

Factors of Regional Management Information System Implementation Influencing the Quality of Financial Statements with the Role of Financial Administration Officials in the SKPDS (Regional Personnel Work Units) as a Moderating Variable: A Study in Medan

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ABSTRACT

This research examines and analyses the factors of implementing regional management information systems that affect the quality of financial reports, with the role of regional work unit financial administration officials as a moderating variable in the Medan City Government.

The sampling technique used in this study is the total sample method. The total sample of this research is 138 respondents. Researchers use SPSS software to manage research data.

The results showed that the application of government accounting standards had a positive and significant effect on the quality of financial reports, the use of information technology had a positive and significant effect on the quality of financial reports, the government's internal control system had a positive and significant effect on the quality of financial reports. The role of regional work unit financial administration officials significantly moderates the effect of applying government accounting standards on the quality of financial reports; the role of regional work unit financial administration officials does not significantly moderate the effect of the use of information technology on the quality of financial reports, the role of regional work unit financial administration officials significantly moderates the influence of the government's internal

control system on the quality of financial reports.

Keywords: Quality of Financial Statements, Application of Accounting Standards Government, Utilization of Information Technology, Government Internal Control Systems, and the Role of Regional Work Unit Financial Administration Officers.

INTRODUCTION

The characteristics of the financial reports contained in PP No. 71 of 2010 concerning the conceptual framework for government accounting articles 35-40 state that the qualitative characteristics of financial reports are a normative measure that must be embodied in accounting information to fulfil its objectives. The characteristics of financial reports are: (1) relevant, (2) reliable, (3) comparable, and (4) understandable. These four characteristics are normative requirements needed so that government financial reports can meet the desired quality. The use of information technology systems for regional financial management is mandated by issuing government regulation Number 56 of 2005 concerning Regional Financial Information Systems. The Regional Management

Information System application developed by the Financial and Development Supervisory Agency (BPKP) and known as the SIMDA application is an integrated information technology, from budgeting and administration to accountability. The SIMDA application has been implemented in almost all local governments to support regional financial management in general, starting from SIMDA Finance, SIMDA Regional Property (BMD), SIMDA Salaries, and SIMDA Income.

Regional Management Information System (SIMDA) with the quality of local government financial reports is very closely related. With a regional management information system, the preparation of financial reports and the presentation of financial reports will have a timely presentation, and the information contained in financial reports can be relied upon and used. The purpose of implementing SIMDA is to obtain financial reports and financial information in a timely, complete, accurate, and reliable manner and follow existing regulations.

In 2021 the Regional Management Information System (SIMDA) application will change to the Regional Government Information System (SIPD). According to Permendagri Number 70 of 2019, Regional Government Information Systems Regional Government Information Systems, abbreviated as SIPD, are management of regional development information, regional financial information, and other related local government information to take advantage of the implementation of regional development. Regional financial information is a system for managing data and information and compiling, monitoring, and evaluating financial documents electronically.

Based on Law Number 15 of 2004, there are 4 types of Opinions given by the BPK RI on the Audit of Government Financial Statements, namely: (1) Unqualified Opinion (UO) or unqualified opinion, which states that the audited entity's financial

statements, present fairly in all material respects, the financial position, results of operations and cash flows of certain entities following generally accepted accounting principles in Indonesia, (2) Qualified Opinion (QO), (3) Adverse Opinion (AO), (4) Disclaimer of opinion (DO).

The BPK stated in the 2020 audit results report on the regional government financial reports (LKPD) of the Medan City government for the 2015-2020 fiscal year as follows:

Table 1. List of Opinions LKPD Medan City Government

Year	Opinion
2015	Qualified Opinion
2016	Qualified Opinion
2017	Qualified Opinion
2018	Qualified Opinion
2019	Qualified Opinion
2020	Unqualified Opinion

Source: www.bpk.go.id

Based on Table 1 above shows that LKPD opinion from 2015 to 2019 Medan City Government received a Qualified Opinion (QO), and in 2020 the Medan City Government received an Unqualified Opinion (UO), where there are still several problems that have occurred for six years the latest findings by the BPK.

The 2015 Audit Report presents a balance report on tax receivables, fixed asset balances, income, and expenses in the operational report. It does not have sufficient and appropriate audit evidence, so the BPK cannot determine whether it requires adjustments to the balance sheet figures. In the 2016 Audit Report, there was an error in recording assets resulting in several recording errors, such as a lack of records or recording without supporting evidence.

In 2017 at the Medan City Government LHP regarding revenue realization. Pemko Medan experienced a deficit of 5.22% of the actual budget, but the maximum allowed deficit realization was 3.25% of the realized revenue. The realization of the deficit

occurred because it was not following the occurrence and was not following the recording with SAP. Furthermore, in the 2018 LHP, there were problems with overpayment of personnel expenditures, goods and services expenditures, and capital expenditures that did not recover. It impacts the lack of presentation of personnel expenditures, goods and services expenditures, and capital expenditures contained in the budget realization report (LRA) in the regional financial reports of the Medan city government.

The Medan City Government Financial Report for 2019 has several problems, such as a cash shortage of Rp 2,789,5333,186 and overpayments to service providers for unrecovered work volumes. In 2020, the Medan City Government followed up on these problems by making efforts to improve, namely efforts to recover in the form of depositing cash shortages and recovering overpayments of capital expenditures so that the presentation of the financial statements of the Medan government becomes reasonable. Some of these problems became the reason for obtaining a qualified opinion (QO) and an unqualified opinion (UO) from BPK.

Governance of government finances must follow principles of good management, such as transparency, accountability, participation, fairness, and independence, to properly manage state government resources to achieve national prosperity. Applying the principles of good governance in the country is inseparable from the problem of accountability and transparency in managing state and regional finances (Cadbury, 1992).

Based on the 2020 financial reports from 2015 – 2020, the Medan City local government financial reports received a qualified opinion (QO), and there were several findings in the Medan government financial reports. It is appropriate that financial reports should be presented with emphasis on the quality of financial reports with four qualifications, namely relevant,

reliable, comparable, and understandable, so that the discussion on the Factors of the Implementation of Regional Management Information Systems Affecting the Quality of Financial Reports with the Role of Financial Administration Officers of Regional Work Units as The Moderating Variables of Medan City Government are essential to study.

LITERATURE REVIEW

Local Government Financial Reports

SKPD financial reports are a result of identifying, measuring, and recording economic (financial) transactions of accounting entities that exist in a local government which is used as information in the context of accountability for the financial management of accounting entities and making economic decisions by parties who need them as stated by Abdul Halim & Muhammad Syam Kusufi in their book *Regional Financial Accounting* (2014) that economic transactions are activities related to money. The following process is the measurement of economic transactions, namely by using units of money. So, all transactions in accounting must state in units of money.

According to PP No, local government financial reports are a combination of SKPD financial reports that exist in local government. Conceptual Framework 71 of 2010, paragraph 24, is structured to provide relevant information regarding the financial position and all transactions carried out by a reporting entity during a reporting period. Financial reports are to determine the value of economic resources used to carry out government operations, assess financial conditions, evaluate the effectiveness and efficiency of a reporting entity, and help determine compliance with laws and regulations.

Quality of Financial Statements

Local governments provide financial reports that must be quality, so many still

rely on financial report information published by local governments with different interests. Government Regulation Number 71 of 2010 uses government financial reports: the Community, People's Representatives, Supervisory Agencies, Examining Agencies, those who play a role or give in a stage of investment, loans, donations, investment, and the government. Government Regulation Number 71 of 2010 states that the characteristic quality of a government financial report is a normative requirement to provide the desired quality, namely relevant, reliable, comparable, and understandable. Managing regional finances in an institution must be arranged as optimally as possible to produce effective financial management.

The form of local government accountability for the management of economic resources used by the government for one period is in the form of local government financial reports (LKPD). Regional financial reports must follow Government Accounting Standards and Regulation Number 71 of 2010. Implementing this aims to make it more accountable and improve the quality of financial report information. Based on Law Number 17 of 2003 concerning State Finance, State Finance is all rights and obligations of a State that can measure in money, as well as all things such as tools that can own by the state related to implementing rights and obligations. The quality of government financial reports is also very closely related to Government Accounting Standards (SAP). The principles and rules in the applicable accounting standards must make a quality financial report. A local government financial report must refer to the financial SAP.

Application of Government Accounting Standards (SAP)

Government Regulation No. 71 of 2010

states that accounting is identifying, recording, measuring, classifying, summarizing financial transactions and events, presenting reports, and interpreting the results. Government Accounting Standards (SAP) are accounting principles in preparing and presenting government financial reports. In Government Regulation Number 71 of 2010, the purpose of Accrual-Based Government Accounting Standards is to regulate the presentation of financial reports for general purposes to improve the comparability of financial reports to budgets, between periods, and between entities.

Preparing central and regional government financial reports to improve the quality of financial reports must apply SAP. It aligns with Manulang's research (2016), which states that applying SAP significantly affects the quality of local government financial reports. Barus (2017) also mentions that applying SAP significantly affects the quality of financial reports.

Utilization of Information Technology

The obligation to use information technology by the Government and Regional Governments regulates in Government Regulation Number 65 of 2010 concerning Regional Financial Information Systems. Information technology assists in the financial reporting process to produce reliable and timely financial reports. Regional Governments must develop and utilize information technology advances to increase the ability to manage regional finances and channel Regional Financial Information to public services.

The rapid advancement of information technology and the potential for widespread use can open opportunities for various parties to access, manage and use regional financial information quickly and accurately. In line with research, Agustina (2016) and Handayani (2020)

state that information technology affects the quality of regional financial reports.

Government Internal Control System

According to Government Regulation Number 60 of 2008, the Internal Control System is an integral process of actions and activities carried out continuously by leaders and all employees to provide adequate assurance of achieving organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations. Government Internal Control System, abbreviated as SPIP, is an Internal Control System implemented within the central government and regional governments.

It supported by the results of research (Munasyir, 2015), which states that the internal control system has a significant effect on the quality of financial reports and research (Widari, 2017) also states that the government's internal control system has a significant positive effect on the quality of financial reports.

The Role of Regional Work Unit Financial Administration Officers

Government Regulation No. 12 of 2019 concerning Regional Financial Management explains that financial administration officials for regional work units, now abbreviated as PPK-SKPD, are officials who carry out financial administration functions at SKPD. The SKPD head as PA determines the SKPD PPK as referred to in PP No. 12 of 2019 Article 10 paragraph (1) letter I to carry out the financial administration function of the SKPD. PPK SKPD, as intended, has the following duties and authorities:

1. Verify SPP-UP, SPP-GU, SPP-TU, and SPP-LS along with proof of completeness submitted by the Spending Treasurer;
2. Preparing SPM;
3. Verify the accountability report of the

treasurer of receipts and expenses of the treasurer;

4. Carry out the accounting function at SKPD; And

5. Prepare SKPD financial reports.

PPK SKPD, as referred to in PP No 12 of 2019, does not concurrently serve as officials and employees responsible for collecting regional taxes and regional levies, Revenue Treasurer, Expenditure Treasurer, and PPTK.

If the PPK-SKPD performs its duties optimally, it will produce good SKPD Financial Reports. It is because the PPK-SKPD plays an important role, from examining the completeness of disbursement and verifying evidence of expenditures to compiling SKPD Financial Reports. Regional Apparatus Work Units are required to prepare financial report components consisting of 5 (five) components, namely:

1. Budget Realization Report (LRA);
2. Balance Sheet;
3. Operational Report (LO);
4. Statement of Changes in Equity (LPE);
5. Notes to Financial Statements (CaLK)

An SKPD financial administration official must have a good understanding of the financial administration functions in the SKPD. The part that performs this task is the SKPD verification and bookkeeping function. The two essential outputs of this section are the Payment Order document (SPM) and the SKPD Financial Report, which are essential documents in regional financial management. Therefore, it is essential to understand the accounting that a PPK-SKPD must possess.

Framework

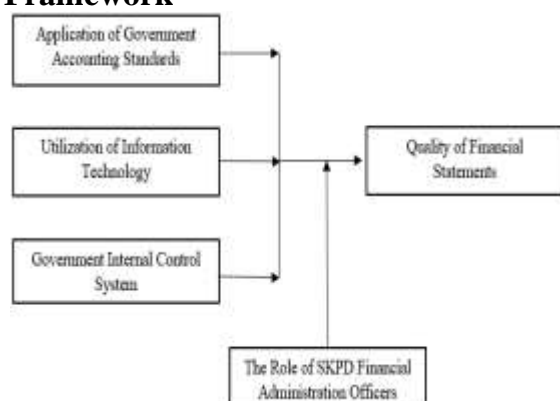


Figure 2. Framework

H1: Implementation of government accounting standards has a positive effect on the quality of the financial reports of the regional government of Medan City.

H2: Utilization of information technology has a positive effect on the quality of the Medan city government financial reports.

H3: The government's internal control system positively affects the quality of the Medan city government's financial reports.

H4: The role of SKPD financial administration officials can moderate the influence of SAP implementation on the quality of Medan city government financial reports.

H5: The role of SKPD financial administration officials can moderate the influence of information technology on the quality of Medan city government financial reports.

H6: The role of SKPD financial administration officials can moderate the effect of the government's internal control system on the quality of the Medan city government's financial reports.

MATERIALS & METHODS

This quantitative research tests the hypothesis in the form of influence between variables. In this study, the influences studied included the application of government accounting standards (SAP), the use of information technology and government internal control systems (SPIP) as independent

variables, the quality of local government financial reports as the dependent variable, and proving the role of SKPD financial administration officials as a moderating variable in that influence.

In this study, the population used was 46 SKPD in Medan City, with 1 Secretariat Section, 19 Offices, 8 Agencies/Inspectorates, 1 Hospital, and 17 Districts.

This study used a research sampling method using the total sample method. Sugiyono (2017) states that saturated sampling/total sampling uses all population members as samples. Therefore, each SKPD will be given three questionnaires to the Head of the SKPD as the Budget User, PPK, who carries out financial administration functions and prepares financial reports. It also gave to the spending treasurer, the person appointed to receive, store, pay, administer, and account for the money for SKPD expenditure purposes. Therefore the number of samples in this study was 138 respondents.

This study uses primary data types. This study's primary data collection technique used a questionnaire filled in by the Head of the SKPD as the Budget User, the Head of the Finance Subdivision as the PPK-SKPD, and the Spending Treasurer in the Medan city government. Questionnaire data was collected using a personally administered questionnaires technique, in which the researcher delivered and collected the questionnaire directly.

The questionnaire in this study was adapted from previous research questionnaires. The questionnaire in this study uses a Likert scale with five answer choices as follows:

Strongly Disagree (SDA) = given a score of 1

Disagree (D) = given a score of 2

Neutral (N) = given a score of 3

Agree (A) = given a score of 4

Strongly Agree (SA) = given a score of 5

Data management uses SPSS (Statistical Package for Social Science) software tools.

The number of questionnaires distributed to respondents was 138, and carried out in one stage, then according to a predetermined time, the questionnaires were picked up again. Of the 138 questionnaires distributed, 114 were returned. The sample size of 114 is considered sufficient to represent the population of 138 because the sample size is more than 50%. The sample is reasonably representative because the

nature of the population is almost homogeneous.

RESULT

A. Data Quality Test

Validity test

The validity test is the validity of each question item on the designed questionnaire. A question item is said to be valid if the correlation value (R count) of the question item > R table (0.3). The results of the validity test can be seen in Table 2 as follows:

Table 2. Test The Validity of The Questions

Question	R-Count	R-Table	Result
X1.1	0.808	0.3	Valid (R-Count > R=Table)
X1.2	0.82	0.3	Valid (R-Count > R=Table)
X1.3	0.856	0.3	Valid (R-Count > R=Table)
X1.4	0.787	0.3	Valid (R-Count > R=Table)
X1.5	0.811	0.3	Valid (R-Count > R=Table)
X1.6	0.83	0.3	Valid (R-Count > R=Table)
X1.7	0.826	0.3	Valid (R-Count > R=Table)
X1.8	0.803	0.3	Valid (R-Count > R=Table)
X1.9	0.825	0.3	Valid (R-Count > R=Table)
X1.10	0.792	0.3	Valid (R-Count > R=Table)
X1.11	0.804	0.3	Valid (R-Count > R=Table)
X1.12	0.829	0.3	Valid (R-Count > R=Table)
X1.13	0.785	0.3	Valid (R-Count > R=Table)
X1.14	0.797	0.3	Valid (R-Count > R=Table)
X1.15	0.864	0.3	Valid (R-Count > R=Table)
X2.1	0.786	0.3	Valid (R-Count > R=Table)
X2.2	0.82	0.3	Valid (R-Count > R=Table)
X2.3	0.816	0.3	Valid (R-Count > R=Table)
X2.4	0.843	0.3	Valid (R-Count > R=Table)
X2.5	0.855	0.3	Valid (R-Count > R=Table)
X2.6	0.811	0.3	Valid (R-Count > R=Table)
X2.7	0.798	0.3	Valid (R-Count > R=Table)
X2.8	0.842	0.3	Valid (R-Count > R=Table)
X2.9	0.782	0.3	Valid (R-Count > R=Table)
X2.10	0.834	0.3	Valid (R-Count > R=Table)
X3.1	0.849	0.3	Valid (R-Count > R=Table)
X3.2	0.846	0.3	Valid (R-Count > R=Table)
X3.3	0.828	0.3	Valid (R-Count > R=Table)
X3.4	0.823	0.3	Valid (R-Count > R=Table)
X3.5	0.872	0.3	Valid (R-Count > R=Table)
X3.6	0.831	0.3	Valid (R-Count > R=Table)
X3.7	0.864	0.3	Valid (R-Count > R=Table)
X3.8	0.871	0.3	Valid (R-Count > R=Table)
X3.9	0.832	0.3	Valid (R-Count > R=Table)
X3.10	0.846	0.3	Valid (R-Count > R=Table)
X3.11	0.841	0.3	Valid (R-Count > R=Table)
Y1	0.645	0.3	Valid (R-Count > R=Table)
Y2	0.607	0.3	Valid (R-Count > R=Table)
Y3	0.518	0.3	Valid (R-Count > R=Table)
Y4	0.516	0.3	Valid (R-Count > R=Table)
Y5	0.509	0.3	Valid (R-Count > R=Table)
Y6	0.628	0.3	Valid (R-Count > R=Table)
Y7	0.581	0.3	Valid (R-Count > R=Table)
Y8	0.597	0.3	Valid (R-Count > R=Table)
Y9	0.706	0.3	Valid (R-Count > R=Table)
Z1	0.756	0.3	Valid (R-Count > R=Table)
Z2	0.7	0.3	Valid (R-Count > R=Table)

Z3	0.751	0.3	Valid (R-Count > R=Table)
Z4	0.765	0.3	Valid (R-Count > R=Table)
Z5	0.821	0.3	Valid (R-Count > R=Table)
Z6	0.808	0.3	Valid (R-Count > R=Table)
Z7	0.826	0.3	Valid (R-Count > R=Table)
Z8	0.825	0.3	Valid (R-Count > R=Table)
Z9	0.827	0.3	Valid (R-Count > R=Table)
Z10	0.815	0.3	Valid (R-Count > R=Table)
Z11	0.797	0.3	Valid (R-Count > R=Table)
Z12	0.856	0.3	Valid (R-Count > R=Table)
Z13	0.849	0.3	Valid (R-Count > R=Table)
Z14	0.839	0.3	Valid (R-Count > R=Table)
Z15	0.805	0.3	Valid (R-Count > R=Table)
Z16	0.827	0.3	Valid (R-Count > R=Table)

Source: Data Processed (2023)

Based on the table above, the conclusion is that all the questions for each variable show a calculated R-value greater than the R table value. Thus, overall, the question items for all variables are declared valid.

Reliability Test

The reliability test must be carried out only on questions that already have or fulfill the validity test, so if it does not meet the validity test requirements, it does not need to be continued for the reliability test. The following are the results of the reliability test on valid question items. The results of reliability testing can be seen in Table 3 below:

Table 3. Reliability Test

Variable	Cronbach's Alpha	Result
X1	0.97	Reliable
X2	0.959	Reliable
X3	0.969	Reliable
Y	0.86	Reliable
Z	0.97	Reliable

Source: Data Processed (2023)

A variable can be reliable if Cronbach's Alpha is greater than 0.6. Based on the reliability test results in Table 3, all variables have a value greater than 0.7. Thus, it can be concluded that the research questionnaire used is reliable.

B. Classical Assumption Testing

1. Normality Test

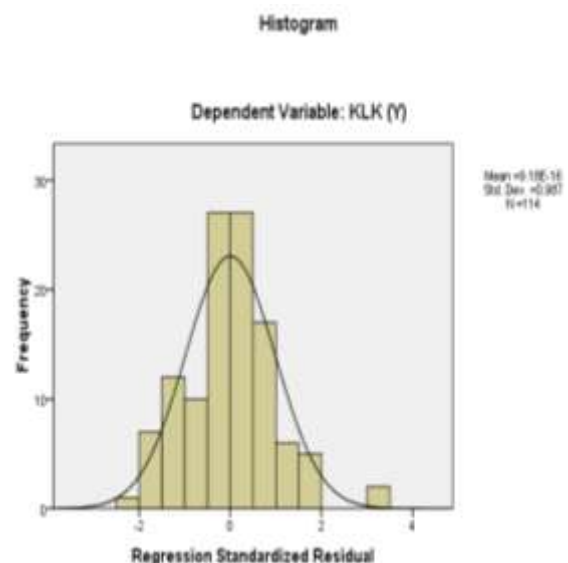


Figure 2. Histogram Normality Test

Source: Data Processed (2023)

Based on the picture above, the curve is normal, so the data is normally distributed.

2. Multicollinearity Test

Table 4. Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
X1	.804	1.243
X2	.845	1.183
X3	.826	1.210

Source: Data Processed (2023)

Table 4 shows that the VIF value of X1 is 1,243, the VIF value of X2 is 1,183, and the VIF value of X3 is 1,210 because all VIF values are < 10, so there is no multicollinearity.

3. Heteroscedasticity Test

Table 5. Heteroscedasticity Test with Glejser Test

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.959	.253		3.794	.000
X1	-.046	.053	-.091	-.880	.381
X2	-.060	.049	-.124	-1.223	.224
X3	-.038	.050	-.079	-.768	.444

a. Dependent Variable: abs_res

Source: Data Processed (2023)

Based on Table 5, it is known that the value of Sig. Glejser from X1 is $0.381 > 0.05$, Sig. The Glejser of X2 is $0.224 > 0.05$, and the value of Sig. Glejser from X3 is $0.444 > 0.05$. It is known that all values of Sig. The Glejser of each independent variable is above 0.05. So, there is no heteroscedasticity.

C. Hypothesis test

1. Coefficient of Determination (Adjusted R2)

Table 6. Coefficient of Determination

Model Summary ^a				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.641 ^a	.411	.395	.50469

Source: Data Processed (2023)

Based on Table 6, the coefficient of determination (R-Square) is 0.411. It means that the variables X1, X2, and X3 can influence Y by 41.1%, and the remaining $100\% - 41.1\% = 58.9\%$ is explained by other variables or factors.

2. Simultaneous Significance Test (F Test)

Table 7. Simultaneous Test

ANOVA ^a					
Model		Sum of Squares	Df	Mean Square	F
1	Regression	19.341	3	6.514	25.573
	Residual	28.018	110	.255	
	Total	47.359	113		

Source: Data Processed (2023)

Based on Table 7, the F value is 25.573, and the Sig. is 0.000. It means that the F value is $25.573 > F$ table 2.687 and the Sig value is

$0.000 < 0.05$, then X1, X2, and X3 simultaneously significantly affect Y.

3. Partial Significance Test (t-test)

Table 8. Partial Effect Significance Test (t-test)

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics
	B	Std. Error	Beta			
1 (Constant)	.543	.385		1.671	.098	
X1	.182	.080	.185	2.267	.025	.804
X2	.277	.074	.296	3.721	.000	.845
X3	.344	.075	.367	4.555	.000	.826

a. Dependent Variable: Y

Source: Data Processed (2023)

Based on the results of the t-test in Table 8, the results are:

1. The value of the regression coefficient of the variable applying government accounting standards (X1) is 0.182, which is positive. Applying government accounting standards (X1) positively affects the quality of financial reports (Y). The statistic t or t count from the application of government accounting standards (X1) is $2.267 > t$ table 1.98, and the value of Sig. is 0.025, i.e., < 0.05 significance level, then the application of government accounting standards (X1) has a positive and significant effect on the quality of financial statements (Y).
2. The regression coefficient value of the information technology utilization variable (X2) is 0.277, which is positive. It means that information technology (X2) positively affects the quality of financial reports (Y). The statistic t or t count from the use of information technology (X2) is $3.721 > t$ table 1.98, and the value of Sig. is 0.000, i.e., < 0.05 significance level, then the use of information technology (X2) has a positive and significant effect on the quality of financial reports (Y).
3. The regression coefficient value of the government internal control system variable (X3) is 0.344, which is positive. It means that the government's internal control system (X3) positively

affects the quality of financial reports (Y). The statistic t or t count from the government's internal control system (X3) is $4.555 > t$ table 1.98, and the value of Sig. is 0.000, i.e., < 0.05 significance level, then the government's internal control system (X3) has a positive and significant effect on the quality of financial reports (Y).

Based on the hypothesis testing performed, the form of the multiple linear regression equation is:

$$Y = 0.643 + 0.182X_1 + 0.277X_2 + 0.344X_3 + e$$

D. Moderating Test

Table 9. Moderation Testing
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.225	2.157		.104	.917
X1	1.588	.459	.617	3.458	.001
X2	-.287	.601	-.307	-.573	.568
X3	-.446	.308	-.470	-1.447	.151
Z	.128	.509	.136	.252	.803
X1Z	-.309	.100	-.1898	-3.077	.003
X2Z	.117	.109	.724	1.081	.283
X3Z	.172	.071	1.124	2.412	.018

Source: Data Processed (2023)

The following moderation equation is obtained based on the results in Table 9.

$$Y = 0.225 + 1.588X_1 - 0.287X_2 - 0.446X_3 + 0.128Z - 0.309X_1Z + 0.117X_2Z + 0.172X_3Z + e$$

The results of the moderation test in Table 9 are as follows:

1. The role of SKPD financial administration officials (Z) significantly moderates the influence of the application of government accounting standards (X1) on the quality of financial reports (Y), with a value of Sig. = $0.003 < 0.05$.
2. The role of SKPD financial administration officials (Z) does not significantly moderate the influence of information technology utilization (X2) on the quality of financial reports (Y), with a value of Sig. = $0.282 > 0.05$.

3. The role of SKPD financial administration officials (Z) significantly moderates the influence of the government's internal control system (X3) on the quality of financial reports (Y), with a value of Sig. = $0.018 < 0.05$.

CONCLUSION

Based on the discussion of research results, several conclusions can be drawn:

1. The application of government accounting standards has a positive and significant effect on the quality of financial reports
2. Utilization of information technology has a positive and significant effect on the quality of financial reports
3. The government's internal control system positively and significantly affects the quality of financial reports.
4. The role of SKPD financial administration officials significantly moderates the influence of applying government accounting standards on the quality of financial reports.
5. The role of SKPD financial administration officials does not significantly moderate the influence of information technology on the quality of financial reports.
6. The role of SKPD financial administration officials significantly moderates the influence of the government's internal control system on the quality of financial reports.

RESEARCH LIMITATIONS

This research has limitations, including the following:

1. The research object is limited to the Medan City Government, and the research respondents only consist of 3, namely the head of the SKPD, the head of the finance subdivision, and the spending treasurer
2. The distribution of questionnaires to several SKPDs still had problems filling out the questionnaires, such as a lack of concern and seriousness in

answering the questions, causing the data to be processed less than optimally.

3. Research data from respondents submitted in writing in a questionnaire will affect the research results because the respondents' perceptions do not necessarily reflect the actual situation (subjective).

RESEARCH IMPLICATIONS

Based on the research conclusions and limitations of the research described above, the implications of this research are:

1. Further research will not only apply the survey method by distributing questionnaires but also conduct interviews to avoid misperceptions and obtain more in-depth information so that the data obtained can better describe the actual situation.
2. The next researcher can increase the number of independent variables becoming phenomena affecting the quality of financial reports.
3. Future research should examine a broader scope, namely district/city governments in one province or ministries/agencies, to broaden the research results.

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