

FACTORS THAT INFLUENCE THE ACCOUNTABILITY OF LOCAL GOVERNMENT FINANCIAL REPORTS WITH GOOD GOVERNANCE AS AN INTERVENING VARIABLE IN THE GOVERNMENT OF DELI SERDANG DISTRICT

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Abstract

This research aims to find out and analyze whether the Government Internal Control System and the Implementation of Government Accounting Standards have an effect on the Accountability of Regional Government Financial Reports through Good government governance in the Deli Serdang Regency Government. Regionally, the Implementation of Government Accounting Standards has no significant effect on the Accountability of Regional Government Financial Reports, the Government Internal Control System has a significant effect on the Accountability of Regional Government Financial Reports through Good government governance, the Implementation of Government Accounting Standards has no significant effect on the Accountability of Regional Government Financial Reports through Good government governance. to the Deli Serdang Regency Government.

Keyword : Government Internal Control, Implementation of Government Accounting Standards, Accountability of Regional Government Financial Reports, Good government governance

1. INTRODUCTION

The government has a duty to serve and regulate the public. This duty prioritizes public interest efforts, facilitates public affairs, and provides public satisfaction. This encourages the public to demand their rights through local government for change. This is marked by regional autonomy. In addition, the process of preparing government financial reports requires an Internal Control System (ISC), which is a comprehensive process of actions and activities carried out continuously by management and all employees to provide adequate assurance of the achievement of objectives through an effective and efficient organization. These objectives include the reliability of financial reports, the security of government assets, and compliance with laws and regulations. The quality of local government financial reports can also be influenced by the internal control system (Saputra, 2018). The government financial reports produced must meet government accounting standards in accordance with Government Regulation No. 24 of 2005 which was revised by Government Regulation No. 71 of 2010 concerning Government Accounting Standards, which was then updated with the issuance of Home Affairs Ministerial Regulation No. 64 of 2013. One type of accountability that requires attention is financial accountability. The most important instruments of financial accountability are government finances and transparency, where government financial accountability reports reflect this form of accountability. Compared to 2014, the number of regional government financial reports (LKPD) receiving an unqualified opinion (WTP) increased in 2015. This increase was supported by local government efforts.

2. LITERATURE REVIEW

The theory used in this paper is agency theory. Agency theory discusses agency relationships where a certain party delegates work to another party (the agent) who carries out the work. Agency theory attempts to answer agency problems that occur between parties working together who have different goals and division of labor. According to Fama and Jensen (in Puspitasari 2013), agency problems are controlled by a decision-making system that separates management and supervisory functions. The separation of management functions that plan and implement company policies and the judicial function that ratifies and monitors important decisions in the organization will give rise to conflicts of interest between these parties. Public sector organizations are essentially built on the basis of agency

FACTORS THAT INFLUENCE THE ACCOUNTABILITY OF LOCAL GOVERNMENT FINANCIAL REPORTS WITH GOOD GOVERNANCE AS AN INTERVENING VARIABLE IN THE GOVERNMENT OF DELI SERDANG DISTRICT

Putri Nur Solati et al

theory. Whether acknowledged or not, agency relationships and problems exist in local government. According to Puspitasari (2013), who states that agency theory can be applied in public organizations, modern democracies are based on a series of relationships. Based on the description above, it can be concluded that accountability is a democratic control tool as a benchmark for the determination of the goals and objectives of an organization in implementing programs and policies that have been determined or established.

3.METHOD

3.1. Research Approach

Judging from the type of data, the research approach used in this study is a qualitative approach. According to Ibrahim (2018), a qualitative approach is a research method that emphasizes the in-depth aspect of data to obtain quality from the research conducted. A qualitative approach uses descriptive words or sentences, starting from data collection to interpreting and reporting the research results. This is in line with the opinion of Yusuf (2017), who stated that qualitative research places a strong emphasis on searching for meaning, understanding, concepts, characteristics, symptoms, symbols, or descriptions of natural events, which are then presented in the form of words. The research approach used is descriptive. Descriptive research attempts to explain solutions to existing problems based on data.

3.2. Place and time of research

This research was conducted in 30 People Under Monitoring (ODP) in Deli Serdang Regency, North Sumatra, from December 2022 to September 2023.

3.3.Population and Sample

The definition of population according to Sugiyono (2017) is: "A generalization area consisting of objects/subjects that have certain qualities and characteristics determined by the researcher to study and then draw conclusions." Population is the total number of subjects to be studied by a researcher. Meanwhile, the research population is the population used as the target of the research. The population in this study is the Deli Serdang Regency Government. According to Sogiyono (2017), "A sample is a portion of the number and characteristics of a population." The sample in this study consisted of 2 respondents from 30 Deli Serdang Regency Departments. The total sample was 30 x 2, resulting in 60 respondents.

3.4.Data collection technique

According to Sujarweni (2014), "data collection techniques are the methods used by researchers to reveal or gather information from respondents according to the scope of the research." In general, there are several data collection techniques, namely tests, interviews, observations, questionnaires, surveys, literature studies, and documentation analysis.

4.RESEARCH AND DISCUSSION

4.1.Research result

This study involved 60 respondents. Data were collected by distributing questionnaires to university secretariat employees. Presenting data regarding respondent identity is crucial, as it provides a clear picture of both the respondents' personal data and the university's employees. Respondent identities were classified based on gender, age, and length of service.

a. Gender

The results of this study obtained a comparison of respondent characteristics based on male and female gender, which is presented in Table 4.1 as follows:

Table 4.1 Respondents by Gender

No	Age	Number of people)	Percentage (%)
1	Man	28 People	47%
2	Woman	32 People	53%
	Amount	60 People	100%

Source: Research Results, 2023 (Processed Data)

FACTORS THAT INFLUENCE THE ACCOUNTABILITY OF LOCAL GOVERNMENT FINANCIAL REPORTS WITH GOOD GOVERNANCE AS AN INTERVENING VARIABLE IN THE GOVERNMENT OF DELI SERDANG DISTRICT

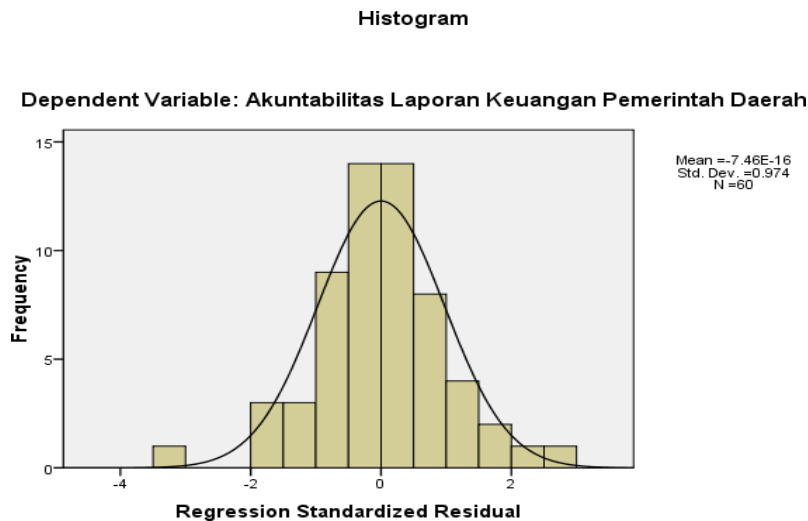
Putri Nur Solati et al

Based on Table 4.1, the results of the study on the characteristics of respondents based on age, it was found that the male and female genders were balanced in the results of this study, namely 28 men and 32 women.

4.2. Classical Assumption Test

The normality test aims to determine whether the confounding variables or residuals in a regression model have a normal distribution. Normality testing can be performed using histograms, normal probability plots, and the Kolmogorov-Smirnov test. The following are the results of the normality test:

Figure 4.1
Normality Test (Histogram)



Source: processed data, 2023 (SPSS output results)

4.2. Statistical Analysis Results

Table 4.10 Significance Test of Partial Influence (Government Internal Control System Implementation of Government Accounting Standards on Good Government Governance)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,502	2,886		.520	.605
	Government Internal Control System	.563	.112	.608	5,039	.000
	Implementation of Government Accounting Standards	.221	.106	.251	2,079	.042

a. Dependent Variable: *Good government governance*

Source: processed data, 2023 (SPSS output results)

Based on Table 4.10, the multiple linear regression equation is obtained as follows:

$$\text{Good government governance} = 1.502 + 0.563X_1 + 0.221X_2$$

The results in Table 4.10, obtained the following results:

The calculated t value > t table of the Government Internal Control System (X1) is 5.039 > 2.000 and a significant value of 0.000 < 0.05, so that the Government Internal Control System variable (X1) has a significant effect on Good Government Governance (Z) and thus the hypothesis is accepted.

FACTORS THAT INFLUENCE THE ACCOUNTABILITY OF LOCAL GOVERNMENT FINANCIAL REPORTS WITH GOOD GOVERNANCE AS AN INTERVENING VARIABLE IN THE GOVERNMENT OF DELI SERDANG DISTRICT

Putri Nur Solati et al

**Table Determination Test
Model Summary**

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.819a	.670	.658	4.25352

a. Predictors: (Constant), Implementation of Government Accounting Standards, Government Internal Control System
b. Dependent Variable: *Good government governance*

Based on Table, it can be seen that the Adjusted R Square value obtained is 0.658, meaning that 65.8% of the variation in the Good Government Governance variable can be explained by the independent variables (Application of Government Accounting Standards, Government Internal Control System), while the remaining 34.2% is explained by other variables outside the variables studied.

Table Significance Test of Partial Influence (Good government governance on Accountability of Regional Government Financial Reports)

Model		Coefficients ^a		t	Sig.
		Unstandardized Coefficients	Standardized Coefficients		
		B	Std. Error	Beta	
1	(Constant)	8,329	2,599		
	<i>Good government governance</i>	1,095	.079	.875	13,780 .000

a. Dependent Variable: Accountability of Regional Government Financial Reports

Source: processed data, 2023 (SPSS output results)

Based on Table 4.12, the multiple linear regression equation is obtained as follows. Accountability of Regional Government Financial Reports = 8,329 + 1,095Z

The results in Table 4.12, obtained the following results:

The calculated t value > t table of Good government governance is 13,780 > 2,000 and the significant value for Accountability of Regional Government Financial Reports is 0.000 < 0.05, so that the Good government governance variable (Z) has a significant effect on Accountability of Regional Government Financial Reports (Y) thus the hypothesis is accepted.

5. CONCLUSION AND SUGGESTIONS

5.1. Conclusion

Based on the research results and discussions through the verification of hypotheses on the issues raised regarding the influence of the Government Internal Control System and the Implementation of Government Accounting Standards on the Accountability of Regional Government Financial Reports through Good Government Governance, the conclusions of this study are as follows:

1. The Government Internal Control System has a significant influence on Good government governance to the Deli Serdang Regency Government.
2. The implementation of Government Accounting Standards has a significant impact on Good government governance to the Deli Serdang Regency Government.

FACTORS THAT INFLUENCE THE ACCOUNTABILITY OF LOCAL GOVERNMENT FINANCIAL REPORTS WITH GOOD GOVERNANCE AS AN INTERVENING VARIABLE IN THE GOVERNMENT OF DELI SERDANG DISTRICT

Putri Nur Solati et al

3. Good government governance has a significant influence on the Accountability of Regional Government Financial Reports in the Deli Serdang Regency Government.
4. The Government Internal Control System has a significant influence on the Accountability of Regional Government Financial Reports in the Deli Serdang Regency Government.
5. The implementation of Government Accounting Standards does not have a significant effect on the Accountability of Regional Government Financial Reports in the Deli Serdang Regency Government.

5.2. Suggestions

After analyzing and producing several conclusions from the research that has been conducted by the Deli Serdang Regency Government, the following are things that researchers can suggest that can be used as input and attention, namely:

1. It is hoped that the Deli Serdang Regency Government can maintain and improve the internal control system and the implementation of government accounting standards in order to create accountable government financial reports.
2. This research can later be used as a reference for future researchers related to concepts or theories regarding public sector accounting.
3. Further researchers are advised to add variables that are different from the previous variables to enrich insight and knowledge.

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FACTORS THAT INFLUENCE THE ACCOUNTABILITY OF LOCAL GOVERNMENT FINANCIAL REPORTS WITH GOOD GOVERNANCE AS AN INTERVENING VARIABLE IN THE GOVERNMENT OF DELI SERDANG DISTRICT

Putri Nur Solati et al

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