

## The Influence of Implementing Accounting Information Systems, Internal Control Systems, and Human Resource Competence on the Quality of Lumajang Regency Government Financial Reports

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**Abstract:** The aim of this study is to examine the effect of implementing accounting information systems, internal control systems and human resource competencies on the Quality of Financial Statements in the Lumajang Regency Government. The population in this study was 65 Regional Device Work Units (SKPD) and the sample of this study was 195 respondents consisting of the financial department, Kasubbag, & Accounting Officer at the Lumajang Regency Regional Devices Work Unit (SKPD). The sampling method uses the purposive sampling method. Hypothetical testing uses multiple linear regression analysis with the help of social package science (SPSS) statistical software Version 26. Questionnaires distributed using the Ordinal Scale measured through the Likert scale 1-5. Based on the results of the F test in this study it can be met that a significant level of  $0.000 < 0.05$ . That is, the application of accounting information systems, internal control systems and human resource competencies simultaneously influences the quality of financial statements. The significant value of the t test for the accounting information system (X1) application variable is  $0.002 < 0.05$ , for the internal control system variable (X2) is  $0.004 < 0.05$ , for human resource competency variable (X3) is  $0.000 < 0.05$ . The significant value of the three variables  $< 0.05$  which means that the variable has a positive and significant effect on the quality of financial statements so that the hypotheses H1, H2 and H3 are accepted. Based on test results the hypothesis shows that if the application of an accounting information system, internal control systems and human resource competencies owned by all SKPDs in Lumajang Regency are good so the financial statements of the Lumajang Regency Government will also be of quality in accordance with the characteristics mandated by the Regulations Government Number 71 of 2010 is relevant, reliable, comparable and understandable.

**Keywords:** Accounting Information System, Internal Control System, Human Resources Competency Quality Financial Statements

### Introduction

Regional governments are required to prepare and present financial reports as a form of accountability for implementing the Regional Revenue and Expenditure Budget. These regulations are contained in the Government Regulation of the

Republic of Indonesia Number 8 of 2006 concerning Financial Reporting and Performance of Government Agencies. Financial reports are also a form of transparency and accountability of local governments to other parties. Financial reports are structured reports regarding the financial

position and transactions carried out by a reporting entity. Government financial reporting in Indonesia becomes This is an interesting thing to study further, because many irregularities were found by the Supreme Audit Agency in carrying out audits of government financial reports, both from the aspect of the internal control system and compliance with legislation.

Regional governments use financial reports as a medium to be accountable for their financial performance to the public, the financial report describes the activities that have been achieved in connection with the use of the budget with measurable quantity and quality so that it can explain the performance and responsibility for managing the financial budget during a certain period.

Government Regulation Number 71 of 2010 explains that those who use government financial reports are: the public, people's representatives, supervisory institutions, audit institutions, those who play a role or give in a certain stage of investment, loans and donations, investments, and the government. Government Regulation Number 71 of 2010 states that the quality characteristics of a government financial report are a normative prerequisite that is really needed so that government financial reports can provide the desired quality, namely relevant, reliable, comparable and understandable. Therefore, regional governments are responsible for presenting and

reporting quality Regional Government Financial Reports (LKPD).

One way to fulfill the characteristics of reliable financial reports is to assess regional government financial reports (LKPD) every year by the Financial Audit Agency (BPK). The audit report on the government's financial statements contains an opinion. Opinion is an auditor's professional statement regarding the fairness of financial information presented in financial reports based on criteria of conformity with government accounting standards, adequacy of disclosure (*adequate disclosures*), compliance with laws and regulations, and the effectiveness of the internal control system. There are 4 (four) types of opinions that can be given by examiners, namely unqualified opinion, qualified opinion with exceptions, unfair opinion, and no opinion (Law of the Republic of Indonesia Number 15 of 2004). Representative fairness is explained through opinions by comparing the suitability criteria between financial reports and accounting standards set by regional governments. Existing regulations are then applied in the presentation of financial reports, all disclosures and compliance with statutory regulations, and the efficiency of internal control can produce the desired and planned quality of financial reports (Badera, 2017). Based on the BPK's examination of the Lumajang Regency LKPD for 2018-2022, Lumajang Regency received WTP

opinions consecutively. Since the Lumajang Regency government implemented a full accrual basis from 2015 to 2022. Even though Lumajang Regency received a WTP opinion on its financial reports, the BPK still found several problems that received full attention, such as: land assets that did not yet have certificates, some of which were even controlled by other parties, updating taxpayer data is inadequate, the imposition of late fines is not determined and the imposition of taxes is not in an orderly manner, giving rise to a potential shortfall in BPHTB revenue in 2022 amounting to Rp285,712,390.00, Tax fines receivable for FY 2022 have not been determined and the management of PBB P2 is not orderly resulting in the loss potential income from tax fines receivables amounting to IDR 8,865,860,438.96, the Lumajang Regency Government has not yet established an Investment Property Accounting policy so that the classification of types of assets that fall into the investment property category on the balance sheet cannot be disclosed optimally in terms of characteristics and recognition methodology. (LHP BPK RI on System Internal Control and Compliance with Provisions of Legislative Regulations Number: 59.B/LHP/XVIII.SBY/05/2023).

Phenomena that occur in the Lumajang Regency SKPD include, among other things, the SKPD is still not on time in submitting financial reports to the BPKD as PPKD due to a lack of competence

in SKPD accounting officers, a lack of understanding of the operation of the Regional Financial Management Information System (SIPKD) used in regional financial administration in Lumajang Regency. By treasurers and accounting officers and a lack of order in regional financial management. In fulfilling the goals and objectives of regional apparatus, one of the indicators in improving the quality of regional financial management is achieving a WTP BPK opinion, a good Regional Financial Management Index and accuracy in submitting regional government financial reports to the Republic of Indonesia BPK (LKJ BPKD Attachment to Form E 81 of 2023).

Many studies have been carried out on the quality of financial reports, including Aldy Pratama Putra (2022), who found that the implementation of accounting information systems, internal control systems, human resource competence has an effect on the quality of OPD financial reports in Pekabbaru City. Diana Puspita, Fadli, Halimatusyadiah (2020) found that the Quality of Human Resources, Utilization of Information Technology, Understanding of Government Accounting Standards (SAP), Internal Control Systems had a positive effect on the Quality of Financial Reports in Seluma Regency. Joni Fernandes, Rilla Yulita (2022) who concluded that human resource competence and internal control have a significant and influential effect on the quality of financial reports of Padang City Government Agencies. Based on the

background of the problem described above, the problem that will be studied can be formulated, namely, how does the implementation of the Accounting Information System affect the quality of the Lumajang Regency Government's financial reports? How does the Internal Control System affect the quality of the Lumajang Regency Government's financial reports?, How does Human Resource Competency influence the Quality of Lumajang Regency Government Financial Reports? The aim of this research is to determine the effect of the implementation of the Accounting Information System, internal control system and human resource competency on the quality of the Lumajang Regency Government Financial Reports.

## **2. LITERATURE REVIEW**

### **2.1. Literature Research**

#### **Financial statements**

According to Government Regulation Number 71 of 2010, the definition of a financial report is a structured report regarding the financial position and transactions carried out by a reporting entity. According to the Financial Accounting Association (IAI) in the Statement of Government Accounting Standards (PSAP) (2015:1), the elements of government financial reports consist of budget implementation reports (Budgetary reports), financial reports, and CALK. The budget implementation report consists of LRA and SAL Change Report. Financial Reports consist of Balance Sheet, LO, LPE and LAK. Apart from that, it also includes a schedule and additional

information related to the report, for example, financial information on industrial and geographic segments and disclosure of the effect of price changes.

#### **Quality of Financial Reports**

The quality of financial reports are normative measures that need to be realized in accounting information so that it can fulfill its objectives (Government Accounting Standards , 2010: 245). Government Regulation Number 71 of 2010 explains that the qualitative characteristics financial reports are normative measures that need to be realized in accounting information so that it can fulfill its objectives. These four characteristics include: (1) relevant, (2) reliable, (3) comparable, and (4) understandable.

#### **Human Resources Competency**

According to Spencer and Spencer (1993), quoted by Sutrisno (2009:221), competence is the underlying characteristic of an individual which is linked to the results obtained in a job. Competence is a characteristic that underlies a person and is related to the effectiveness of an individual's performance in their work. Widodo (2001) in Kharis (2010) explains that human resource competency is the ability of human resources to carry out the tasks and responsibilities given to them with sufficient education, training and experience. Competent human resources will be able to understand accounting logic well.

#### **Accounting information system**

The definition of an accounting

information system according to Susanto (2004: 124) can be defined as a collection of subsystems that are interconnected with each other and work together harmoniously to process financial data into financial information needed by decision makers in the decision making process. According to Krismiaji (2010:4) an accounting information system is a system that processes data and transactions to produce information that is useful for planning, controlling and operating a business.

### **Internal Control System**

Government Regulation no. 60 of 2008 explains that the internal control system is an integral process of actions and activities carried out continuously by management and all employees to provide adequate confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, security of state assets and compliance with legislation. Rai (2011:283) states that an internal control system is policies and procedures designed to provide adequate confidence for management that the organization achieves its goals and objectives.

The relationship between accounting information systems and the quality of financial reports is also based on Government Regulation (PP) Number: 24 of 2005, the information presented in financial reports has a general purpose to meet the information needs of all user groups. The need for information about activities,

government operations and the position of assets and liabilities can be met better and more adequately if it is based on an accrual basis, namely based on recognition of the emergence of rights and obligations, not based on cash flow alone. To prepare and present Regional Government financial reports, an accounting system is needed that can accommodate information needs in the context of preparing these financial reports (BPKP, 2014:9). The Financial Accounting Standards Board (FASB) has realized that the internal control system is involved in the financial reporting process and contributes actively to creating better corporate governance practices.

To get good quality financial reports, not only an accounting system is needed, but the internal control system within the government itself must work well. The internal control system can be used as an initial indicator in assessing the performance of an entity. The internal control system will help guide the entity to run how it should. One of management's general objectives in designing an effective internal control system is to ensure reliable financial reporting (Arens, 2008:370).

The relationship between human resource competence and the quality of regional financial reports according to Wahyono (2004: 12) is in producing valuable information (reliability), here involving two main elements, namely, the information

produced and the resources to produce it. Concerning financial report information, it must be prepared in such a way that the resulting financial report has the information capacity to provide confidence that the information is correct or valid. Then it concerns the ability of human resources who will run the system or produce the information, who are required to have an adequate level of accounting expertise and or at least have the desire to continue learning and honing their abilities in the field of accounting. Here the ability of human resources themselves plays a very important role in producing valuable information (reliability).

## 2.2. Previous Research

Aldy Pratama Putra (2022) with the research title "The Influence of the Implementation of Accounting Information Systems, Internal Control Systems, and Human Resource Competence on the Quality of Financial Reports of OPDs in Pekanbaru City. With a Qualitative Descriptive Research Method. The population in this study is 43 OPDs, and the sample consists of 98 respondents. The analysis techniques used include testing data quality, testing classical assumptions, conducting multiple linear regression analysis, and hypothesis testing. The research results indicate that the implementation of accounting information systems, internal control systems, and human resource competence affects the quality of financial reports of OPDs in Pekanbaru.

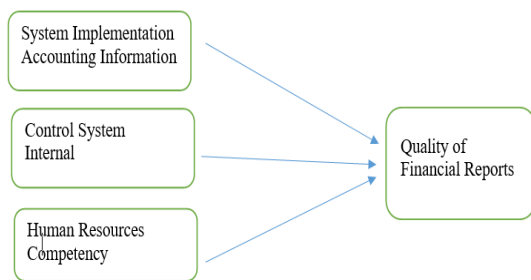
Diana Puspita, Fadli, Halimatusyadiah (2020) with the research title "The Influence of Human Resource Quality, Utilization of Information Technology, Understanding of Government Accounting Standards, and Internal Control Systems on the Quality of Financial Reports of Seluma District. The research method used is a qualitative survey method. The population in this study is 29 OPDs, with a sample of 87 respondents. The analysis techniques include testing the model feasibility (F-test results), testing the coefficient of determination (R<sup>2</sup>), and hypothesis testing. The conclusion of the research is that the quality of human resources, utilization of information technology, understanding of Government Accounting Standards (SAP), and Internal Control Systems have a positive effect on the quality of financial reports in Seluma District.

Joni Fernandes, Rilla Yulita (2022) with the research title "Human Resource Competence and Internal Control System Influence on the Quality of Financial Reports of Regional Government Agencies in Padang City. The research method used is a qualitative method. The population in this study is 42 OPDs, with a sample of 163 respondents. The analysis techniques used include testing data quality, testing classical assumptions, conducting multiple linear regression analysis, and hypothesis testing. The research results indicate that human resource competence and internal control significantly influence the quality of

financial reports of Government Agencies in Padang City.

### 2.3. Thinking Framework

The framework of thinking in this research is related to matters that influence the value of regional financial report information in the image below:



follows:

- 1) The Accounting Information System has a positive effect on the Quality of Regional Government Financial Reports
- 2) The Internal Control System has a Positive Influence on the Quality of Regional Government Financial Reports
- 3) Human Resource Competency Has a Positive Influence on the Quality of Regional Government Financial Reports

## 3. RESEARCH METHODOLOGY

### 3.1. Research Plan

This research is quantitative descriptive research by conducting hypothesis testing. Quantitative research is a research method that is based on the philosophy of positivism, and is used to research selected populations or samples, data is collected using research instruments, data analysis is statistical and aims to test predetermined assumptions or

hypotheses (Sugiyono, 2015). This research is intended to determine the influence of human resource competence, application of accounting information systems, internal control systems on the quality of financial report

### 3.2. Population and Sample

Population is a generalization area that includes an object or subject with a certain number and specifics determined by the researcher and then studied and conclusions drawn (Sugiyono, 2015). The population in this research is the Regional Work Unit (SKPD) in Lumajang Regency. The population in this research will be 65 Regional Work Units. The sample is part of the quantity and characteristics of the entire population (Sugiyono, 2015). This research used a sample of 195 respondents consisting of the finance department, Head of Subdivision, & Accounting Officers at the Lumajang Regency Regional Work Unit (SKPD). This research used purposive sampling technique in taking samples. Purposive sampling is a technique that can be used to determine research samples based on certain considerations with the aim of making the research data obtained more representative (Sugiyono, 2015). The criteria for determining the sample are:

1. Employees with civil servant and non-civil servant status.
2. Play a role in preparing financial reports for related agencies.
3. Employees who are directly involved in accounting information systems, internal control systems, and human

resource competencies in Regional Work Units.

### 3.3. Data Types and Sources

The type and source of data used in this research is primary data. Primary data is data that comes directly from research objects and respondents, both individuals and groups (Chandarin, 2018). In this research, primary data was collected using an instrument in the form of a questionnaire. This research questionnaire was distributed through a survey to the Regional Work Units (SKPD) in Lumajang Regency where there are Regional Work Units (SKPD).

### 3.4. Operational Definition of Variables and Their Measurement Scales

Research variables are anything that is determined by the researcher with the intention of studying it in order to obtain information related to something, from which conclusions can then be drawn (Sugiyono, 2015).

The variables contained in this research include:

#### 1. Dependent Variable

The dependent variable is a variable that is influenced or is a result of the existence of an independent variable (Sugiyono, 2015). The dependent variable in this research is the quality of local government financial reports (Y).

#### 2. Independent Variables (Independent)

Independent variables are variables that influence or cause changes in the

emergence of the dependent variable (Sugiyono, 2015). The independent variables of this research are human resource competency (X1), accounting information system (X2) and internal control system (X3). The operational definitions of variables and variable measurement scales can be described in the following table:

**Table 3.1. Operational Definition of Variables and Measurement Scale**

No	Variable	Understanding	Indicator	Scale
1	Quality Report Finance	Regional financial management is all activities that include planning, budgeting, implementation, administration, reporting, accountability, and monitoring Financial Reports (Setyowati, Ishika, & Pratiwi 2016).	Case scenario with the following indicators: 1. Relevant 2. Got it Rated/ Compared 3. Reliable 4. Can be understood (Setyowati, Ishika, & Pratiwi 2016)	Ordinal
2	Competence Human Resources	Source Competency Human Power is Source capabilities Human Resources for carry out assigned work and responsibilities provided through competent training, education and experience (Setyowati, Ishika, & Pratiwi 2016).	1. Knowledge 2. Skills 3. Capabilities & Experience (Setyowati, Ishika, & Pratiwi 2016).	Ordinal
3	System Information Accountancy	Accounting Information System is a subsystem or part of an organization have an obligation to providing financial information to support management in making decisions (Setyowati, Ishika, & Pratiwi 2016).	1. Grouping 2. Classification 3. Recording (Setyowati, Ishika, & Pratiwi 2016).	Ordinal
4	System Internal control	An internal control system is a procedure that is policies and procedures designed to provide adequate confidence to management that the organization achieves its goals and objectives target (Tawaqal & Suparno, 2017).	1. Effectiveness 2. Efficiency 3. Economical (Tawaqal & Suparno, 2017).	Ordinal

### 3.5. Data Analysis Methods and Hypothesis Testing

**3.5.1. Data Analysis Methods** This research is divided into four stages of analysis methods. First, data quality testing. Second, testing classical assumptions. Third, testing the coefficient of determination ( $R^2$ ) Fourth, carry out hypothesis testing. In this research, data analysis uses Regression Analysis Multiple Linear, and in data processing the help of the SPSS program (*Statistical Product and Service Solutions*) version 26.0. The form of the statistical model

used is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where :

X1 = Human Resources Competency

X2=Implementation of Accounting Information Systems

X3 = Internal Control System

Y = Quality of Financial Reports

$\alpha$  = Constanta

$\beta(1,2,3)$  = Regression Coefficient

$\varepsilon$  = Nuisance Variable

### 3.5.2. Data Quality Testing

Research conclusions in the form of answers or solutions to research problems are made based on the results of data testing which includes selecting, collecting and analyzing data. Therefore, conclusions depend on the quality of the data analyzed and the instruments used to collect research data. The data quality tests are as follows:

#### 1) Validity Test (Accuracy)

The validity of research data is determined by an accurate measurement process. A measurement instrument is said to be valid if the instrument measures what it is supposed to measure, in other words the instrument can measure the construct in accordance with what the researcher expects. In this research, validity testing was measured using the correlation coefficient method (*person correlation*). If the correlation between each indicator variable is significant, it is declared valid. In significant at the 0.01 level (Ghozali, 2013)

#### 2) Reliability

For the reliability test, which is indicated by the Cronbach Alpha value of each variable, results obtained were  $> 0.6$ . This shows that the instrument used in this research is reliable.

### 3.5.3. Classical Assumption Testing

The regression model will produce a good unbiased estimator if it meets the classical assumptions, namely free from autocorrelation, multicollinearity and heteroscedasticity and the data distribution pattern must be normal. If the classical assumptions are not met then the variables used will be inefficient. There are 3 classic assumption tests that must be considered, namely:

#### 1) Normality Test

This test aims to see whether the data used follows a normal distribution pattern or not. Because a good model the data must follow a normal distribution pattern. The opinion of statisticians states that if the sample size is equal to or more than 30, it is assumed that the data follows a normal distribution pattern. However, in this study a normality test was still carried out. Normality testing was carried out using a one-sample test *kolmogorove smirnov* and *normal P-Plot regression*.

#### 2) Multicollinearity

The main purpose of this test is to test whether the existing independent variables really have a close relationship with the dependent variable. A regression model contains multicollinearity if there is a perfect relationship

between the independent variables. The consequence is that the standard error of the estimate will tend to increase with increasing independent variables. The significance level used to reject the null hypothesis will be greater and the probability of accepting the wrong hypothesis will also be greater, so that the regression model obtained is not valid for estimating the value of the independent variable. Multicollinearity free regression model if (Santoso, 2014):

- a. Has value *Variance Inflation Factor* (VIP) is less than 10
- b. Has numbers *Tolerance* greater than 0.10

### 3) Heteroscedasticity

Heteroscedasticity is defined as the difference in variance for independent variables tested in different settings. Testing was carried out using the Glajser test.

#### 3.5.4. Testing the Coefficient of Determination

( $R^2$ ) Coefficient of determination ( $R^2$ ) is a coefficient that shows how much the independent variable can explain the dependent variable. The greater the value of the coefficient of determination, the better the independent variable is at explaining the dependent variable, which means the regression equation is good for estimating the value of the dependent variable. The decision making in the heteroscedasticity test using the Glejser test is:

- 1) If the significance value (Sig) is  $> 0.05$  then the conclusion is that

there are no symptoms of heteroscedasticity in the regression model

- 2) On the other hand, if the significance value (Sig)  $< 0.05$  then the conclusion is that there are symptoms of heteroscedasticity in the regression model

#### 3.5.5. Hypothesis test

Hypothesis testing is used to explain the direction of the relationship between the independent variable and the dependent variable. The hypothesis in this research is influenced by the significance value of the coefficient of the variable in question after testing. Hypothesis testing in this research uses:

##### 1) Simultaneous Test (F Statistical Test)

The F test is used to find out whether the independent variables together or simultaneously influence the dependent variable. The significance level used in the F test is  $\alpha = 5\%$ , which means the possibility of error can only be less than or equal to 5%. If it is more than 5% or 0.05 then the variable is not suitable for use.

##### 2) Partial Test (t Statistical Test)

The t statistical test basically shows how far the influence of a dependent variable is in explaining the dependent variable. Testing was carried out using *significance level* 0.05 ( $\alpha = 5\%$ ). Acceptance or rejection of the hypothesis is carried out using the following criteria:

- a) If the significant value is  $> 0.05$  then the hypothesis is rejected (the

regression coefficient is not significant). This means that partially the independent variable does not have a significant influence on the dependent variable.

b) If the significant value is  $<0.05$  then the hypothesis is accepted (significant regression coefficient). This means that partially the independent variable has a significant influence on the dependent variable.

#### 4. RESEARCH RESULTS AND DISCUSSION

##### Research result

##### 1. Data Quality Testing

##### Validity test

Validity test is used to measure whether a questionnaire is valid or not. If the questions in the questionnaire can reveal several elements that need to be measured, then the questionnaire is said to be effective.

Table 4.1. Validity Test Results

Variable	Item	Mark r-count	Mark r-table	Mark Let's count	Mark say valid	Information
System Implementation Accounting Information (X1)	X1.1	0,775	0,2104	0,000	$<0,05$	Valid
	X1.2	0,827	0,2104	0,000	$<0,05$	Valid
	X1.3	0,796	0,2104	0,000	$<0,05$	Valid
	X1.4	0,780	0,2104	0,000	$<0,05$	Valid
	X1.5	0,765	0,2104	0,000	$<0,05$	Valid
	X1.6	0,833	0,2104	0,000	$<0,05$	Valid
	X1.7	0,833	0,2104	0,000	$<0,05$	Valid
	X1.8	0,835	0,2104	0,000	$<0,05$	Valid
	X1.9	0,796	0,2104	0,000	$<0,05$	Valid
	X1.10	0,762	0,2104	0,000	$<0,05$	Valid
Internal Control System (X2)	X2.1	0,767	0,2104	0,000	$<0,05$	Valid
	X2.2	0,720	0,2104	0,000	$<0,05$	Valid
	X2.3	0,710	0,2104	0,000	$<0,05$	Valid
	X2.4	0,733	0,2104	0,000	$<0,05$	Valid
	X2.5	0,779	0,2104	0,000	$<0,05$	Valid
	X2.6	0,789	0,2104	0,000	$<0,05$	Valid
	X2.7	0,736	0,2104	0,000	$<0,05$	Valid
	X2.8	0,646	0,2104	0,000	$<0,05$	Valid
Human Resources Competency (X3)	X3.1	0,742	0,2104	0,000	$<0,05$	Valid
	X3.2	0,793	0,2104	0,000	$<0,05$	Valid
	X3.3	0,730	0,2104	0,000	$<0,05$	Valid
	X3.4	0,639	0,2104	0,000	$<0,05$	Valid
	X3.5	0,790	0,2104	0,000	$<0,05$	Valid

	X3.6	0,642	0,2104	0,000	$<0,05$	Valid
	X3.7	0,763	0,2104	0,000	$<0,05$	Valid
	X3.8	0,645	0,2104	0,000	$<0,05$	Valid
Report Quality Finance (Y)	Y1	0,575	0,2104	0,000	$<0,05$	Valid
	Y2	0,639	0,2104	0,000	$<0,05$	Valid
	Y3	0,667	0,2104	0,000	$<0,05$	Valid
	Y4	0,629	0,2104	0,000	$<0,05$	Valid
	Y5	0,576	0,2104	0,000	$<0,05$	Valid
	Y6	0,576	0,2104	0,000	$<0,05$	Valid
	Y7	0,645	0,2104	0,000	$<0,05$	Valid
	Y8	0,534	0,2104	0,000	$<0,05$	Valid
	Y9	0,539	0,2104	0,000	$<0,05$	Valid
	Y10	0,535	0,2104	0,000	$<0,05$	Valid
	Y11	0,441	0,2104	0,000	$<0,05$	Valid

From the table above, we can see that the results of the calculations were carried out on 10 statement items used for variable X1 (Application of Accounting Information Systems), 8 statement items used for variable X2 (Internal Control System), 8 statement items used for variable X3 (Human Resource Competence) and 11 statement items used for variable Y (Quality of Financial Reports) so it can be concluded that From the statement above it can be declared valid, because the calculated r is  $>$  the r table value, the r table value is 0.2104 with the significance of the 4 variables being less than 0.05, namely sig 0.000.

##### Reliability Test

Table 4.2. Reliability Test Results

Variable	Cronbach's Alpha	Reliable Standards	N of Items	Information
Implementation of Accounting Information Systems (X1)	0,937	$> 0$	10	Reliable
Internal Control System (X2)	0,877	$> 0$	8	Reliable
Human Resources Competency (X3)	0,864	$> 0$	8	Reliable
Quality of Financial Reports (Y)	0,765	$> 0$	11	Reliable

Based on table 4.2 above, it shows that the items from the statement for each variable X1 (Application of Accounting Information Systems),

X2 (Internal Control System), > 0.60. So the data from the questionnaire used in this research is suitable for further testing.

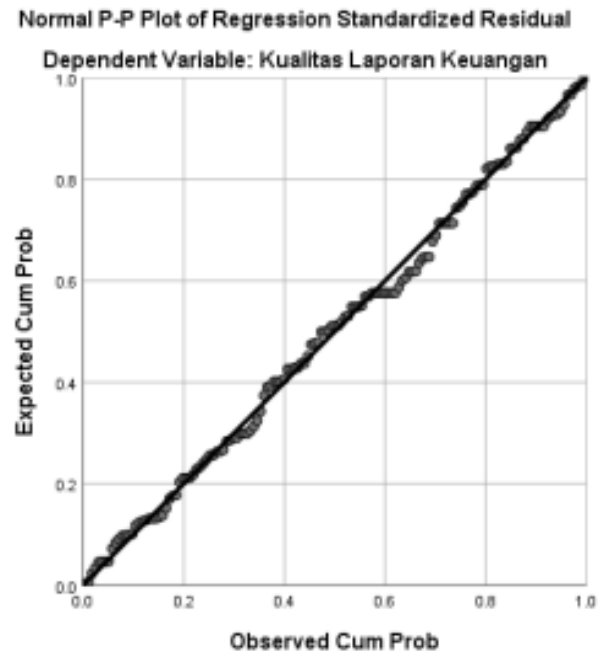
## 2. Classical Assumption Testing Normality Test

Table 4.3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		149
Normal Parameters <sup>a,b</sup>	Mean	0,0000000
	Std. Deviation	2,66171480
Most Extreme Differences	Absolute	0,048
	Positive	0,048
	Negative	-0,030
Test Statistic		0,048
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Based on the table above, the normality test on the Kolmogorov-Smirnov column can be seen that the value of Asymp.Sig. (2tailed) of 0.20 > 0.05. So it can be concluded that the residual data is normally distributed. This normality test can also be seen in the graphic distribution of the data in a normal probability plot. Data is said to be normal if there is a distribution of points around the diagonal line and the distribution follows the direction of the diagonal line. So if there is a distribution of points around the diagonal line and the distribution follows the direction of the diagonal line, the regression model meets the normality

assumption. The following is a normal probability plot graph.



## Multicollinearity Test

Table 4.4. Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		Keterangan
	B	Std. Error				Beta	Tolerance	
1 (Constant)	4,071	2,867		1,420	0,158			
Implementation of Accounting Information Systems	0,241	0,075	0,235	3,203	0,002	0,504	1,985	There is no multicollinearity
Internal Control System	0,328	0,111	0,240	2,942	0,004	0,408	2,451	There is no multicollinearity
Human Resources Competency	0,556	0,108	0,401	5,146	0,000	0,449	2,228	There is no multicollinearity

a. Dependent Variable: Quality of Financial Reports

If the multicollinearity test can be concluded that there are no symptoms of multicollinearity between the independent variables in this study, the tolerance value for each independent variable is > 0.10 and the VIF value is < 10 where the tolerance value of X1 (Application of Accounting Information Systems) is 0.504 which shows that this value is

greater than 0.10, X2 (Internal Control System) is 0.408 which indicates that this value is greater than 0.10, for the VIF tolerance value X1 (Application of Accounting Information Systems) is 1.985 which shows that this value is smaller than 10, X2 (Internal Control System) is 2.451 which shows that this value is smaller than 10, Human Resource Competency) is 2,228 where the value is small from 10 then it can be concluded that there are no multicollinearity symptoms in this study.

### Heteroscedasticity Test

Table 4.5. Heteroscedasticity Test Results

Model	Coefficients <sup>a</sup>						Keterangan
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Statistik uji	
	B	Std. Error	Beta				
1 (Constant)	2,379	1,733		1,373	0,172		
Implementation of Accounting Information Systems	0,068	0,046	0,174	1,502	0,135	0,050	There are no symptoms of heteroscedasticity
Internal Control System	-0,116	0,067	-0,222	-1,729	0,086	0,050	There are no symptoms of heteroscedasticity
Human Resources Competency	0,023	0,065	0,043	0,352	0,726	0,050	There are no symptoms of heteroscedasticity

a. Dependent Variable: Quality of Financial Reports

So from the table above it is known that the significance value of the three independent variables is more than 0.05, where for variable X1 (Application of Accounting Information Systems) is 0.135, X2 (Internal Control System) is 0.086 and conclude that the data used in this research is free from heteroscedasticity.

### Multiple Linear Regression Analysis

Table 4.6. Multiple Linear Regression Test Results

Model	Coefficients <sup>a</sup>					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1 (Constant)	4,071	2,867		1,420	0,158	
Implementation of Accounting Information Systems	0,241	0,075	0,235	3,203	0,002	
Internal Control System	0,328	0,111	0,240	2,942	0,004	
Human Resources Competency	0,556	0,108	0,401	5,146	0,000	

a. Dependent Variable: Quality of Financial Reports

Based on the results of data processing with SPSS, the multiple linear regression equation obtained is as follows:

$$Y = 4,071 + 0,241X_1 + 0,328X_2 + 0,556X_3 + e$$

1. The constant value ( $\alpha$ ) is 4.071, indicating that without independent variables (understanding of accounting, use of accounting information systems, implementation of government accounting standards and internal control systems), the quality of regional financial reports would be 4.071.

2. The regression coefficient for the Accounting Information System Application variable (X1) is 0.241, this shows that every time there is an increase in the Accounting Information System Application variable by 1%, the quality of financial reports increases by 0.241.

3. The regression coefficient for the Internal Control System variable (X2) is 0.328, this shows that every time there is an increase in the Internal Control System variable by 1%, the quality of financial reports increases by 0.328.

4. The regression coefficient for the Human Resources Competency variable (X3) is.

### 3. Testing the Coefficient of Determination (R<sup>2</sup>)

Table 4.7. Coefficient of Determination Test Results (R<sup>2</sup>)

Model	Model Summary <sup>b</sup>			
	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.778 <sup>a</sup>	0,606	0,597	2,68911

a. Predictors: (Constant), Human Resource Competency, System Implementation Accounting Information, Internal Control System

b. Dependent Variable: Quality of Financial Reports

Based on table 4.7 above, it is known that the R-Square value is 0.606, which means that 60.6% of the variation in the quality of financial reports can be explained by variations in X1 (Application of Accounting Information Systems), X2 (Internal Control Systems) and X3 (Source Competence Human Power) simultaneously. Meanwhile, the remaining 39.4% is influenced by variables from outside the model.

#### 4. Hypothesis Testing

Statistical test f

Table 4.8. Statistical Test Results f

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1610,051	3	536,684	74,217	.000 <sup>b</sup>
	Residual	1048,539	145	7,231		
	Total	2658,591	148			

a. Dependent Variable: Quality of Financial Reports

b. Predictors: (Constant), Human Resource Competency, Implementation Accounting Information Systems, Internal Control Systems

Based on the F test results in table 4.8 above, it can be seen that the significance level is  $0.000 < 0.05$ . This means that X1 (Application of the Accounting Information System), X2 (Internal Control System) and X3 (Human Resource Competency) simultaneously influence the quality of financial reports.

Statistical test t

Table 4.9. Results of the t statistical test

Model	Coefficients <sup>a</sup>				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients Beta			
	B	Std. Error				
1 (Constant)	4,071	2,867		1,420	0,158	
Implementation of Accounting Information Systems	0,241	0,075	0,235	3,203	0,002	
Internal Control System	0,328	0,111	0,240	2,942	0,004	
Human Resources Competency	0,556	0,108	0,401	5,146	0,000	

a. Dependent Variable: Kualitas Laporan Keuangan

Based on the t test results in the table above, it can be seen that:

1. The significant value for the Accounting Information System Implementation variable (X1) is  $0.002 < 0.05$ . This means that the variable Application of Accounting Information Systems (X1) has a positive effect on the quality of financial reports so that hypothesis H1 is accepted.
2. The significant value for the Internal Control System variable (X2) is  $0.004 < 0.05$ . This means that the Internal Control System variable (X2) has a positive and significant effect on the quality of financial reports so that hypothesis H2 is accepted.
3. The significant value for the Human Resources Competency variable (X3) is  $0.000 < 0.05$ . This means that the Human Resource Competency variable (X3) has a positive and significant effect on the quality of financial reports so that hypothesis H3 is accepted.

#### Discussion of Research Results

##### Discussion of Research Results on the Effect of Implementing an Accounting Information System on the Quality of Lumajang Regency Government Financial Reports

The significant value for the Accounting Information System Implementation variable is  $0.002 < 0.05$ . So it is concluded that the implementation of the Accounting Information System has an effect on the quality of the Lumajang Regency Government's financial reports. In

theory, the results of this research are in line with research conducted by Aldi Pratama Putra, (2022) which states that the implementation of an accounting information system has an effect on the quality of financial reports. This shows that the use of the accounting information system owned by Lumajang Regency, in this case SIPKD (Regional Financial Management Information System) plays a very important role in preparing Regional Government Financial Reports

that are Relevant, comparable, understandable and reliable, especially for year-end financial reports. which was submitted to BPK RI for an audit of the accountability for implementing the Lumajang Regency APBD. Based on the results of the analysis carried out by the author, it reflects that the accounting officers, treasurers and Heads of Subdivisions in each SKPD of the Lumajang Regency Government already understand and use SIPKD (Regional Financial Management Information System) well in preparing financial reports as indicated by Achieved a WTP (Unqualified) opinion on the financial reports of the Lumajang Regency regional government in 2022 by BPK RI.

#### **Discussion of Research Results on the Effect of Internal Control Systems on the Quality of Lumajang Regency Government Financial Reports**

The significant value for the Internal Control System variable is  $0.004 < 0.05$ . So it can be concluded

that the Internal Control System has a significant effect on the quality of regional financial reports. In theory, the results of this research are in line with research by Diana Puspita et al (2020) which states that the internal control system influences the quality of financial reports. This shows that the efficiency of leadership in examining accounting records in each SKPD, effectiveness in analyzing risks completely and comprehensively regarding the possibility of violations of an accounting system in each SKPD and adequate supervision in accounting practice activities in each SKPD really need to be emphasized by all SKPD heads in Lumajang Regency Government agencies in order to maintain the quality of the Lumajang Regency Government's financial reports in accordance with Government Regulation No. 71 of 2010 which are relevant and reliable.

#### **Discussion of Research Results on the Effect of Human Resource Competency on the Quality of Lumajang Regency Government Financial Reports**

The significant value for the Human Resources Competency variable is  $0.000 < 0.05$ . So it can be concluded that Human Resource Competency has a significant positive effect on the quality of regional financial reports. In theory, this research is in line with research by Joni Fernandes et al, (2022) which states that human resource competency influences the

quality of financial reports. The Lumajang Regency Regional Government must be selective in the employee recruitment process, provide regular training and development for employees, and give awards to ASN who have good competencies so that the competency of human resources in the Lumajang Regency regional government will increase. The Regional Financial Management Agency (BPKD) is one of the agencies in Lumajang Regency which has the task and function of fostering accounting, reporting and accountability for the Lumajang Regency government. SKPD in Lumajang Regency by bringing in expert sources from IAI (Indonesian Accountants Association) and from BPK RI (Financial Audit Agency of the Republic of Indonesia).

#### **Discussion of Research Results on the Effect of Implementing Accounting Information Systems, Internal Control Systems and Human Resource Competence on the Quality of Lumajang Regency Government Financial Reports**

Based on the F test results in table 4.8 above, it can be seen that the significance level is  $0.000 < 0.05$ . The conclusion is that X1 (Application of Accounting Information Systems), X2 (Internal Control System) and X3 (Human Resource Competency) simultaneously influence the quality of financial reports.

## **5. CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusion**

Based on the test results and discussion described previously, it can be concluded that the simultaneous implementation of the accounting information system, internal control system and human resource competency influences the quality of the Lumajang Regency Government's financial reports so that the three hypotheses proposed by the author can be accepted.

Based on the results of hypothesis testing, it shows that if the implementation of the accounting information system, internal control system and human resource competency possessed by all SKPD in Lumajang Regency is good then the financial reports of the Lumajang Regency Government will also have quality in accordance with the characteristics mandated in Government Regulation Number 71 2010, namely relevant, reliable, comparable and understandable.

### **Suggestion**

1. Employees in Lumajang Regency Government agencies are expected to continue to maintain and improve their understanding of accounting related to the preparation of financial reports in accordance with Government Accounting Standards (SAP)
2. BPKD, which has the task and function of fostering accounting, reporting and accountability for the Lumajang Regency government, is expected to continue to improve guidance

and teaching to employees in charge of regional financial management, especially for accounting officers and property managers who are closely related to preparing regional government financial reports.

3. For future researchers, it is recommended to further expand the scope of the objects to be studied and to re-test this research model by adding other variables that influence the quality of financial reports.

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