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The impact of government internal control system (SPIP) and human resources competence on the quality of regional government financial reports (case study on OPD Jember regency)

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Abstract

Governance is one of the measuring points of a country's success for the welfare of its people, for this reason, good quality financial reports are needed to realize this goal. Thus this study measures the influence of HR competence and the influence of the government's internal control system on the financial reports of the Jember district government. The participants in this study were financial industry workers sector at the OPD of Jember Regency and the sample in this study was 25 OPD with 100 respondents. Purposive sampling was the method employed for sampling in this investigation, namely information taken from sources that were deliberately selected based on criteria determined by the researcher. This study directly visits the Jember Regency OPD to collect primary data. The measurement in this study employs a Likert scale with four options of scales that have a gradation from strong disagreement to strong agreement. The t-test, the coefficient of determination test, and the t-test were utilized in this study's data analysis along with other descriptive analytic techniques, data quality tests, traditional assumption testing, and hypothesis tests with multiple linear regression techniques. The research shows that the competence of HR and SPIP has a considerable impact on the Jember district government's financial reports' quality.

Keywords: Competent HR, SPIP, Quality of Financial Reports from Local Government.

1. Introduction

The government is one of the measuring points for the success of a country that will prosper its people, so the government is required to carry out its duties properly (good governance). Good government performance will also produce good results for the people and the country. The government is required to present financial reports in accordance with Government Regulation No. 71 of 2010. Financial reports that are pertinent, dependable, comparable, and understandable are considered qualified financial reports in accordance with Government Regulation No. 71 of 2010.

The government requires competent human resources able to create financial reports that adhere to Government Regulation No. 72 of 2010. HR can be said to be competent if the HR can understand the field of government accounting and understand government organizations. According to Havesi (2005), Someone who possesses the abilities, knowledge, and behaviours necessary for carrying out work is said to be competent. Competent human resources can limit infractions and errors in the creation of financial reports and can accomplish their work successfully, efficiently, and affordably.

This research was conducted because of a disclaimer opinion, the BPK (Financial Audit Agency) did not provide an opinion (TMP) on the 2019 will see an audit of the Jember Regency regional government's financial statements. The BPK found the expenditure budget and its realization in the 2019 Jember Regency Regional Revenue and Expenditure Budget worth Rp. 70 billion more in 13 inappropriate OPD (Regional Apparatus Organizations). The BPK gave a disclaimer opinion or Disclaimer of Opinion (TMP) on the financial reports of the Jember Regency Government for the 2019 fiscal year submitted by representatives of the East Java BPK through a virtual meeting with the leadership of the Jember DPRD and the Jember Regent, on Tuesday (30/6).

Accessed from <https://jatim.bpk.go.id/dari-media/Report-keuangan-pemkab-jember-disclaimer/>.

The government has attempted to minimize errors that occur by implementing SPIP in running government organizations. SPIP is the adoption of COSO. In PP No. 60 of 2008, SPIP laws were laid forth with the intention of improving implementing government policies with effectiveness and efficiency, ensuring the accuracy of financial reporting, safeguarding assets, and according to the law. The not-yet-optimal implementation of both the national government and regional governments' use of SPIP is generally due to the lack of orderliness in its preparation and implementation in identifying risks and risk analysis, weak physical controls, inaccurate transaction recording, and untimely reporting.

The researcher chose to conduct research in the Jember Regency Government due to a disclaimer opinion from the BPK in 2019 which was due to the inappropriate budget and realization in the 2019 Jember Regency APBD and the findings of earlier research that were still inconsistent. Given that government agencies require quality Human Resource Competence and an Internal Control System which is the most important element in Local Government Financial Reports as a basis for decision-making, the researcher is interested in examining "The Influence of Human Resource Competence and Government Internal Control Systems on Report Quality Regional Government Finance (Case Study on OPD Jember Regency)".

2. Materials and Methods

2.1 Theory Stewardship

Stewardship theory is a theory that illustrates that managers are more motivated by the main target of organizational interests rather than individual interests (Donaldson and Davis, 1991) ^[32]. Studying stewardship theory illustrates that stewards are more concerned with the interests of the organization than their personal interests. This theory emphasizes a strong relationship between organizational success and good company performance so that it can maximize its utility function.

The connection between stewardship theorized and shown in this study it can explain that local government is an organization you can rely on by the people must fulfill its obligations fulfill its functions in a proper manner in order to operator in the public good, making the best use of resources, and mandating accountability so that the goals of government agencies are met to the greatest extent possible.

2.2 Financial Reporting Purposes

Mardiasmo (2009) ^[14] highlights the goal and function of financial reports for the public sector:

- 1) **Compliance and Stewardship:** Financial reports are used to guarantee that the management of resources has been done in accordance with legal requirements and other prescribed regulations to users of financial reports and regulatory agencies.
- 2) **Accountability and Retrospective Reporting (Accountability and Retrospective Reporting):** Public accountability is achieved through financial reporting. Financial reports are used to keep track of progress, assess management, give a foundation for tracking trends over time, measure goal achievement,

and, if applicable, compare results to those of other organizations with comparable missions.

- 3) **Planning and Authorization Information (Planning and Authorization Information):** Financial reports serve as a foundation for future policy and activity planning and give supporting data for the funding usage authorization.
- 4) **Organizational Continuity (Viability):** Users can utilize financial reports to help them decide whether a company or department can carry on providing goods and services in the future.
- 5) **Public Affairs:** Financial reports give the company the chance to share remarks about achievements made to users impacted by staff and the public, as well as a channel of communication with the public and other interested parties.
- 6) **Source of Facts and Figures:** The purpose of financial reports is to inform different interest groups that want to learn more about the organization.

2.2.1 Financial Statement Components

Permendagri No. 13 of 2006 regulates regional budget realization reports, balance sheets, cash flow reports, and notes on financial reports are all examples of government financial reports. The qualitative features of financial reports as alluded to in PP No. 71 of 2010, namely relevance, dependability, comparability and comprehension, are the focus of the indicators for the calibre of financial disclosures from municipal governments.

2.3 Competency in HR

Competency is a trait or aptitude for work that consists of components of knowledge, skills, and attitudes in accordance with the duties and/or responsibilities of the post, according to Law Number 7 of 2013 about Instructions for the Development of Managerial Competency Standards for Civil Servants.

Good regional financial management can produce quality financial reports, so government agencies must have competent human resources. The human resources in question are competent if they have finance and accounting-related academic backgrounds and have taken courses in financial report production in the past. If government employees, particularly those in the financial sector, are incompetent, this will result in inaccurate financial reports and preparation errors, which will have an effect on the area.

2.4 SPIP

SPIP is an internal control system implemented in the Indonesian government. SPIP is the adoption of COSO with adjustments made according to the needs required by the government in Indonesia. According to IAPI 2011. The governing commissioners, management and other employees participate in the internal control system, which is developed to provide an adequate level of assurance regarding goals to improve the effectiveness and efficiency of the organization's operations; (2) reliance on financial reporting; and (3) compliance with applicable law.

The purpose of the SPIP, as described in Government Regulation Number 60 of 2008, aims to provide adequate assurance for the effectiveness. The SPIP is intended to provide

adequate guarantee for the reliability of financial reporting, protection of State assets, effectiveness and efficiency of attaining administrative goals, and adherence to laws and regulations, as outlined in Government Regulation Number 60 of 2008. Not only that, SPIP also provides confidence in reliability in reporting finances, securing

assets, and obedience in complying with regulations that have been stipulated in laws and regulations. PP No. 60 of 2008 has five elements: Information and communication, monitoring, risk assessment, control actions, and control environments.

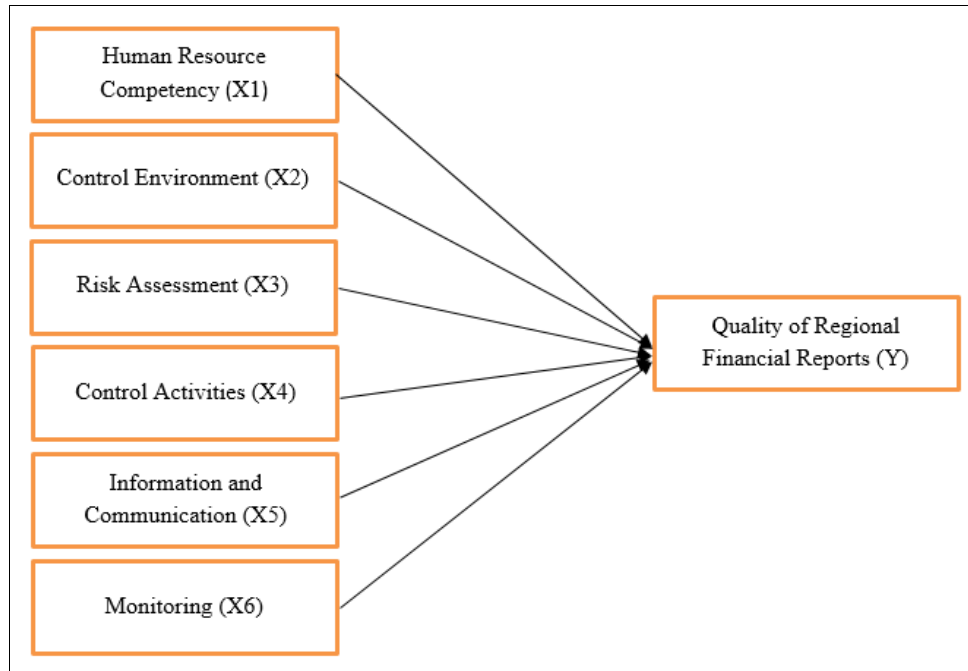


Fig 1: Scheme of thought

2.5 Types of Research

This study employed a quantitative research methodology. The quantitative research method is an approach to studying populations or samplers that is positivists positivism philosophy. In order to evaluate established hypotheses, it employs research tools for data collecting and quantitative/statistical methodologies for analysis (Sugiyono, 2009) [33].

2.6 Population and Sample

Purposive sampling is a sampling method. Determine the sample using certain criteria when using purposeful sampling. To choose the sample, take into account a number of factors. The sample meets the following criteria:

- 1) Employees of OPD in Jember Regency's banking industry served as the study's respondents.
- 2) Respondents in this study were Financial Administration Officers (PPK), Activity Technical Implementation Officers (PPTK), Receipt Treasurers and Spending Treasurers as many as 100 respondents from 25 OPD Jember Regency.

2.7 Method of Collecting Data

Primary data were utilised in this study. Primary data is information that was independently gathered by researchers to address specific research questions (Danang Sunyoto, 2013) [34]. The data collection method used was by visiting the Dinas office in Jember Regency directly and giving a questionnaire containing structured questions which were shown to the respondents. After distributing the questionnaires to the respondents, the researcher waited for

the respondents to answer all the questionnaires that had been distributed. In distributing this questionnaire, researchers estimate the time for 2 weeks.

2.8 Research Instrument

A Likert scale is used in this investigation. The Likert scale is designed to show agree anprosisagcons, and pros and con, positive and negative views. The Likert scale was divided into 4 levels for this investigation. From 1 STS (Strongly Disagree) to 4 SS (Strongly Agree), there are four possible responses.

2.9 Variable Operational Definitions

2.9.1 Independent Variable

1) Human Resource Competency (X1)

The ability of human resources to compile and present financial reports with a level of quality that complies with Government Regulation Number 71 of 2010 is one way that human resources competency is included as an independent variable in this study.

2) Control environment (X2)

The control environment describes how the attitudes of leaders and employees in government condition and create an environment for government agencies that are able to influence the effectiveness of internal control so as to create sound internal control and management.

3) Risk Assessment (X3)

Setting goals and activity objectives for government agencies allows for the consideration of potential

occurrences that could undermine the achievement of such goals and objectives both internally and externally.

4) Control Activities (X4)

Control activities are crucial and essential steps that must be taken to support and guarantee that the leadership of governmental organizations is carrying out its directive as effectively as feasible. A evaluation of the performance and application of organizational policies is conducted in this control activity to make sure that steps taken to mitigate risks have been taken effectively in order to meet organizational objectives.

5) Information and Communication (X5)

Governmental organizations need access to current, accurate information. The data in question has been processed and will be utilized for decision-making in the future to help the leaders of government agencies exefulfil control and fulfil their duties. Communication, specifically the act of transmitting information by use of specific symbols or symbols when appropriate.

6) Monitoring (X6)

Monitoring is the process of routinely assessing how well the internal control system is functioning. The outcomes of this procedure are utilized to guarantee that suggestions from audit results and other reviews can be implemented right away.

2.9.2 Dependent Variable

The Reliability of Financial Reports from Local Government (Y)

The Jember Regency Regional Government's financial statement quality is the study's dependent variable, specifically, how well the financial statements' information may be understood, free from misleading notions, meets the needs of users of financial statements in making decisions, there are no material errors so they are reliable, and comparable to the previous period.

2.9.3 Variable Operational

The operational variables in this study are according to the title chosen, so there are 3 variable components, namely:

1. Quality of financial reports from local governments
2. Competency of Resources Human
3. SPIP.

2.10 Data Analysis Method

1) Descriptive Statistics

Without trying to draw broad generalizations or inferences, statisticians use descriptive statistics to analyze data by

summarizing or describing the data that has been obtained in its current state (Sugiyono, 2018) ^[35].

2) Data Quality Test

The data quality test is a study that uses instruments to measure variables from questionnaire data, and tests must be done to determine the validity and reliability of the instrument because the accuracy of the processed data affects the validity and reliability of the study's findings. The researchers ran a Validity Test and Reliability Test to determine what was valid and what was dependable.

3) Classic Assumptive Test

A traditional assumption test must be completed prior to performing analysis using multiple linear regression. The heteroscedasticity test, the multicollinearity test, and the normality test make up this study's classical assumption test.

2.11 Data Analysis Tools

With the use of multiple linear regression analysis was carried out in this study using the SPSS (Statistical Package for social science) software data analysis to test the formulated hypothesis. Equation 1 in this analysis illustrates how the relationship between the independent factors and the dependent variable affects each other.

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + e$$

Information:

- α = Constant
- $\beta_1, \beta_2, \beta_3$ = correlation coefficient
- X1 = Competency of Human Resources
- X2 = Environment Control
- X3 = Risk Evaluation
- X4 = Control Activities
- X5 = Information & Communication
- X6 = Monitoring
- E = other influencing variables

2.12 Hypothesis Test

This study employs multiple linear regression analysis to test the hypothesis. Prior to performing a multiple linear regression analysis, the researcher must first complete the previously mentioned classical assumptions. The t-test, the F test, and the coefficient of determination test (R2, F test, and t-test) were employed in this study to test the hypothesis.

3. Results and Discussion

3.1 Data Analysis

3.1.1 Descriptive Statistics

Table 1: Descriptive Statistical Results

Variable Penelitian	N	Min	Max	Mean	Standard Deviation
Human Resource Competency(k)	100	27	58	45	5,775
Control Environment (X2)	100	10	24	18	2,978
Risk Assessment (X3)	100	4	16	11	2,212
Control Activities (X4)	100	16	31	24	3,273
Information and Communication (X5)	100	4	12	8	1,921
Monitoring (X6)	100	6	16	11	2,212
Financial Report Quality (Y)	100	31	58	48	6,676

The Human Resources Competency variable (X1) has an average value (mean) of 45, as shown by the analysis's findings in Table 1. The Human Resources Competency variable (X1) has a range of values between 27 and 58. The deviation from the mean is 5.775. This indicates that the smaller the amount of the data spread, the closer the standard deviation value is to the mean value.

According to the analysis's findings in Table 4.3, the Control Environment variable (X2) has an average value (mean) of 18. The Control Environment variable (X2) has a range of 10 to 24, with 24 being the highest value. 2.978 is the standard deviation. This indicates that the smaller the magnitude of the data spread, the closer the standard deviation value is to the mean.

According to the analysis's findings in Table 4.3, the Risk Assessment variable (X3) exhibits an average value (mean) of 11. The Risk Assessment variable (X3) has a range of values between 4 and 16, with 16 being the greatest value. The deviation from the mean is 2.212. This indicates that the smaller the magnitude of the data spread, the closer the standard deviation value is to the mean.

According to the analysis's findings in Table 4.3, the Control Activity variable (X4) has an average value (mean) of 24. The Control Activity variable (X4) has a range of values between 16 and 31, with 31 being the maximum value. The deviation from the mean is 3.273. This indicates that the smaller the magnitude of the data spread, the closer the standard deviation value is to the mean.

It is clear from the analysis's findings in Table 4.3 that the Information & Communication variable (X5) exhibits an average value (mean) of 8. The Information & Communication variable's (X5) lowest and greatest values are 4 and 12, respectively. The deviation from the mean is 1.921. This indicates that the smaller the magnitude of the data spread, the closer the standard deviation value is to the mean.

According to the analysis's findings in Table 4.3, the Monitoring variable (X6) exhibits an average value (mean) of 11. The monitoring variable (X6) has a range of 6 to 16, with 6 being the lowest and 16 being the highest. The deviation from the mean is 2.212. This indicates that the smaller the magnitude of the data spread, the closer the standard deviation value is to the mean.

The erratic Financial Reporting Quality for the Jember Regency Regional Government (Y) displays an average value (mean) of 48, as shown by the analysis's findings in Table 4.3. The Regional Government of Jember Regency's (Y) variable the Quality of Financial Statements score ranges from 31 to a maximum of 58. 6.676 is the standard deviation. This indicates that the smaller the magnitude of the data spread, the closer the mean is to the standard deviation value.

3.1.2 Instrument Test Validation Test

Table 2: Validation Test Results

Variable	Item	Rtable	Rhitung	Sig	Information
Human Resource Competency (X1)	X1.1	0,195	0,231	0,020	Valid
	X1.2	0,195	0,701	0,000	Valid
	X1.3	0,195	0,551	0,000	Valid
	X1.4	0,195	0,415	0,000	Valid
	X1.5	0,195	0,610	0,000	Valid
	X1.6	0,195	0,643	0,000	Valid
	X1.7	0,195	0,531	0,000	Valid
	X1.8	0,195	0,716	0,000	Valid
	X1.9	0,195	0,330	0,001	Valid
	X1.10	0,195	0,494	0,000	Valid
	X1.11	0,195	0,451	0,000	Valid
	X1.12	0,195	0,381	0,000	Valid
	X1.13	0,195	0,578	0,000	Valid
	X1.14	0,195	0,480	0,000	Valid
	X1.15	0,195	0,376	0,000	Valid
Control Environment (X2)	X2.1	0,195	0,650	0,000	Valid
	X2.2	0,195	0,504	0,000	Valid
	X2.3	0,195	0,641	0,000	Valid
	X2.4	0,195	0,688	0,000	Valid
	X2.5	0,195	0,681	0,000	Valid
	X2.6	0,195	0,690	0,000	Valid
Risk Assessment (X3)	X3.1	0,195	0,741	0,000	Valid
	X3.2	0,195	0,607	0,000	Valid
	X3.3	0,195	0,693	0,000	Valid
	X3.4	0,195	0,723	0,000	Valid
Control Activities (X4)	X4.1	0,195	0,353	0,000	Valid
	X4.2	0,195	0,594	0,000	Valid
	X4.3	0,195	0,538	0,000	Valid
	X4.4	0,195	0,586	0,000	Valid
Information and Communication (X5)	X5.1	0,195	0,820	0,000	Valid
	X5.2	0,195	0,806	0,000	Valid
	X5.3	0,195	0,774	0,000	Valid
Monitoring (X6)	X6.1	0,195	0,768	0,000	Valid
	X6.2	0,195	0,723	0,000	Valid
	X6.3	0,195	0,719	0,000	Valid
	X6.4	0,195	0,650	0,000	Valid
The Quality of Regional Financial Reports	X3.4	0,195	0,545	0,000	Valid
	Y.2	0,195	0,420	0,000	Valid
	Y.3	0,195	0,555	0,000	Valid
	Y.4	0,195	0,611	0,000	Valid
	Y.5	0,195	0,463	0,000	Valid
	Y.6	0,195	0,572	0,000	Valid
	Y.7	0,195	0,695	0,000	Valid
	Y.8	0,195	0,572	0,000	Valid
(Y)	Y.9	0,195	0,455	0,000	Valid
	Y.10	0,195	0,581	0,000	Valid
	Y.11	0,195	0,452	0,000	Valid
	Y.12	0,195	0,430	0,000	Valid
	Y.13	0,195	0,554	0,000	Valid
	Y.14	0,195	0,565	0,000	Valid
	Y.15	0,195	0,423	0,000	Valid
	Y.16	0,195	0,591	0,000	Valid

Competency in human resources (X1), control environment (X2), risk assessment (X3), control activities (X4), information and communication (X5), and monitoring (X6) and The Quality of Financial Statements (Y) all exhibit a positive correlation between each indicator variable, with R count > R table and Sig 0.05.

It can be determined that all of the following question items are declared valid: Report Quality Financial (Y), Competency in human resources (X1), control environment (X2), risk assessment (X3), control activities (X4), information and communication (X5), and monitoring (X6). Competency in human resources (X1), control environment (X2), risk assessment (X3), control activities (X4), information and communication (X5), and monitoring (X6)

and The Quality of Financial Statements (Y) all exhibit a positive correlation between each indicator variable, with R count > R table and Sig 0.05. It can be determined that all of the following question items are declared valid: Report Quality Financial (Y), Competency in human resources (X1), control environment (X2), risk assessment (X3), control activities (X4), information and communication (X5), and monitoring (X6).

3.1.3 Reliability Test

Table 3: Reliability Test Results

Research Variable	Cronbach's Alpha if item deleted	Reability Standards	Information
Human Resource Competency(X ₁)	0,729	0,70	Reliable
Control Environment (X ₂)	0,755	0,70	Reliable
Risk Assessment (X ₃)	0,775	0,70	Reliable
Control Activities (X ₄)	0,719	0,70	Reliable
Information and Communication (X ₅)	0,826	0,70	Reliable
Monitoring (X ₆)	0,783	0,70	Reliable
Financial Report Quality (Y)	0,738	0,70	Reliable

The reliability testing results for the variables Human Resources Competency (X1), Control Environment (X2), Risk Assessment (X3), Control Activities (X4), Information & Communication (X5), Monitoring (X6), and Report Quality Financial (Y) are shown in Table 3 with a Cronbach's Alpha or r alpha value above 0.60. This shows that the research tool, a questionnaire, is trustworthy because r alpha has a higher value.

3.1.4 Classic Assumption Test Normality Test

Table 4: Normality Test Results

Variable	Kolmogorov Smirnov Value	Information
Unstandardized Residual	0,122	Normally Distributed

Based on Table 4, which displays the results of the normality test and indicates that the data is regularly distributed, it can be concluded that the study's data are normally distributed because the probability value is 0.122.

3.1.5 Heteroscedasticity Test

Tabel 6: Heteroscedasticity Test Results

Variable	Sig	Information
Human Resource Competency(X ₁)	0,054	no heteroscedasticity
Control Environment (X ₂)	0,082	no heteroscedasticity
Risk Assessment (X ₃)	0,133	no heteroscedasticity
Control Activities (X ₄)	0,441	no heteroscedasticity
Information and Communication (X ₅)	0,750	no heteroscedasticity
Monitoring (X ₆)	0,634	no heteroscedasticity

Multicollinearity Test

Table 5: Multicollinearity Test Results

Variable	Collinearity Statistics		Information
	Tolerance	VIF	
Human Resource Competency(X ₁)	0,248	4,027	Multicollinearity does not occur
Control Environment (X ₂)	0,243	4,110	Multicollinearity does not occur
Risk Assessment (X ₃)	0,685	1,460	Multicollinearity does not occur
Control Activities (X ₄)	0,473	2,114	Multicollinearity does not occur
Information and Communication (X ₅)	0,941	1,063	Multicollinearity does not occur
Monitoring (X ₆)	0,666	1,501	Multicollinearity does not occur

It is known that the model lacks multicollinearity based on the outcomes of the Collinearity Statistics study, which are displayed in table 4.6. The VIF value of each variable, which is less than 10, and the tolerance value, which is greater than 0.10, serve as indicators

Table 6 demonstrates that each variable's significance value is more than 0.05, demonstrating that the equation under test

does not exhibit heteroscedasticity.

3.1.6 Multiple Linear Analysis

Table 7: Multiple Linear Analysis Results

Variable	Regression Coefficient	Sig.	Information
Konstanta	2,105	-	-
Human Resource Competency(X ₁)	0,283	0,004	Significant
Control Environment (X ₂)	0,540	0,004	Significant
Risk Assessment (X ₃)	0,841	0,000	Significant
Control Activities (X ₄)	0,371	0,003	Significant
Information and Communication (X ₅)	0,292	0,049	Significant
Monitoring (X ₆)	0,944	0,000	Significant

3.1.7 The regression equation obtained from the test is:

$$Y = 2.105 + 0.283X_1 + 0.540X_2 + 0.841X_3 + 0.371X_4 + 0.292X_5 + 0.944X_6 + e$$

The following explanation is derived from the equation for multiple linear regression:

1. This means that the Quality of Local Government Financial Reports Jember Regency (Y) is 2.105 if the Competence of Human Resources (X₁), Control Environment (X₂), Risk Assessment (X₃), Control Activities (X₄), Information & Communication (X₅), and Monitoring (X₆) are all 0.
2. The value of the regression coefficient of the Human Resources Competency variable (X₁) is 0.283. That is, if there is an increase in the Human Resources Competency variable (X₁), then the value of the Quality of the Local Government Financial Reports variable in Jember Regency (Y) will increase by 0.283.
3. The significance of the regression coefficient for the Control Environment variable (X₂) is 0.540. That is, if there is an increase in the Control Environment variable (X₂), then the value of the Quality of the Local Government Financial Statements variable in Jember Regency (Y) will increase by 0.540.
4. The significance of the regression coefficient for the Risk Assessment variable (X₃) is 0.841. That is, if there is an increase in the Risk Assessment variable (X₃), then the value of the Quality of the Jember District Government Financial Report variable (Y) will increase by 0.841.
5. The significance of the regression coefficient for the Control Activity variable (X₄) is 0.371. That is, if there is an increase in the Control Activity variable (X₄), then the value of the Quality of the Jember District Government Financial Report variable (Y) will increase by 0.371.
6. The significance of the regression coefficient for Information & Communication variable (X₅) is 0.292. That is, if there is an increase in the Information & Communication variable (X₅), then the value of the Jember District Government Financial Report Quality variable (Y) will increase by 0.292.
7. The regression coefficient value of the Monitoring

variable (X₆) is 0.944. That is, if there is an increase in the Monitoring variable (X₆), then the value of the Quality of the Local Government Financial Statements variable in Jember Regency (Y) will increase by 0.944.

3.1.8 Hypothesis Testing

Test the coefficient of determination (R²)

Table 8: R² Test Results

R	R Square	Adjusted R Square
0,919	0,845	0,835

The model's adjusted R square value is 0.835 according to Table 8. This indicates that Human Resource Competence (X₁), Control Environment (X₂), Risk Assessment (X₃), Control Activities (X₄), Information & Communication (X₅), and Monitoring (X₆) have an 83.5% influence on the dependent variable, Quality of Jember District Government Financial Statements. These numbers show that 83.5% of the dependent variable is generally controlled by the independent factors, with the remaining portion being influenced by other variables outside the model.

F-Test

Table 9: F-Test Results

Variable	Sig.
Residual	0,000

Based on Table 9, it shows that the regression model has a significance value of 0.000, less than 0.05, so the regression model is suitable for testing hypotheses with a 95% confidence level.

Table 10: T-Test Results

Variable	Sig
Human Resource Competency(X ₁)	0,004
Control Environment (X ₂)	0,004
Risk Assessment (X ₃)	0,000
Control Activities (X ₄)	0,003
Information and Communication (X ₅)	0,049
Monitoring (X ₆)	0,000

3.1.9. T-Test

Based on the table, it can be seen that the influence of each independent variable on the dependent variable is as follows:

1. The influence of the Human Resources Competency variable (X1) on the Quality of Financial Statements of the Regional Government of Jember Regency (Y). Based on Table 4.10 it can be seen that the probability level (α) is 0.004. This means that the competence of human resources affects the quality of the financial reports of the Jember Regency Regional Government (Y). Because the significant value of the Human Resources Competency variable is < 0.05 , it is proven true (H1 is accepted).
2. The influence of the Control Environment variable (X2) on the Quality of Jember District Government Financial Report Quality variable (Y). Based on Table 4.10 it can be seen that the probability level (α) is 0.004. This means that the Control Environment has an effect on the Quality of the Regional Government Financial Reports of Jember Regency (Y). Because the significant value of the Control Environment variable is < 0.05 , the truth is proven (H2 is accepted).
3. The effect of the Risk Assessment variable (X3) on the Quality of Jember District Government Financial Statements (Y). Based on Table 4.10 it can be seen that the probability level (α) is 0.000. This means that the Risk Assessment has an effect on the Quality of the Financial Statements of the Regional Government of Jember Regency (Y). Because the significant value of the Risk Assessment variable is < 0.05 , the truth is proven (H3 is accepted).
4. The influence of the Control Activity variable (X4) on the Quality of Jember District Government Financial Statements variable (Y). Based on Table 4.10 it can be seen that the probability level (α) is 0.003. This means that control activities affect the quality of the financial reports of the Regional Government of Jember Regency (Y). Because the significant value of the Risk Assessment variable is < 0.05 , it is proven true (H4 is accepted).
5. The effect of the Information & Communication variable (X5) on the Quality of the Jember District Government Financial Report Quality variable (Y). Based on Table 4.10 it can be seen that the probability level (α) is 0.049. This means that Information & Communication has an effect on the Quality of the Local Government Financial Reports of Jember Regency (Y). Because the significant value of the Risk Assessment variable is < 0.05 , the truth is proven (H5 is accepted).
6. The impact of the monitoring variable (X6) on the erratic calibre of the financial report for the Jember Regency Regional Government (Y). It is evident from Table 4.10 that the probability level (α) is 0.000. This indicates that monitoring has an impact on the Jember Regency Regional Government's (Y) financial reports' level of quality. Truth is established (H6 is accepted) because the Risk Assessment variable's significant value is less than 0.05.

3.2 Discussion

The Effect of human resource competence on the relative government of Jember regency's regional

financial statements quality

The results of multiple linear regression analysis show that Human Resource Competence has a favourable effect on the calibre of the Jember District Government Financial Statements, and the significance level of 0.004 supports these conclusions. This indicates that the Jember District Government Financial Statements (H1 is acceptable) are better the greater the Human Resource Competence.

The impact of the control environment on the financial statement quality of the Jember District Government

Multiple linear regression studies revealed that the Control Environment has a favourable effect on the accuracy of the local government financial accounts in Jember Regency, and the significance level, which is equivalent to 0.004, supports these findings. This indicates that the financial accounts of the regional governments in the Jember Regency are of greater quality the higher the Control Environment (H2 is accepted).

The impact of risk assessment on the reliability of local government financial statements in the Jember Regency

The significance level generated by the risk assessment results in a significance level of 0.000. This shows that a good risk assessment will also have a good effect on the financial reports of the Jember district government. (H3 accepted).

The effect of control activities on the Jember regency regional government's financial reporting quality

The significance level shown by the inhibiting activity variable shows a significance level of 0.003, thus indicating that the inhibiting activity has an effect on the Jember district government's financial reports. Good control activities will produce better financial reports (H4 is accepted).

Information and communication's impact on the accuracy of the regional government's financial statements in the Jember Regency

Information and communication has a positive effect on the finances of the Jember district government, which can be seen from the significance level of 0.049. This shows that if information and communication is carried out properly, it will produce better financial reports for the Jember district government. (H5 accepted).

The effect of monitoring on the quality of financial reports for the regional government of Jember Regency

According to the findings of the multiple linear regression analysis, when viewed from a significance level of 0.000, it can be written that vigilance has a positive effect on the financial reports of the Jember district government, thus showing that the better the supervision, the better the quality of the financial reports (H6 accepted).

4. Conclusion

The discussion in Chapter IV makes it evident that the Jember Regency's regional government's effective utilization of its human resources has a significant positive impact on the calibre of its financial reports. The Jember District's financial reports are significantly more accurate because of Control Environment. The financial reports of the Jember Regency Government's risk assessment show the

significant positive impact. The results of the multiple regression analysis show that Control Activities have a significant positive impact on the Jember Regency Government Financial Statements' quality. In Jember Regency, information and communication have a very good effect on the calibre of financial reports produced by local governments. Monitoring the Local Government Financial Reports' Quality in the Jember Regency reveals a notable benefit.

5. Suggestion

1. For future researchers, it is better to coordinate before distributing the questionnaires so that the intended respondents are in place.
2. Future researchers are expected to wait while distributing and filling in the questionnaire so that the results of the respondents' answers are more accurate.
3. Future researchers are expected to distribute questionnaires to respondents who prepare financial reports who receive a disclaimer opinion.
4. For future researchers to distribute questionnaires, it is expected to use direct methods, so researchers meet directly with respondents.

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