



The effect of information technology on the quality of financial reports in the regional financial management agency of Takalar Regency

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ABSTRACT

This study aims to determine the effect of information technology on the quality of financial reports. The research was conducted at the Regional Financial Management Agency (BPKD) of Takalar Regency. This type of research is quantitative research. The data collected is primary data by distributing questionnaires to respondents. The number of respondents in this study were 45 people. To test the hypothesis using a simple linear regression approach and the data is processed using the SPSS application. The results of the study indicate that information technology has a positive and significant effect on the quality of financial reports.

Keywords: Technology, information, financial reports

1. PRELIMINARY

The development of information technology today is very rapid. Technological developments occur in all dimensions of life, including in the presentation of financial statements to local government agencies. Information technology is everything related to the process and management of information. According to Martin (1999) in Simarmata (2020) information technology is not only limited to computer technology (hardware and software) used to process and store information, but also communication to transmit information.

Information technology system is a system formed with the use of information technology. Rusdiana and Irfan (2014) say that basically information technology systems do not only include things that are physical, such as computers and printers, but also include things that are not physically visible, namely software. In other words, the main components of information technology systems are data, hardware (hardware), software (software), network devices (network), and people (brainware).

Support for the use of information technology systems in the preparation of local government financial reports is currently very important. The preparation of financial reports is no longer

done manually but is assisted by an information technology system through an application system that is created. The results of using the application for the preparation of financial statements are also believed to have better quality. The use of information technology for government agencies is regulated in PP No. 56 of 2005 on regional financial information systems which replaces PP No. 11 of 2001 on regional financial information.

The quality of accounting information systems must be seen in several indicators. According to Heidman (2008) in Utami (2020) said the dimensions of the quality of accounting information systems include integrity, flexibility, accessibility, formalization and media richness. According to Azhar (2017), the dimensions of the quality of accounting information are accurate, relevant, timely, and complete.

Utilization of advances in information technology is not only needed by business organizations but also public sector organizations. Use of information technology in local government agencies to build a management network system and work processes that enable integrated work. According to Wilkinson et al (2000) in Nurillah (2014) the use of information technology includes (1). Data processing, information processing, management systems and work

systems electronically. (2). Utilization of information technology so that public services can be accessed easily and cheaply by the community.

Wahyono (2004) states that several indicators in the use of information technology for an agency are;

1. Relevant information; The information needed must match what is needed. If the information is for the needs of government agencies, it must be in accordance with the information needed in the decision-making process so as to provide benefits for the wearer.
2. Accurate; if the information is not biased or misleading, is free from errors and reflects its intent.
3. On time; the required data can be timely so that the resulting information is of high quality. Late information does not have a good value so that if it is used to draw conclusions it can cause errors.

Local government financial reports must meet the elements of accountability and transparency, this is intended to ensure that local financial management carried out by government officials has been running well. Governmental accounting standard board (1999) in statement 1 explained that the purpose of financial reporting, namely accountability, is the basis of financial reporting in government. This is intended to meet the demands of the community so that local governments improve quality, professionalism and public accountability.

Local government financial reports are the final result of the accounting process that has been carried out to describe financial performance. According to Fahmi (2012) financial statements are information that describes the condition of a company which will then become information that describes the performance of an agency or company. An agency's financial statements can be said to be valuable and useful if they produce quality and understandable financial reports for users of financial statements in making decisions. Besides being information, financial statements are also closely related to accountability and describe reported operating activities for a certain period.

Preparation of local government financial reports based on SAP (Government accounting standards). In SAP, there are 7 (seven) components of financial statements that must be presented, namely budget realization reports, changes in SAL reports, operating reports, balance sheets, cash flow reports, equity reports and CALK.

In government accounting standards it is stated that government financial reporting should provide useful information for users in assessing accountability and making economic, social and political decisions by:

1. Provides information on the sources, allocation and use of financial resources.
2. Provide information on the adequacy of current period revenues to finance all expenses.
3. Provide information about the amount of economic resources used in the activities of the reporting entity and the results that have been achieved.
4. Provide information about how the reporting entity finances all of its activities and meets its cash needs.
5. Provide information about the financial position and condition of the reporting entity in relation to its sources of revenue, both short-term and long-term, including those from tax collections and loans.

6. Provide information regarding changes in the financial position of the reporting entity, whether it has increased or decreased, as a result of activities carried out during the reporting period.

In government regulation number 71 of 2010 concerning government accounting standards, it is explained that there are 4 (four) normative characteristics required for quality regional financial reports, namely:

1. Relevant. Financial statements can be said to be relevant if the information contained in them can influence user decisions by helping evaluate the past or present, and predicting the future, as well as correcting the results of past evaluations. By doing this, relevant financial statement information can be linked to its intended use. The information in question is.
 - a.) the existence of feedback value or it can be said to have the benefit of feedback, meaning that information allows users to confirm or correct their expectations in the past.
 - b.) Has predictive value (predictive value). Information can help users to predict the future based on past results and current events
 - c.) On time. Information is presented in a timely manner so that it can be influential and useful in decision making.
 - d.) Complete. Government financial accounting information is presented as completely as possible, including all accounting information that can influence decision making by taking into account existing constraints.
2. Reliable. Financial statements must be reliable, meaning that they are free from misleading understanding and material errors, present every fact honestly, and can be verified. Reliability here must meet the characteristics, namely: Honest presentation, verifiability, and neutrality.
3. Comparable. Financial statements will have value if they can be compared with the financial statements of the previous period or the financial statements of other reporting entities in general.
4. Understandable. Means that the information presented in the financial statements can be understood by its users.

Takalar Regency is one of the regencies in South Sulawesi Province which is directly adjacent to Makassar City and Gowa Regency. District government. Takalar has applied the regional financial information system (SIKD) in regional financial management.

2. RESEARCH METHODS

This research is a quantitative research with the research location at the Office of the Regional Financial Management Agency (BPKD) Takalar Regency. The number of respondents as many as 45 people. The type of data used in this study is primary data obtained by distributing questionnaires to all employees in BPKD Kab. Takalar. The data analysis technique is simple regression, which is an analysis that is used to determine the effect between the independent variable and the dependent variable. The data was processed using SPSS version 24

application. The criteria for drawing conclusions were to compare t count with t table . If t count is greater than or equal to t table at a significance level of 5%, then the variable has a significant effect. The simple regression equations that are compiled are;

$$Y = a + bX$$

The variables in this study consisted of 2 (two), the independent variable, namely information technology and the dependent variable, namely the quality of financial reports.

Variable Operational Definition

Utilization of Information Technology (X)

Utilization of information technology is the behavior of accountants to use information technology in assisting the completion of tasks in the field of administration of local government agencies. The measurements used are relevant, accurate and timely information.

Quality of Financial Statements (Y)

The quality of local government financial reports is the information contained in financial reports which can later provide information for users of financial statements that are easy to understand and can meet the needs of users in making decisions. The measurements used are relevant, reliable, understandable and comparable.

3. RESULTS AND DISCUSSION

The number of questionnaires distributed was 50 questionnaires and 45 questionnaires were returned. The results of the validity test on 45 questionnaires are all valid and also reliable because the Cronbach alpha coefficient is 0.60.

Statistical Test (t Test)

Test The t statistic provides an indication of the influence of the independent variables individually in explaining the variation of the dependent variable. This study uses a provision with a significance level (α) = 0.05. Here are the results of the t test:

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	5,378	5,162		1,042
	Pemanfaatan Teknologi Informasi (X1)	,799	,225	,509	3,551

a. Dependent Variable: Kualitas Laporan Keuangan (Y)

Based on the results of the t test presented above, it can be explained that the use of information technology at t count is $3.551 > t \text{ table } 2.016$ with a significant value of $0.001 < 0.05$. So it can be concluded that the use of information technology has a positive effect on the quality of financial reports. The significance value is less than 0.05 indicating that there is a significant effect between the use of information technology and the financial report quality variable.

Utilization of Information Technology is seen as a tool used to complete the tasks of an individual to prepare and tidy up financial reports in an agency. Utilization of information technology is indispensable in local government financial reporting for decision making that will provide quality results. Utilization of Information Technology at the Takalar Regency BPKD Office has implemented a good information system in decision making, assisting in the preparation of financial reports and accelerating the completion time of financial reports. This will help produce quality financial reports if the use of Information Technology is as expected. Because the better the use of information technology in an agency, the easier it is in the process of making and preparing financial reports. Information technology as a tool is certainly not a separate thing from human resources as the operator, so that synergy is needed to increase the application of technology and the quality of human resources. In the application of information technology in accounting, of course, settings are also needed so that the application runs in the process of recording and financial reporting that meets applicable government accounting standards.

The results of this study are in line with previous studies such as those carried out by Rahmawati et al (2018), the results of the research show that the Information Technology Utilization variable has a significant effect on the quality of the South Tangerang City SKPD reports. Likewise, research conducted by Khodijah et al (2018) whose results show that the use of information technology has an effect on the quality of regional financial reports in the DKI Jakarta Provincial SKPD. The results of this study are not in line with research conducted by Riandani (2017) which states that the variable of the use of information technology has no effect on the quality of regional financial reports at local government agencies in the Regency of Fifty Cities. For this reason, a more in-depth study is needed on the use of information technology in supporting quality financial reports. Consideration of the use of information technology that can manage data, process, store, and compile data so as to produce relevant, accurate, and timely information.

Coefficient of Determination (R²)

The coefficient of determination test measures the model's ability to explain the variation of the independent variable by looking at the adjusted R². Here are the results of the coefficient of determination (R²) :

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,755 ^a	0,570	0,539	2,076

Based on the results of the above data processing, the adjusted R² value of 0.570 or 57 % was obtained . It can be concluded that the variable quality of financial statements is influenced by the information technology variable, while the remaining 43 % can be explained by other variables outside of this research model.

Conclusion

Based on the discussion above, it can be concluded that the use of information technology affects the quality of financial reports. With the implementation of a good technology system, it will improve the quality of financial reports as a reflection of accountable and transparent financial management.

Suggestion

1. Future researchers are expected to be able to develop other variables and research objects, namely not only one SKPD but all SKPD in one regional government, so that more constant results can be obtained.
2. For the Regional Financial Management Agency (BPKD) of Takalar Regency to improve the application of regional financial information system applications so that financial reports are of high quality and real time so that financial management can be transparent and accountable.

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