



The Effect of Human Resources (HR) Competence and the Utilization of Information Technology Systems on Improving the Quality of Local Government Financial Reports

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Quality financial reports are produced by competent human resources (HR) in the field of financial management. In financial governance in the Soppeng Government, several weaknesses were also found, including the administration, inventory, and valuation of fixed assets that were not optimal, as well as the mechanism and administration of capital expenditure. This research aims to know the effect of Human Resource Competence and Utilization of Information Technology System for Regional Apparatus Work Unit Financial Administration Officer (PP SKPD) towards the quality improvement of Local Government Financial Reports, as well as the effect of Human Resource Competence towards Quality Improvement of Local Government Financial Reports with Utilization of Information Technology System as a moderating variable. This research uses quantitative method. The results are 1) Human resources competence has a significant effect on the quality of local government financial reports, 2) Utilization of information technology systems have a significant effect on the quality of local government financial reports, and 3) Utilization of information technology systems can significantly moderate the competence of human resources on the quality of local government financial reports

Keywords: Financial Report, HR Competence, Utilization of Information Technology Systems.

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I. INTRODUCTION

The quality of financial statements are normative measures that need to be realized in accounting information so that it can fulfill its objectives (PP No. 71 of 2010). Information contained in local government financial reports can be said to be of high quality if the accounting information meets the qualitative characteristics of financial statements.

One of the factors that affects the quality of local government financial reports is the use of information technology. The development of information technology is responded by organizations by designing computer technology-based information systems or websites. Information systems supported by IT can provide added value to the organization if it is designed to be an effective information system. According to Jogiyanto (2007), information is a product of information technology systems. Information technology plays a role in providing useful information for decision makers within the organization, including in terms of reporting so as to support the decision-making process more effectively. The availability of information technology is expected to assist in the financial reporting process so as to produce quality, reliable and timely financial reports.

Financial reports are a reflection of being able to find out whether a government activity has been going well, therefore the government is required to be able to produce quality financial reports (Wati et al., 2014: 1). So that the financial statements can be useful for interested parties and become the basis for decision making. From the perspective of the people in the region, local government financial reports prepared in accordance with SAP can explain how the government manages finances in carrying out development so as to improve people's welfare.

Quality financial reports are produced by competent human resources (HR) in the field of financial management. HR must have competence in the field of accounting in making financial reports that are in accordance with government accounting standards so that these financial reports have good quality. However, it has become a common problem that occurs in government, especially local governments, that to implement human resource management, what is often done is not in accordance with the needs both in quantity and quality.

The failure of local government human resources in understanding and applying accounting logic will have an impact on errors in the financial statements made and the report's incompatibility with the standards set by the government (Warisno, 2008 in Nurillah, 2014: 9). So that to improve the quality of financial reports, it is necessary not only the number of human resources but also the competencies possessed by HR.

In the current era, apart from having competence, HR is also required to master information technology in order to achieve organizational goals. The application of information technology in each entity, both private and government sectors, certainly has a different purpose because the application of information technology is to support the interests of the organization. Rahadi (2007:11) states that Information Technology (IT) has benefits or convenience for someone in saving time and energy. Decision-Usefulness Theory, explained that the value of information that is not supported by the use of technology, will hinder the fulfillment of qualitative characteristics in the form of timeliness and also in the context of decision making (Syam, 2015: 90). This is regulated in Government Regulation no. 56 of 2005 concerning the Regional Financial Information System which is a substitute for PP No. 11 of 2001 concerning Regional Financial Information which was later refined by the issuance of Permendagri No. 70 of 2019 concerning Local Government Information Systems. The government has made efforts to compile reports based on the regional financial accounting system, so that the quality generated from the regional financial reports can improve. However, in reality, not all government employees understand the technology and financial accounting systems of the area. The purpose of the existence of information technology according to Sutarman (2009:17) in Ramadhan (2015: 3) is to solve problems, open up creativity, and increase effectiveness and efficiency in doing work.

II. THEORETICAL REVIEW

2.1. Stewardship Theory

This theory describes a situation where managers are not motivated by individual goals but are more focused on their main outcome goals for the benefit of the organization, so this theory has a psychological and sociological basis that has been designed in which managers Executives as stewards are motivated to act according to the wishes of the principal. Besides that, steward behavior will not leave the organization because the stewards are trying to achieve the goals of their organization (Zamrana in Riyadi and Agung, 2014: 468).

This theory is designed for researchers to examine situations where executives in companies as servants can be motivated to act in the best way for their principals (Zamrana in Riyadi and Agung, 2014: 468).

2.2. Information Use Theory (Decision-Usefulness Theory)

The Decision-Usefulness Theory (Decision-Usefulness Theory) of accounting information has been known since 1954 and became a reference for the preparation of the Financial Accounting Standard Boards (FASB) conceptual framework, namely the Statement of Financial Accounting Concepts (SFAC) which applies in the United States. In the early stages, this theory was known by another name, namely A Theory of Accounting To Investors (Staubus, 2003 in Fikri et al., 2015: 6). In addition to the FASB, there is an equivalent body to the FASB, namely the GASB. The FAF created the GASB in 1984 in a "sibling" relationship with the FASB. The GASB is responsible for setting accounting standards for activities and transactions from the central and local governments, while the FASB sets accounting standards for all other organizations, including non-governmental and non-profit organizations (Freeman, 2008 in Untary, 2015: 22).

2.3. Human Resources Competence

Competence is defined as the basic ability and quality of work needed to do a good job (Furham, 1990 in Aruan, 2003 in Fikri et al., 2015: 3). According to Aruan (2003) in Fikri et al. (2015: 8), the competence of local government apparatus means the abilities that an apparatus must possess in the form of knowledge, skills, attitudes and behaviors needed in carrying out their duties.

Competence is very necessary in supporting the implementation of tasks for the success of the organization. The success of an organization in achieving a goal is largely determined by the quality and ability of the Human Resources (HR) in it. In public organizations, the role of HR is more emphasized on the ability to provide the best service for the community, so that the organization still has a reputation for superior and accountable performance in the eyes of the community. Therefore, the competence of human resources at every level of management is urgent, both at the leadership and government staff levels.

2.4. Utilization of Information Technology Systems

Information technology can be interpreted as a technology used to process data, including obtaining, compiling, processing, storing, manipulating data in various ways to produce quality information, namely relevant, accurate and timely information used for personal, business purposes, and governance and is strategic information for decision making (Nurillah, 2014). Akadun (2009: 114) defines information technology as the

result of human engineering on the process of delivering information from the sender to the recipient so that the delivery of the information will be faster, wider in distribution, and longer in storage.

The Central and Regional Governments are obliged to develop and utilize advances in information technology to improve the ability to manage finances, and to distribute financial information to public services. The government needs to optimize the use of advanced information technology for building network management information systems and work processes that allow the government to work in an integrated manner by simplifying access between units (Nuryanto and Nunuy, 2013: 159).

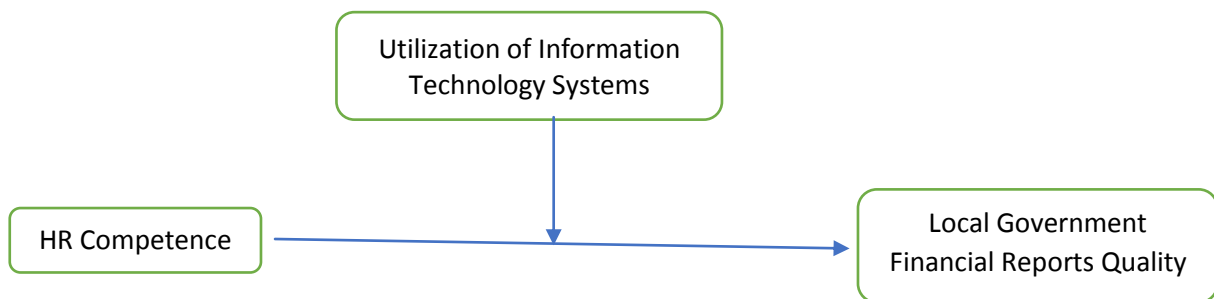
2.5. Quality of Local Government Financial Reports

The financial reports produced by the local government will be used by several interested parties as a basis for decision making. Local governments must strive to provide accurate and useful financial information for users of financial statements to meet the needs of users of financial statements. Therefore, it is necessary to have criteria/requirements for financial statements that are considered to be able to meet the needs of users of financial statements.

The qualitative characteristics of financial statements according to Government Regulation no. 71 of 2010 are normative measures that need to be realized in accounting information so that it can fulfill its objectives. The following four characteristics are the criteria/requirements for financial statements listed in Government Regulation no. 71 of 2010 concerning Accrual-based Government Accounting Standards are Relevant, Reliable, Comparable, and Understandable.

III. CONCEPTUAL FRAMEWORK

3.1. Conceptual Framework



3.2. Hypothesis

3.2.1. The Effect of Human Resource Competence on the Quality of Local Government Financial Reports

H1 = HR competence has a positive effect on the Quality of Local Government Financial Reports

3.2.2. The Effect of Utilization of Information Technology Systems on the Quality of Financial Reports

H2 = Utilization of Information Technology has a positive effect on the Quality of Financial Reports of the Regional Government of Soppeng Regency.

3.2.3. The Effect of Human Resource Competence on the Quality of Government Financial Reports with Utilization of Information Technology Systems as Moderating Variable

H3 = HR competence has a positive effect on the Quality of Local Government Financial Reports with the Utilization of Information Technology as a moderating variable

IV. RESEARCH METHOD

4.1. Research Design

This research is quantitative research. This study aims to test the hypothesis in the form of a relationship or influence between variables. In this study, the relationship or influence studied includes the competence of human resources and the use of information technology on the quality of financial reports within the local government.

4.2. Research Time and Location

The location of the research on the Influence of Human Resource Competence and Utilization of Information Technology on the Quality of Local Government Financial Reports, was conducted in Soppeng Regency.

4.3. Research Population and Sample

The population of this study was 136 respondents consisting of the Head of Finance/Secretary, SPJ Verification, SPP and SPM Makers and Financial Report Makers which spread to 34 SKPD and Subdistricts in Soppeng Regency. integrated, and sustainable to improve internal control in SKPD Soppeng Regency.

The sample taken is a saturated sample which makes the entire population as a sample. The sampling technique was carried out using the census method, namely distributing questionnaires to all populations. Anshori and Iswati (2009) state that a census is feasible if the population elements are relatively few, so the study is intended to explain the characteristics of each element of a population.

4.4. Operational Variable Definition and Indicator

Variable	Definition	Indicator	Scale
Human Resource Competence (X)	Competence according to is the knowledge and skills needed to complete the task. (Guy <i>et. al.</i> , 2002)	<ol style="list-style-type: none"> 1. Understanding of accounting 2. Quality human resources 3. Adequate resources 4. Roles and responsibilities 5. On-the-job skills training 6. Socialization of new regulations 7. Understanding of organizationalstructure(Guy <i>et. al.</i> ; 2002) 	Likert
Utilization of Information Technology (Z)	The use of information technology includes (a) data processing, information processing, management systems, and work processes electronically, and (b) the use of advances in information technology so that public services can be accessed easily and cheaply by people throughout the country.) (Hamzah, 2009)	<ol style="list-style-type: none"> 1. Accounting system according to SAP 2. Internet network 3. The internet network is utilized well 4. Applications used 5. Computerized financial reports 6. Software complies with the law (Hamzah, 2009) 	Likert
Financial Report Quality (Y)	Normative measures that need to be embodied in accounting information so that it can fulfill its objectives. (Permendagri 71/2010)	<ol style="list-style-type: none"> 1. Relevant 2. Reliable 3. Comparable 4. Understandable (Permendagri 71/2010) 	Likert

4.5. Data Source

4.5.1. Primary Data Source

The data in this study are primary data, primary data is data obtained directly from the research subject by using measuring devices or data collection tools directly on the subject as a source of information sought. In this study, the primary data used were questionnaires that were distributed directly to PPK SKPD, financial verification, SPM makers and SKPD Financial Reporting Stylists at SKPD in Soppeng Regency.

4.5.2. Secondary Data Source

Secondary data sources can be obtained through library research by studying books or written materials that are related to the topic to be studied, from internet sources, journals, theses, and other written data originating from the institution that is the object of research.

4.6. Data Gathering Method

Data collection is an effort that can be accounted for in order to obtain valid data as material for solving and discussing problems. The research uses a survey method (survey method) in this study, namely by distributing a list of questions (questionnaires) that have previously been prepared in writing, structured and systematic, which are given to respondents to be submitted, filled out and answered by respondents to obtain data as well as the collection is taken. directly from the respondent in accordance with the promise. In measuring this study, a questionnaire was submitted in which respondents were asked to answer according to the opinion of the respondent. All instruments use a Likert scale with a value of 1 to 5. The research sector used by researchers for each question item is:

- Strongly disagree = score 1
- Disagree = score 2

Neutral = score 3
 Agree = score 4
 Strongly agree = score 5

V. RESULTS AND DISCUSSION

5.1. Descriptive Statistic Analysis

Variable description analysis by interpreting the value of the average of each sub variable (dimension) in this study. Aims to provide an image of the dimensions that build the overall research model concept. In descriptive statistical research, it can be seen from the minimum, maximum, average and standard deviation values. The sample data processed in this study were 136. Descriptive statistics for all variables can be seen in the table below

	N	Minimum	Maximum	Mean	Std. Deviation
• HR Competence	136	3	5	4.14	0.250
• Information Technology Systems Utilization	136	4	5	4.44	0.310
• Financial Reports Quality	136	4	5	4.33	0.260
• Valid N (listwise)	136				

Based on table 5.2, HR competence has a minimum value of 3 and a maximum value of 5. This means that the smallest value of the respondent's answer is disagree and the largest value of the respondent is strongly agree. The average value of respondents' answers for the Human Resources competency variable is 4.14 with a deviation value (standard deviation) of 0.25. The standard deviation value which is smaller than the mean value on the HR Competency variable indicates that the mean value is a good representation of the overall data in the study.

Utilization of Information Technology Systems has a minimum value of 4 and a maximum value of 5. This means that the smallest value of respondents' answers is disagree and the largest value of respondents is strongly agree. The average value of respondents' answers for the sanctions variable is 4.44 with a deviation value (standard deviation) of 0.31. The standard deviation value which is smaller than the mean value in the Information Technology System Utilization variable indicates that the mean value is a good representation of the overall data in the study.

The quality of financial statements has a minimum value of 4 and a maximum value of 5. This means that the smallest value of the respondents' answers is disagree and the largest value of respondents is strongly agree. The average value of respondents' answers for the variable knowledge of taxation is 4.33 with a deviation value (standard deviation) of 0.63. The standard deviation value which is smaller than the mean value on the Financial Statement Quality variable indicates that the mean value is a good representation of the overall data in the study.

5.2. Validity and Reliability Test

This study uses a questionnaire as an instrument to obtain data from respondents. The measurement of each instrument uses an ordinal scale (likert). The data that has been collected will be tested by testing the validity and reliability to ensure the quality of the data before being processed further.

5.2.1. Validity Test

In this study, validity testing was carried out twice on the moderating variable or Information Technology System Utilization because there was one indicator variable that was not significant in the first validity test. So that in testing the two variables of Information Technology System Utilization, all indicator variables are valid. The results of validity testing for this research data can be seen in the following table:

Variable	Item	r-count	r-table	Information
HR Competence(X)	X4.1	0,599	0,142	Valid
	X4.2	0,533	0,142	Valid
	X4.3	0,795	0,142	Valid
	X4.4	0,668	0,142	Valid
	X4.5	0,404	0,142	Valid
	X4.6	0,501	0,142	Valid
	X4.7	0,465	0,142	Valid

The table above shows that the results of the validity test for the Human Resource Competence variable obtained an r-count value which is greater than the r-table value. So, all the items that have been tested have an r-count value above the r-table value of 0.142, it can be concluded that all statement items on the instrument are valid.

Variable	Item	r-count	r-table	Information
Utilization of Information Technology Systems (Z)	Z.1	0,643	0,142	Valid
	Z.2	0,571	0,142	Valid
	Z.3	-0,077	0,142	NotValid
	Z.4	0,724	0,142	Valid
	Z.5	0,795	0,142	Valid
	Z.6	0,748	0,142	Valid

The table above shows that the results of the validity test for the Information Technology System Utilization variable, the r-count value for Z.3 is not greater than the r-table value. So, it is necessary to modify it by removing invalid variable items and then testing the validity again. The second validity test for the Information Technology System Utilization variable can be seen in table below, as follows:

Variable	Item	r-count	r-table	Information
Utilization of Information Technology Systems (Z)	Z.1	0,751	0,142	Valid
	Z.2	0,534	0,142	Valid
	Z.4	0,749	0,142	Valid
	Z.5	0,793	0,142	Valid
	Z.6	0,739	0,142	Valid

The table above shows that the results of the second validity test for the Information Technology System Utilization variable obtained an r-count value which is greater than the r-table value. So, all the items that have been tested have an r-count value above the r-table value of 0.142, it can be concluded that all statement items on the instrument are valid.

Variable	Item	r-count	r-table	Information
Financial Report Quality (Y)	Y.1	0,287	0,142	Valid
	Y.2	0,294	0,142	Valid
	Y.3	0,621	0,142	Valid
	Y.4	0,546	0,142	Valid
	Y.5	0,425	0,142	Valid
	Y.6	0,654	0,142	Valid
	Y.7	0,558	0,142	Valid
	Y.8	0,776	0,142	Valid
	Y.9	0,728	0,142	Valid

The table above shows that the results of the second validity test for the Financial Statement Quality variable obtained an r-count value which is greater than the r-table value. So, all the items that have been tested have an r-count value above the r-table value of 0.142, it can be concluded that all statement items on the instrument are valid.

5.2.2. Reliability Test

The reliability test is used to determine the extent to which the measurement results remain consistent if it is carried out twice or more on the same symptoms using the same measuring instrument. Reliability was measured by statistical test Cronbach's alpha (α). According to Sugiyono (2016: 184), a variable is said to be reliable if it gives a Cronbach' alpha value > 0.60.

Variable	Alpha Coefficient Standard	Cronbach's Alpha	Information
Human Resources Competence(X)	0,60	0,602	Reliable
Information Technology Systems Utilization (Z)	0,60	0,754	Reliable
Financial Report Quality(Y)	0,60	0,701	Reliable

The table above shows that the value of Cronbach's alpha for all variables is greater than the standard value of the alpha coefficient of 0.60. This means that the instrument used in this study is reliable.

5.3. Classical Assumption Test

5.3.1. Normality Test

The normality test is carried out by looking at the spread of data on diagonal sources on the Normal P-P Plot of regression standardized residual chart (graphic method) or by using the One Sample Kolmogorov Smirnov test (Imam Ghazali, 2016). The basis for making decisions is based on probability (Asymptotic Significance), namely:

- a. If the probability > 0.05 then the distribution and regression model is normal.
- b. If the probability < 0.05 then the distribution and regression model are not normally distributed.

		Unstandardized Residual
N		136
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.24764874
Most Extreme Differences	Absolute	.107
	Positive	.057
	Negative	-.107
Test Statistic		.107
Asymp. Sig. (2-tailed)		.001 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

In this study, statistical normality was tested using the Kolmogorov Smirnov test. The results of the normality test as presented in the table above, obtained the Sig Kolmogorov Smirnov value of 0.001. This value does not meet the requirements of the normality test, ie if the test results obtained a Sig value <0.05, it can be assumed that the data is not normally distributed.

Because the test using the Kolmogorov Smirnov test with Asymp Only is not met, then to overcome the abnormality of the data, it can be done by means of Monte Carlo (2-tailed) and/or Exact P-values. According to Mehta and Patel (2012) that you can use Monte Carlo (2-tailed) with test criteria, if the resulting Monte Carlo (2-tailed) value is greater than 0.05 then the residuals are normally distributed (sig. > 0.05). and vice versa if the resulting Monte Carlo (2-tailed) value is smaller or less than 0.05, it means that the residuals are not normally distributed (sig. < 0.05). Meanwhile, using Exact P-values also needs to show a value of more than 0.05 to say the residual value is normally distributed, whereas if the value of Exact P-values is less than 0.05 then it can be said that the residual is not normally distributed (Mehta and Patel, 2012).

The results of the normality test using the Kolmogorov Smirnov Monte Carlo (2-tailed) are as follows:

		Unstandardized Residual	
N		136	
Normal Parameters ^{a,b}	Mean	.0000000	
	Std. Deviation	.24764874	
Most Extreme Differences	Absolute	.107	
	Positive	.057	
	Negative	-.107	
Test Statistic		.107	
Asymp. Sig. (2-tailed)		.001 ^c	
Monte Carlo Sig. (2-tailed)	Sig.	.083 ^d	
	99% Confidence Interval	Lower Bound	.076
		Upper Bound	.090

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. Based on 10000 sampled tables with starting seed 1314643744.

From the results of the Monte Carlo (2-tailed) test above, the residual value is greater than 0.05 (sig. > 0.05) which is 0.083, it can be concluded that the data is normally distributed and suitable for use in further testing.

5.3.2. Multicollinearity Test

Multicollinearity test was conducted to test the presence or absence of correlation between independent variables (independent) in the regression model. Multicollinearity test can be done by looking at the Variance Inflation Factor (VIF) and the tolerance value. If the VIF value is 10 or the tolerance value is 0.1, then multicollinearity is free. Multicollinearity test results can be seen in the following table:

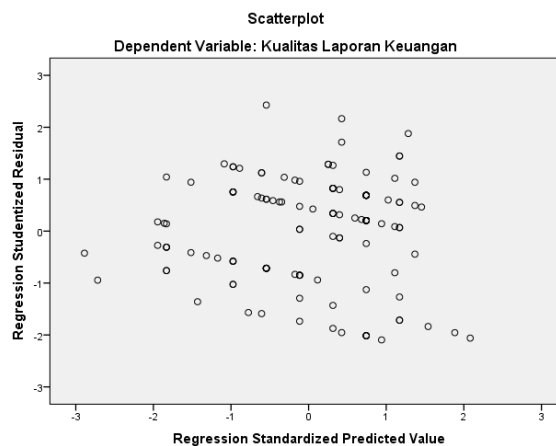
Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Human Resources Competence(X)	.995	1.005
Information Technology Systems Utilization (Z)	.995	1.005

a. Dependent Variable: Y

Based on the table above, it can be seen that the tolerance value is 0.1 and the VIF value is 10. Thus, multicollinearity does not occur in all independent variables in this study.

5.3.3. Heteroscedasticity Test

Heteroscedasticity test was performed by analysis of the Scatterplots graph. The figure below shows no clear pattern, namely the points spread above and below the number 0 (zero) on the Y axis. This means that there is no heteroscedasticity.



Heteroscedasticity test shows that the variance of the variables is not the same for all observations. A good regression model is one with homoscedasticity or no heteroscedasticity. Scatterplots graph analysis to predict the presence or absence of heteroscedasticity in a model can be seen from the pattern of the scatterplot image of the model. The results of the scatterplot graph in this study as presented in the image above shows that the points spread above and below the number 0 (zero) on the y-axis, or in other words, the distribution of the points does not form a certain pattern. This result means that there is no heteroscedasticity.

5.4. Hypothesis Test

The analytical method used to test the hypothesis in this study is to use Multiple Regression Analysis. The results of multiple regression testing can be seen in the following table.

Independent Variable	Coefficient	t	Sig.	Information
Constant	2,770			
Human Resources Competence(X)	0,194	2,229	0,027	Significant
Information Technology Systems Utilization (Z)	0,170	3,082	0,002	Significant

$\alpha = 5\% = 0,05$
 R square = 0,093
 F = 6,784 sig. 0,002.

Based on the results of the regression test above, the following mathematical equations can be arranged:

$$Y = \alpha_0 + \alpha_1 X + \alpha_2 Z + e \dots (1)$$

$$Y = 2,770 + 0,194X + 0,170Z$$

From the above equation shows that the constant value of the coefficient for all variables is positive. This indicates that the influence of the variable competence of human resources and the use of information technology systems can be directly proportional to the variable quality of financial reports.

The value of the F statistical test results in table 5.11 is 6.784 with a significance value of 0.002. It can be concluded that the independent variables jointly affect the dependent variable. While the coefficient of determination R square in the test results above shows a value of 0.093 or 9.3%. These results indicate that the variable utilization of information technology systems is influenced by 9.3% by the competence of human resources and utilization of information technology systems. The remaining 90.7% is influenced by other variables outside of the independent variables studied in this study.

Regression Analysis with Moderating Variables of Information Technology System Utilization

The results of multiple regression testing with the moderating variable for the use of information technology systems (Z) can be seen in the following table:

Independent Variable	Coefficient	t	Sig.	Information
Konstanta	3,579			
Z	-0,006	0,061	0,952	Insignificant
X.Z	0,042	2,117	0,036	Significant

$\alpha = 5\% = 0,05$
R square = 0,089
F = 6,524 sig. 0,002.

Based on the results of the regression test above, the following mathematical equations can be arranged:

$$Y = \beta_0 + \beta_1 Z + \beta_2 X.Z + e \dots (2)$$

$$Y = 3,579 - 0,006Z + 0,042X.Z$$

The value of the coefficient of determination R square in the test results above shows a value of 0.089 or 8.9%. These results indicate that the variable quality of financial statements is influenced by 8.9% by the research variables used after testing the moderation multiplication. The remaining 91.1% is influenced by other variables outside of the independent variables studied in this study.

The interaction of human resource competence variables with the use of information technology systems (moderation) has a probability value of 0.036 below the standard value of 0.05 significance. This shows that the use of information technology systems can moderate the influence of human resource competence on the quality of financial reports.

Based on the results of the tests that have been carried out, the results of hypothesis testing can be concluded as follows.

H1: The Influence of Human Resource Competence on the Quality of Local Government Financial Reports

The results of testing the influence of human resource competence on the quality of financial statements show the path coefficient value of 0.194. The t value is 2.229 and the significance value is 0.027 which is smaller than 0.05. This result means that the high competence of human resources will improve the quality of local government financial reports. Therefore, hypothesis H1 is accepted.

H2: The Effect of Utilization of Information Technology Systems on the Quality of Local Government Financial Reports

The test results of the Utilization of Information Technology Systems on the Quality of Local Government Financial Reports show the path coefficient value of 0.170. The t value is 3.082 and the significance value is 0.002 which is smaller than 0.05. This result means that the high utilization of information technology systems will improve the quality of local government financial reports. Therefore, hypothesis H2 is accepted.

H3: The Influence of Human Resource Competence on the Quality of Government Financial Reports by Utilizing Information Technology Systems as Moderating Variables

The test results from the use of information technology systems to moderate the effect of human resource competence on the quality of local government financial reports show a path coefficient value of 0.042. The t value is 2.117 and the significance value is 0.036 which is smaller than 0.05. This result means that the use of information technology systems moderates the effect of human resource competence on the quality of local government financial reports. Therefore, hypothesis H3 is accepted.

VI. CONCLUSION

6.1. The Influence of Human Resource Competence on the Quality of Local Government Financial Reports

The test results show that the proposed hypothesis is accepted. Thus, the hypothesis which states that the high competence of human resources will improve the quality of local government financial reports can be empirically proven. The higher the competence of human resources, the higher the quality of financial reports, so that it will have an impact on the quality of local government reporting.

According to the stewardship theory which states that the community as the principal entrusts the government as a steward to manage the organization (government) for the success of the organization. Human resources will prioritize the interests of the organization by maximizing competence in terms of completing tasks and functions in order to achieve the goals of the organization.

Chinn in Zoelisty and Adityawarman (2014: 16) says that stewardship theory is built on philosophical assumptions about human nature, that humans are essentially trustworthy, able to act responsibly, have integrity and honesty towards other parties. This theory also assumes a strong relationship between satisfaction and organizational success.

According to Wirawan (2009:1), human resources are resources used to mobilize other resources to achieve organizational goals. Human resources are an important factor so that the local government financial reports produced can be of high quality. Meanwhile, according to Djaafar in Yanto (2013) states that quality human resources are human resources who master science and technology and have a sense of responsibility for human life and other living things and feel that humans have a functional relationship with the social system. Human resource competence has a very important role to plan, implement, and control the entity concerned.

The results of this study are in line with the results of research conducted by Surastiani and Handayani (2015) which states that the quality of human resources has a positive effect on the quality of local government financial reports. In addition, it is also in line with several other studies such as Sudiaranti et al. (2015), Wati et al. (2014:9) and Pratiwi et al. (2015:). However, the results of a different study conducted by Arfianti (2011), where the results of his research stated that the quality of human resources did not affect the reliability of local government financial reporting but did affect the timeliness of local government financial reports.

6.2. The Effect of Utilization of Information Technology Systems on the Quality of Local Government Financial Reports

The test results show that the proposed hypothesis is accepted. Thus, the hypothesis which states that the use of information technology systems on the quality of local government financial reports can be empirically proven. The higher the utilization of an information technology system in an organization will improve the quality of financial reports in this case local government financial reports.

In the theory of usefulness of information (Decision-Usefulness Theory) which states that the usefulness of accounting information decisions contains components that need to be considered by presenters of accounting information in order to meet the needs of decision makers. Processing data into information with the help of computers will clearly increase the value of the information generated (Hanafi, 2013: 89). Therefore, local governments are required to take advantage of technological advances that are useful for improving their ability to manage regional finances in accordance with government regulation No. 56 concerning Regional Financial Information Systems and Permendagri No. 77 of 2019 concerning Regional Government Information Systems that apply one data one system.

Information technology can be interpreted as a technology used to process data, including obtaining, compiling, processing, storing, manipulating data in various ways to produce quality information, namely relevant, accurate and timely information used for personal, business purposes, and governance and is strategic information for decision making (Nurillah, 2014).

From the results of this study, it can be shown that the use of information technology systems can also encourage one of the government's reforms in realizing good governance (especially in the implementation of regional autonomy) because it can minimize errors in the preparation of financial reporting. According to

Akadun (2009) that to realize good governance is to utilize information technology in the administration of government, service and development.

The results of this study are in line with the results of research by Nurillah (2014) and Maulidia (2015) which show that the use of information technology has a significant effect on the quality of local government financial reports. In addition, there are also several other studies that state the same thing, namely Ariesta (2013); Anwar and Mukadarul (2016); and Pradono and Basukianto (2015).

6.3. The Influence of Human Resource Competence on the Quality of Government Financial Reports by Utilizing Information Technology Systems as Moderating Variables

The test results show that the proposed hypothesis is accepted. Thus, the hypothesis which states that the use of information technology systems as a moderating variable can moderate the influence of human resource competence on the quality of local government financial reports can be empirically proven.

From the results of this study indicate that information technology can help human resources in managing finances. Although financial reports are products produced by human resources in the field of accounting, utilizing technology can minimize errors from humans themselves.

In accordance with the theory of usefulness of information (Decision-Usefulness Theory) which states that the usefulness of accounting information decisions contains components that need to be considered by presenters of accounting information in order to meet the needs of decision makers. Furthermore, it also said that the attitude of management towards the application of an accounting standard is related to its interest in the disclosure of accounting information in the form of financial reporting.

In achieving the level of public trust and satisfaction with the success of the government in running the government, one of them is the publication of quality financial reports. The results of quality local government financial reports are certainly supported by competent human resources in the field of accounting and then the use of other resources, one of which is by utilizing information technology.

Abadun (2017; 130) states that in order to realize good governance, the government must utilize information technology in the administration of government, services, and development. In relation to government financial governance, information technology must be used optimally to produce government financial information contained in local government financial reports. Utilization of information technology provides many benefits for local governments.

Research related to the use of information systems and technology in public sector organizations has been carried out by previous researchers. Research conducted by Nurillah (2014) states that the use of information technology has a positive effect on the quality of local government financial reports. Research conducted by Anwar and Mukadarul (2016) supports research conducted by Nurillah (2014) which states that the use of information technology has a positive effect on the quality of local government financial reports. However, the results of research by Surastiani and Handayani (2015) state that the use of information technology does not affect the quality of local government financial reports.

From the results of this study empirically can show that the use of information technology systems can be a moderator in influencing the competence of human resources on the quality of local government financial reports.

VII. CONCLUSION

Based on the results of hypothesis testing and discussion of the influence of human resource competence and the use of information technology systems on the quality of local government financial reports where the utilization of information technology systems is used as a moderating variable, the following conclusions can be drawn:

1. Competence of human resources has a significant effect on the quality of local government financial reports. The regression coefficient is positive which indicates that the relationship between the two is positive. This means that the higher the competence of human resources, the higher the level of quality of local government financial reports. The results of this study are in line with the results of research conducted by Surastiani and Handayani (2015); Sudiarianti et al. (2015); Wati et al. (2014:9); and Pratiwi et al. (2015).
2. The use of information technology systems has a significant effect on the quality of local government financial reports. The regression coefficient is positive which indicates that the relationship between the two is positive. This means that the higher the utilization of an information technology system in an organization will improve the quality of financial reports, in this case local government financial reports. The results of this study are in line with the results of research conducted by Nurillah (2014) and Maulidia (2015); Ariesta (2013); Anwar and Mukadarul (2016); and Pradono and Basukianto (2015).

3. Utilization of information technology systems can significantly moderate the competence of human resources on the quality of local government financial reports. Utilization of information technology systems can be a driving force for someone who has competence in preparing regional financial reporting so that it has an impact on the quality of local government financial reports.