td>21</td>
<td>52.5%</td>
</tr>
<tr>
<td>3</td>
<td>Executor</td>
<td>14</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>40</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Data processed, 2019
It is known that the data of respondents who have financial staff have the highest percentage of 52.5%.

**Normality test**

<table>
<thead>
<tr>
<th>Normality test</th>
<th>One-Sample Kolmogorov-Smirnov Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unstandardized Residual</td>
</tr>
<tr>
<td>N</td>
<td>40</td>
</tr>
<tr>
<td>Normal Parameters</td>
<td>Mean</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td>Absolute</td>
</tr>
<tr>
<td></td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
</tr>
<tr>
<td>Test Statistic</td>
<td>.095</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.200^c,d</td>
</tr>
</tbody>
</table>

**Source:** Processed SPSS Output Results

The significance value is > 0.05, the data distribution can be said to be normal. At the output of this data it can be seen that the results of the normality test show a significance level greater than \( \alpha \) (\( \alpha = 0.05 \)) that is 0.200 > 0.05, which means that the data is normally distributed.

**Heteroscedasticity test**

Picture Heteroscedasticity test

By looking at the scatterplot above, it appears can be concluded that there is no heteroscedasticity in the regression model used.
Multiple Regression Analysis

Table 6: Multiple Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>4.328</td>
<td>1.391</td>
<td>3.111</td>
</tr>
<tr>
<td></td>
<td>TOTAL_ X1</td>
<td>.326</td>
<td>.092</td>
<td>.323</td>
</tr>
<tr>
<td></td>
<td>TOTAL_ X2</td>
<td>.933</td>
<td>.126</td>
<td>.672</td>
</tr>
</tbody>
</table>

a. Dependent Variable: TOTAL_Y

Source: Processed SPSS Output Results

Quality of Financial Statements = 4.328 + 0.326X1 + 0.933X2 + ε

The regression equation above is as follows:

1. Constant α = 4.328
   If the Benefits of the Regional Financial Accounting System (X1) and the Government's Internal Control System (X2) are 0, then the quality of the financial statements (Y) is worth 4.328.

2. The coefficient b1 (Benefits of the Regional Financial Accounting System) = 0.326
   The b1 coefficient value of 0.326 indicates that the benefits of the regional financial accounting system have a positive influence on the quality of financial statements. If the benefits of the regional financial accounting system increase by unit, while the other independent variables are constant, the quality of the financial statements will increase by 0.326 and if the benefits of the regional financial accounting system decrease by unit, the other variables will then decrease the quality of financial reporting 0.326.

3. The coefficient of b2 (government internal control system) = 0.933
   The b2 coefficient value of 0.933 indicates that the government's internal control system has a positive influence on the quality of financial statements. If the government's internal control system rises by unit, while other variables are constant, the quality of financial statements will increase by 0.933 and if the government's internal control system drops by unit, while other variables are constant, the quality of financial statements will decrease by 0.933.
T Test Results

The partial hypothesis testing or t test is done to find out how much influence each independent variable has on the dependent variable. Using testing criteria:

- If $t_{count} > t_{table}$ then $H_0$ will be rejected and $H_1$ will be accepted
- If $t_{count} < t_{table}$ then $H_0$ will be accepted and $H_1$ ¬ will be rejected

With a significance level of 5%. The results of t test calculations can be shown in the following table:

### Table 7: T Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>4.328</td>
<td>1.391</td>
<td>3.111</td>
</tr>
<tr>
<td></td>
<td>TOTAL_ X1</td>
<td>.326</td>
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<td></td>
<td>TOTAL_ X2</td>
<td>.933</td>
<td>.126</td>
<td>.672</td>
</tr>
</tbody>
</table>

a. Dependent Variable: TOTAL_ Y

**Source:** Processed SPSS Output Results

1. **Hypothesis 1**

$H_0$ = There is no significant positive effect on the benefits of the regional financial accounting system towards the quality of the financial statements of the West Bandung Regency Government

$H_1$ = There is a positive significant effect on the benefits of the regional financial accounting system on the quality of the financial statements of the West Bandung Regency Government.

The results of the first hypothesis test were carried out by t test partially obtained by the value of $t_{count}$ of 3.558> $t_{table}$ of 2.02809 with a significance of 0.001 <0.05, then $H_0$ was rejected and $H_1$ was accepted. So that it can be concluded that there is a significant positive effect of the benefits of the regional financial accounting system on the quality of the financial statements of the West Bandung Regency Government.
2. Hypothesis 2

H$_0$ = There is no positive significant effect of the government internal control system on the quality of the financial statements of the West Bandung Regency.

H$_1$ = There is a positive significant effect of the government's internal control system on the quality of the financial statements of the West Bandung Regency Government

The results of the second hypothesis test were carried out by t test partially obtained by the value of tcount of 7.417 > t table of 2.02809 with a significance of 0.000 <0.05, then H$_0$ was rejected and H$_1$ was accepted. So that it can be concluded that there is a positive significant effect of the government's internal control system on the quality of the financial statements of the West Bandung Regency Government.

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